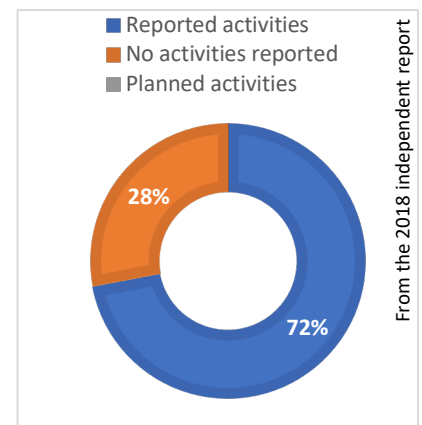


Grand Bargain Workstream 2: More support and funding tools to local and national responders

Co-conveners' summary of progress in 2017 as reported by signatories

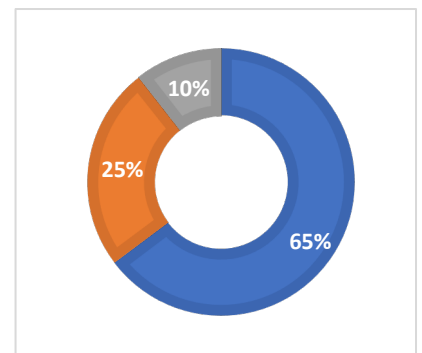
Commitment 2.1: Multi-year investments in institutional capacities:

- Sweden reported multi-year funding to 10 national actors' capacity strengthening, community mobilization and resilience projects.
- Denmark redesigned its CSO partnership approach to improve local engagements.
- UNDP supported 50 national and local governance systems and supported governments in 90 countries to strengthening the legal frameworks for disaster risk management.
- IFRC and ICRC launched a new capacity strengthening fund for National Societies, the "National Society Investment Alliance"
- Switzerland continued to invest in capacity building projects and initiatives during 2017. As a rule, 50% of Swiss Humanitarian Aid funding to local actors is devoted to capacity development and strengthening.



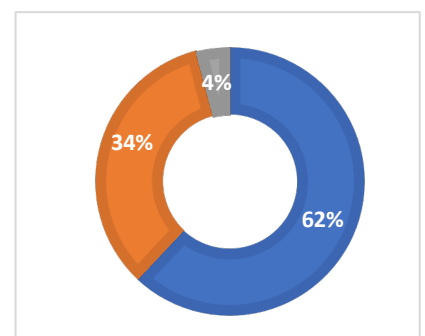
Commitment 2.2: Removing or reducing partnership barriers:

- Italy revised procedures in 2016 and moved to a direct funding relationship with 3 local NGOs in 2017.
- Germany supported the Humanitarian Quality Assurance Initiative Subsidy Fund, which supports local organizations to undertake certification against the Core Humanitarian Standard.
- Belgium amended legislation to provide direct funding to NGOs and provided 1 million euros to Start Fund.
- WFP, UNICEF and UNHCR simplified partnership processes under a new UN Partnership Portal.



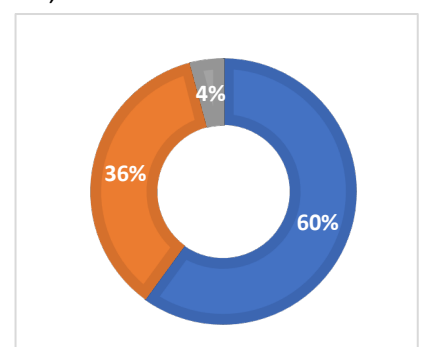
Commitment 2.3: Support for and inclusion in coordination mechanisms:

- Membership of at least one national NGO in 20 out of 26 HCTs.
- Co-leadership of over 50% of clusters by national NGOs or government partners.
- 18 CBPFs have at least one national NGO representative on their advisory boards, enabling them to participate in decisions regarding allocations
- Australia's Pacific Humanitarian Strategy supports investments in strengthening national leadership and decision-making capacity in the Pacific Island countries



Commitment 2.4: 25% funding as direct as possible by 2020:

- Over 25% of funds were allocated to local actors by Christian Aid, IFRC, UNICEF, WFP and ILO.
- Canada provided its first direct funding to a national NGO to support both displaced Rohingya and the host population in Cox's Bazaar in Bangladesh.
- NEAR is establishing two pilot national funds.
- The ACT Alliance's Rapid Response Fund has changed its rules so that only local actors are eligible.
- The SDC/SHA supports a small grants scheme for national women's NGOs. Switzerland also supports the work of OCHA FCS to update the CBPF Guidelines of 2015 to ensure GB commitments are captured and rolled out

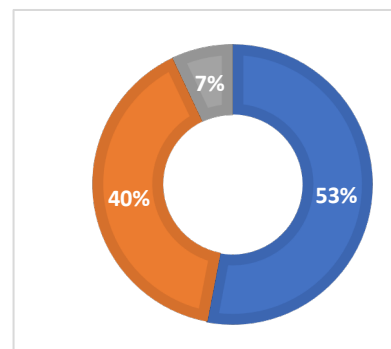


Commitment 2.5: Localization marker:

- A committee of the IASC determined that a marker was not an appropriate tool for tracking progress but supported the development of key definitions needed for measurement
- Reporting through the FTS commenced using the newly agreed definitions; seven signatories provided relatively full baseline data as requested in their self-reports.

Commitment 2.6: Greater use of funding tools:

- Germany more than tripled its contributions to OCHA-managed CBPFs from €162 million to €179 million, and Sweden increased its funding from SEK 665 in 2016 to SEK 857.
- OCHA-managed CBPFs allocated \$163.5 million (24% of the total \$647 million) to national NGOs in 2017.
- USAID/FFP provided \$116 million for localization activities, including \$110,889 distributed to single intermediary organizations



In 2017, ECHO funded two flagship projects led by IFRC (*How to go Local: Delivering on the Grand Bargain*) and Christian Aid (*Accelerating Localisation through Partnership*) with the aim of shaping the agenda and pushing for more reform within the system.

Coordination of Workstream work:

- The localization workstream, which includes focal points representing interested signatories, have been holding a regular bi-monthly call to coordinate action since September 2017. A number of local actors have been invited to be part of this group.
- The workstream organised three multi-stakeholder workshops in 2017 with local actor participation to explore what localization can and should look like, how to move forward on implementation, what it means for local actors, and to increase buy in from all stakeholders.
- A two-year workstream workplan was finalized in January 2018 focusing on four main objectives: (1) information sharing and wider engagement, (2) cooperative activities in demonstrator countries, (3) shared guidance on good practices, and (4) measurement of financing goals.
- In 2018, “demonstrator countries” have been selected (Bangladesh, Iraq, and Nigeria) and preparations are underway to conduct multi-agency mission in each of them. The workstream also discussed the findings of a rapid mapping on donor and agency policy and practice on overhead/core costs for local actors.

Obstacles identified by workstream members:

- Lack of internal systems to track how much funds went to local actors, or funding via a single intermediary.
- Risk aversion, internal rules, staffing constraints, due diligence concerns.
- Insufficient and projectized investments in capacity strengthening for local actors.
- Concern that the focus on channelling emergency funds has crowded out efforts on the other commitments

Priorities for year 3 as discussed by the workstream so far:

- Outreach and engagement
 - Stimulating targeted discussions about localization at the country and regional levels, particularly bringing in national and local authorities.
- Capacity strengthening and partnerships
 - Disseminating best practice, agreeing to key principles, follow-up on findings about core costs.
- Financing and tracking funding flows
 - Finalizing arrangements with OCHA FTS and IATI and supporting signatories to develop better tracking.
 - Promoting increased access to country based pooled funds for local actors.
 - Addressing barriers such as risk aversion, internal rules and due diligence concerns by donors.
- Cross-cutting issues
 - Increased interaction with other workstreams and focus on gender issues