



Wilton Park



Report

One year on - the Grand Bargain and localisation

Monday 5 – Wednesday 7 June 2017 | WP1543

In partnership with:



In association with:





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This Wilton Park meeting, held in partnership with the Humanitarian Leadership Academy (HLA) and the International Federation of the Red Cross and Red Crescent Societies (IFRC), and in association with the European Civil Protection and Humanitarian Aid Operations (ECHO) of the European Commission, offered a unique opportunity to share practical examples to advance localisation in specific countries and regions, including efforts to apply the Grand Bargain (GB) commitments on localisation, and explore how collaboration between international and local and national actors could be improved.

The Grand Bargain, adopted at the World Humanitarian Summit (WHS) held in Istanbul in May 2016, commits donors and international aid organisations to a wide range of actions intended to support the leadership and strengthen the capacity of local organisations for preparedness and response to humanitarian emergencies. The commitments include the provision of increased un-earmarked and multi-year funding to ensure greater predictability and continuity in humanitarian response. Specifically, the GB acknowledges a responsibility to increase investment in the capacity and leadership of local organisations and to ensure that by 2020, at least 25 percent of humanitarian funding goes, as directly as possible, to local organisations.

The Wilton Park meeting sought to:

- Bring a wide range of localisation activities and initiatives together to share and capture lessons, identify examples of good practice and ways to scale up;
- Establish areas of agreement amongst participants to bring to bear the necessary will to overcome the barriers to success;
- Strengthen connections and collaboration among key stakeholders to incentivise and scale-up implementation;
- Generate new partnerships and commitments.

The meeting brought together 70 people including representatives of local organisations in countries affected by emergencies, national governments, regional and international organisations, non-governmental organisations (NGOs), the diaspora and the private sector for two days of intensive discussions.

A preliminary summary report of the meeting was contributed to the formal ECOSOC discussions on 21st June 2017 in Geneva.

Summary

Key messages

Localisation is already happening, led in large part by the local organisations themselves, and this trend is increasing. The humanitarian sector needs to recognise and understand these changes and respond to them.

The overall aim must be to move from a short-term, project-based focus towards a longer-term approach that enables local organisations to build up capacity and meet core costs sustainably, leaving them in a better position to prepare for, and respond more effectively to, future crises.

The conference heard presentations on local leadership of humanitarian action from local NGOs in Bangladesh, Indonesia, the Philippines and Turkey. Further case studies of support for local leadership in humanitarian action were offered by international NGOs (INGOs), UN agencies and donor governments.

Participants took part in plenary sessions focussed on three key aspects of the localisation agenda – capacities, financing and collaboration/coordination.

Among the points emphasised in these discussions were:

Capacities

“Pre-investment is required to enable local organisations to move away from project funding to long-term sustainability”

Pre-investment is required to enable local organisations to move away from project funding to long-term sustainability, by building up ‘back-room’ capacity such as finance, logistics, administration and fundraising. Long-term institutional change is required, rather than short-term training workshops.

Relationships between local organisations and international partners are too often unequal, even exploitative, with minimal, if any, funding of core costs and overheads that would allow them to survive between projects, or even public recognition of their work. Concern was expressed that some INGOs have been ‘localising’ to access funds destined for local organisations, rather than supporting the growth of genuinely local initiatives.

Funding

“International funds remain difficult for local organisations to access”

A wide range of financing and funding models were presented, and participants recognised the value of this opportunity to hear what is working in other parts of the world and to establish networks to share experiences. International funds remain difficult for local organisations to access. Barriers include language, onerous forms, length of due diligence processes and cultural differences.

“National pooled funds can play a significant role a more long-term and strategic ... approach to partnerships is required”

National pooled funds can play a significant role – they spread the risk among donors, UN agencies and INGOs. International agencies need to be able to pass on overheads to their local partners. Most donors do not currently allow for adequate cost recovery. A more long-term and strategic, rather than opportunistic, approach to partnerships is required. New mechanisms and metrics need to be considered. The issue of capacity of donors and other international partners is also critical, if new relationships are to be developed.

Collaboration and coordination

The value of dialogue, working together and joint analysis to achieve collective outcomes was repeatedly emphasised. It was noted that organisations operating at the national level need to build their programmes on coordinated analysis and assessment carried out by local actors. Throughout the conference there was an emphasis on the value of collaboration between local government and civil society organisations in developing area based plans. It was acknowledged that local actors already have valuable assets that can be built upon, but these are not always recognised.

In some countries, rival organisations have come together successfully to address urgent

needs, and it was stressed that local NGOs and partners can, and should come together in a critical mass: increased collaboration leads to greater influence.

In addition to these plenary discussions, participants also contributed to four workshops, and developed initiatives which could contribute to the successful promotion of locally-led humanitarian action. The initiatives proposed are:

Investment in systems

Current barriers to the localisation of aid include: legislation and regulation; perception and trust; the range of different interests and capacities of local actors; and often, a significant information gap.

Strategies to address these issues could include: mapping of donor capabilities; investment in capacity building of, and core support for, fewer organisations rather than a piecemeal approach to many; adoption by organisations of technologies that are appropriate to their functions; encouragement of intensive group conversations between national actors and donors; and strengthening of social enterprises and domestic funding streams to support local actors.

A global facility for local action

It is proposed that there are four pillars to this facility: the development of financing tools; the building of institutional capacity; putting in place systems to address issues of risk-sharing; and expertise and knowledge brokering. The facility should link to existing organisations and networks to ensure that it is not siloed, and, in designing and implementing its programmes, should be nationally-led and managed. To support the Grand Bargain commitment, national institutions or banks could act as brokers between donors and local organisations.

Investing in and supporting coalitions of local organisations

Steps to achieve this might include: mapping (relevant local organisations come together and identify capacities, agree objectives and values); planning (elements could include creating a tool-kit, identifying timeframes, organisational leadership, long-term vision and membership criteria); and developing a communications strategy (identifying the most suitable technologies, using all relevant languages, documentation of successes, failures and lessons, the development of an advocacy strategy). Accountability can be promoted by adopting clear roles and responsibilities, as well as establishing baselines and monitoring. Investment in local coalitions may not necessarily require international finance. In-kind contributions from members of the group, the private sector, and international NGOs may be key to a sustainable model.

Working across the humanitarian/development nexus to achieve collective outcomes

There is such a diversity of contexts that a set of principles could be developed around how collective outcomes should be formulated. Conversations are required with all those involved to build one cohesive ambition, and then work to identify what type of funding is best for each element of the plan – including how national pooled funding mechanisms can be utilised. Collective responsibility is required to make this work: donors need to commit to working in a different way, and local and international NGOs to be more collaborative and coherent.

“investment in capacity building of, and core support for, fewer organisations”

“donors need to commit to working in a different way, and local and international NGOs to be more collaborative and coherent”

Introduction: the Grand Bargain and localisation

1. While some donor governments are questioning the value of their aid budgets to their taxpayers and national interests more broadly, there are also calls for more collaboration, more partnerships and greater global coherence around aid policy and practices.
2. The World Humanitarian Summit and the Grand Bargain articulated the commitment of donors and aid organisations to enhance the quality, timeliness and cost-effectiveness of humanitarian response, by adopting a new way of working, in which humanitarian and development actors work together to: achieve collective outcomes; international assistance supports rather than replaces local capacity; and national and local organisations are provided with the predictable and sustainable resources that will enable them to prepare for and respond to emergencies.
3. The Grand Bargain is however, a document written from the perspective of the donors and aid organisations based in the global north. It sets out ways in which local organisations can take leadership roles and receive funding more sustainably and directly than at present, although local organisations were not themselves involved in negotiating the text. Some of the changes required from donor governments and international organisations are already being put into effect through changes to legislation. For some, however, this will present significant challenges for governments' policies and the governance of international organisations.
4. The Grand Bargain commitments are presented in ten pillars. Of these, commitments on localisation appear in pillar 2, while the related commitments to work with affected communities are in pillar 6.

Grand Bargain Pillars

1. Greater transparency
- 2. More support and funding tools for local and national responders**
3. Increase the use and coordination of cash-based programming
4. Reduce duplication and management costs with periodic functional reviews
5. Improve joint and impartial needs assessments
- 6. A participation revolution: include people receiving aid in making the decisions which affect their lives**
7. Increase collaborative humanitarian multi-year planning and funding
8. Reduce the earmarking of donor contributions
9. Harmonise and simplify reporting requirements
10. Enhance engagement between humanitarian and development actors

Each of the pillars state: "Aid organisations and donors commit to:" The 'localisation agenda' of the Grand Bargain can be interpreted as a set of commitments by one side in the humanitarian community.

5. This Wilton Park conference sought to identify ways in which national and local organisations could use these commitments by donors and international aid organisations, to strengthen their capacity and take on leadership of planning and implementation of preparedness and response activities. The conference explored ways of helping this to happen.
6. The most tangible milestone, contained in the Grand Bargain, to be achieved as early as 2020, is the commitment by donors to channel at least 25 per cent of humanitarian funding to local and national organisations 'as directly as possible'. However, the value of this commitment is subject to different interpretations, since there is no consensus

regarding the meaning in this context of 'as directly as possible'. While this remains unresolved, it is of course impossible to say what proportion of international humanitarian aid is currently being channelled to local organisations 'as directly as possible'.

Pillar 2: More support and funding tools for local and national responders

National and local responders comprising governments, communities, Red Cross and Red Crescent National Societies and local civil society are often the first to respond to crises, remaining in the communities they serve before, after and during emergencies. We are committed to making principled humanitarian action as local as possible and as international as necessary recognising that international humanitarian actors play a vital role particularly in situations of armed conflict. We engage with local and national responders in a spirit of partnership and aim to reinforce rather than replace local and national capacities.

Aid organisations and donors commit to:

- (1) Increase and support multi-year investment in the institutional capacities of local and national responders, including preparedness, response and coordination capacities, especially in fragile contexts and where communities are vulnerable to armed conflicts, disasters, recurrent outbreaks and the effects of climate change. We should achieve this through collaboration with development partners and incorporate capacity strengthening in partnership agreements
- (2) Understand better and work to remove or reduce barriers that prevent organisations and donors from partnering with local and national responders in order to lessen their administrative burden
- (3) Support and complement national coordination mechanisms where they exist and include local and national responders in international coordination mechanisms as appropriate and in keeping with humanitarian principles
- (4) Achieve by 2020 a global, aggregated target of at least 25 per cent of humanitarian funding to local and national responders as directly as possible to improve outcomes for affected people and reduce transactional costs
- (5) Develop, with the Inter-Agency Standing Committee (IASC), and apply a 'localisation' marker to measure direct and indirect funding to local and national responders
- (6) Make greater use of funding tools which increase and improve assistance delivered by local and national responders, such as UN-led country-based pooled funds (CBPF), IFRC Disaster Relief Emergency Fund (DREF) and NGO-led and other pooled funds

What is localisation?

7. The use of the term 'localisation' has excited some controversy. It is a term coined by international organisations to describe the process to which they are committed by the Grand Bargain. It does not fully reflect the processes which national and local authorities and NGOs in crisis-affected countries wish to see implemented. However, so long as this limitation is recognised, most participants at the conference were happy to use the term.
8. 'Localisation' work was going on long before the World Humanitarian Summit, but the WHS process brought the issue to the forefront of discussions between stakeholders in international humanitarian action. Some misconceptions remain about localisation, with a lack of information generally available about how it is already playing out in some countries.
9. As presentations and discussion demonstrated 'localisation' is already happening in many contexts, including across Asia and with the Kenyan Red Cross for example,

with many local actors taking responsibility for the preparation and humanitarian response to a disaster, and the humanitarian sector needs to understand that the trend will grow as local and national actors learn from other experiences.

Capacity: assumptions versus reality

10. The international community talks much about building or strengthening capacity of local organisations but this often reflects an assumption that local organisations do not have the capacity they need and that a few training sessions administered by an international expert, in a language with which the organisation's staff are unfamiliar, will meet the need. In Haiti after the earthquake, many international staff of humanitarian organisations assumed that local organisations had no capacity. This led to unnecessary friction, duplication and under-employment of local capacity. In Jordan, there is a substantial pool of capacity and expertise and yet there are large numbers of international personnel, many of whom may have less relevant skills than the Jordanian nationals and Syrian refugees who they are sent to work with.
11. Much capacity building or capacity strengthening tends to be short-term. It takes the form of training sessions, seminars and toolkits with little follow up. This is costly and largely ineffective. What smaller national and sub-national organisations in countries vulnerable to disasters or affected by protracted emergencies are calling for is the possibility to survive and thrive between emergencies and project cycles. To do this they require access to overhead funding, in a similar way that UN agencies and INGOs can charge international donors, developing long-term partnerships with donors or international agencies, so they can invest in backroom systems such as finance, logistics and human resources that enable them to hit the ground running when a disaster strikes or a new project cycle starts. This kind of predictable and long-term resourcing would be likely to offer a wide range of benefits, including disaster risk reduction and mitigation, greater overall cost effectiveness, improved skills and employment opportunities in local communities and a reduced need for costly interventions by international actors.
12. The capacity of donors was also challenged. Many felt that donors should be doing much more to provide an enabling environment for smaller, national organisations to access funding on a more equal and sustainable footing. Most participants recognised that it would not be cost-effective for many donors to establish the capacity to deal separately with a very large number of local organisations, and that pooled funding arrangements can be a valuable mechanism for delivering resources to local organisations, while promoting harmonisation of reporting and due diligence.

Relationships between local and international organisations – the issue of competition

13. Relationships between the organisations closest to crisis-affected populations and the international organisations that provide them with funding tend to be one-sided and sub-contractual. The local organisation is in effect subsidising international organisations because little, if any, provision is made to cover the overhead costs of the local organisation. In addition, staff trained by smaller national organisations are frequently lured away to work for UN agencies or INGOs during emergencies where they receive much higher salaries. The Grand Bargain talks of creating a level playing field but specific changes will be required in most affected countries to ensure that local organisations can recover legitimate overheads and retain their best staff without putting them at a financial disadvantage. Time is needed to build up lasting and meaningful partnerships; mechanisms are required that allow for smaller amounts of money to go to more organisations as local NGOs grow.
14. Some participants expressed concern that some larger INGOs had nationalised their country offices as legal entities within the countries where they operate, in order to benefit from funding available to 'local' organisations. This practice is likely to stifle local initiative and retain ultimate control over decision-making in the hands of organisations

based outside the affected country.

15. Local NGOs, spread across a wide range of countries and continents, also have a fractured voice. In-country they may often face large INGOs and UN agencies who may appear to have little interest in changing the status quo. There are however some membership networks such as the Network for Empowered Aid Response (NEAR) and the Asian Disaster Risk and Response Network (ADRRN) that are engaged at a global or regional level advocating for greater inclusion for their nationally-based members, providing a voice on international platforms.

Funding and donor engagement with local organisations

16. The Global Humanitarian Assistance (GHA) Report 2017 states that the total amount of international humanitarian assistance in 2016 amounted to \$27.3 billion, and that local and national responders received 2 per cent of this amount directly from donors, amounting to \$445 million, based on reporting to the UN OCHA Financial Tracking Service (FTS). Of this 2 per cent the majority went to local and national governments (1.6 per cent) with 0.3 per cent going directly to local and national NGOs and 0.1 per cent to national societies of the Red Cross and Red Crescent. However, as GHA makes clear, these figures do not include funds channelled via local and national private sector organisations and do not include funding that reaches national and local organisations indirectly through UN agencies or international NGOs.
17. The GHA also highlighted the fact that the definition of 'local and national responders' is still under discussion.
18. In any event, in most countries, local organisations face considerable difficulty in accessing international funding, either directly from donors or indirectly through UN agencies or international NGOs. Issues of language, onerous forms, high barriers to entry in terms of proof of status and length of due diligence processes, cultural differences and the potentially high transaction costs for donors wishing to distribute smaller sums to smaller organisations all work against local organisations being able to gain international funding.
19. It was widely recognised that 'pooled funds' can offer practical ways for local organisations to access humanitarian funding. Several models are in operation in different countries and participants proposed new or adapted models for consideration. Participants encouraged donors and other stakeholders to explore these options further. Pooled funds, when well managed and adequately staffed, can reduce administrative overheads for individual donors, spread risks, encourage the distribution of smaller amounts to newly-established local organisations, and promote harmonisation of due diligence and reporting standards.
20. An essential precondition for a genuinely localised response is for donors and international organisations to recognise the importance of providing the local organisations that deliver programmes with adequate support for overheads. In many cases local organisations are forced to make counter-productive economies, putting at risk the success of their operations, because the donor whose plan they are executing has failed to provide them with adequate funds for essential staffing and administration.
21. Changing this practice would not only improve performance, but also allow local organisations to build up their administrative infrastructure outside periods of crisis. The relationships would become stronger, more effective and less opportunistic.
22. Donors and UN agencies should make it easier for local organisations to register and apply for quality assurance and due diligence by harmonising their systems. Currently there are many different application forms, criteria and markers in place across a wide range of donors that take detailed knowledge and time to fill out. If the system was simplified into a uniform application process, smaller organisations would be able to apply across a wider funding base.
23. A system could also be put in place that measures how far an organisation has grown

against a continuum of pre-defined and agreed criteria or indicators that demonstrates their sustainability and capacity. This would help to build up trust and provide donors with a measure as to how effective an organisation would be in a future crisis.

24. Donor capacity was also discussed. Examples were given where junior donor staff with little experience had been vested with significant responsibility for taking decisions when they were not fully equipped to do so. Participants called for a greater appreciation of the value of local contextual and cultural knowledge. The difficulty that donors face in maintaining a sufficient cadre of well-qualified staff to administer their programmes offers further support for a wider use of pooled funds.

The humanitarian – development nexus

25. At a country level, there is often little to distinguish the activities referred to by international organisations as ‘development’ from those considered to be ‘humanitarian’. The construct that separates out humanitarian from development aid was created by northern donors, with the idea that it would facilitate programming and funding of appropriate interventions. However, it is now widely recognised that this distinction is not helpful to countries vulnerable to crises or in the grip of protracted emergencies.
26. In Sudan, for example, a 5-year Sudan plan, has been developed setting out what needs to be done. It does not differentiate between humanitarian and development activities – it focuses on what is needed, rather than seeking to fit in with an externally constructed system. The local challenges are so large, covering issues that range from conflict to drought and famine, that they cannot be separated out.
27. Many participants highlighted the importance of this issue in specific countries in terms of accessing funds. For example an activity might not be viewed as sufficiently ‘humanitarian’ to access humanitarian funding, and yet be considered by development agencies too far over into the humanitarian ‘sector’ to qualify for development funding. Participants acknowledged the initiative to promote a ‘New Way of Working’, with its focus on collaboration between humanitarian and development actors in undertaking joint needs assessments and identifying collective outcomes as the agreed goals for all stakeholders. Donors and international organisations need to adjust their policies and programming frameworks to reflect this important change.

The call for change

28. There is a groundswell of political will for the localisation agenda to be realised. However, there are also perverse incentives that mean donor governments, UN agencies and international NGOs may be reluctant, in practice, to follow through on the commitments made by them, and on their behalf, in the Grand Bargain.
29. The localisation agenda requires a radical change in the way that humanitarian actors have been doing business in recent years, demanding a paradigm shift in the working methods of organisations based in the north. This paradigm shift means letting go of power and agency – something that large well-established institutions such as bilateral and multilateral donors, the UN and larger INGOs may understandably be reluctant to do, particularly in a resource-constrained world of fierce competition for funds.
30. For example, donors can help to promote the paradigm shift by creating more incentives to collaborate, rather than perpetuating the current arrangements, which encourage competition for funding.
31. Local organisations need to be encouraged and supported to hold their northern partners to account, and not to be satisfied with inequitable sub-contracting arrangements. Donors, national governments international and local organisations need to work together to ensure that salary scales reflect competence and responsibility, and not just the size and wealth of the employing organisation.
32. There is a need for transparent and robust tracking and measurement systems that will provide evidence as to how progress is being made. The systems used in this tracking

process need to be carefully calibrated to ensure that the changes being measured are real indicators of progress towards local ownership and responsibility.

33. The Grand Bargain was agreed at an international level. The international community should honour and implement its commitments to local organisations working directly with crisis affected populations. Without a significant change in mind-set, and unless new systems and processes are put in place quickly, the Grand Bargain commitments will not be effectively achieved in a manner that truly empowers local and national organisations.

Recommendations

In addition to the initiatives proposed in the summary, key recommendations emerged from the discussions.¹

These recommendations are addressed to:

- I. the Grand Bargain Workstream on Localisation. (1-3)
- II. National and local authorities, local organisations and humanitarian country teams (4-9)
- III. Donors, UN agencies and international NGOs. (10-15)

To Grand Bargain Workstream 2

1. Develop proposals for new and adapted funding mechanisms, to operate at national, regional or global levels, to support local organisations. These facilities should focus on enabling local organisations to develop sustainably, including by strengthening their administrative systems, investing in sustainable core capacity between project cycles and improving governance and performance.
2. Further explore the potential for initiatives such as a global humanitarian financing facility and/or special regional funds to promote community resilience and national pooled funds, as options for funding mechanisms to channel resources predictably and sustainably to local organisations.
3. Share the Wilton Park report and recommendations with the GB signatories via the workstream.

To national and local authorities, local organisations and humanitarian country teams

4. Encourage national dialogue in crisis-affected countries to explore options for stimulating domestic funding streams to support local organisations offering support for community resilience.
5. Further explore the idea that national banks in some countries may be ready to provide a loan facility for social enterprises or other local initiatives to support community resilience.
6. Encourage dialogue at national and local levels among local organisations wishing to join 'coalitions', to strengthen local participation in needs assessment, planning and policy development.
7. Encourage national governments, donors, UN agencies, international NGOs and local organisations to work together to develop common salary scales that reflect the required competencies and responsibilities of different posts that can be adopted by all organisations.
8. In situations of protracted crisis, encourage humanitarian country teams to work with national governments and development actors to design National Action Plans, derived from area-based planning and coordination activities, in local

¹ These recommendations emerged from the discussions as summarised by the rapporteur and may not represent the conclusions of all those who participated.

languages to enable local organisations to participate actively.

9. Encourage local organisations, taking advantage, as appropriate of their regional and global membership organisations, to hold donors and international agencies to account regarding the fulfilment of their commitments under the Grand Bargain, for example encouraging signatories to consider the routine payment of overhead costs and contributions towards core administrative services.

To donors, UN agencies and international NGOs (INGOs)

10. Adopt, as standard policy, provisions to ensure that local organisations implementing projects financed by contributions from donors, UN agencies and INGOs receive adequate overhead payments. Partnerships with these local organisations should include commitments to contribute towards their core costs, to ensure the quality of performance and the sustainability of the organisations. Implementing the promotion of local capacity as part of one of the GB localisation commitments.
11. Ensure that the development of 'collective outcomes' with relation to the UN's 'New Way of Working' take local actors' views into account.
12. Develop partnerships that support local and national organisations rather than seeking to 'nationalise' local offices in crisis-affected countries; a particular recommendation to INGOs.
13. Work together to develop and implement harmonised reporting, as agreed in the GB commitment.
14. Develop and introduce registration and quality assurance mechanisms to a uniform standard.
15. Adopt transparent ways of measuring the progress of individual local organisations towards the achievement of agreed benchmarks in managing their operations.

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Wilton Park | 27 October 2017

Wilton Park reports are intended to be brief summaries of the main points and conclusions of a conference. Reports reflect rapporteurs' accounts of the proceedings and do not necessarily reflect the views of the rapporteur. Wilton Park reports and any recommendations contained therein do not necessarily represent the views of or institutional policy for Wilton Park, the FCO or the UK government.

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Case Study: Philippine Disaster Resilience Foundation (PDRF)

The Philippines is one of the countries which is most prone to natural disasters. The PDRF, an alliance of businesses dedicated to building and coordinating disaster risk management, brings together the capabilities of the private sector to restore services to disaster affected regions as quickly as possible after a disaster. It works closely with the National Disaster Risk Reduction Management Council and government in all phases of the disaster management cycle.

The PDRF cluster system aims to provide a more robust platform for collaboration, organised into 8 clusters:

- Infrastructure
- Logistics
- Telecoms
- Water and sanitation
- Emergency supplies (food and non-food)
- Power, fuel and energy
- Finance and Insurance
- Health and emergency services / search and rescue

Their Emergency Operations Centre trains for disaster preparedness, coordination of relief and recovery during major disasters, with advanced communications software and technology that allows for monitoring of climate-related and natural hazards. It operates throughout the country on a wide range of activities ranging from awareness raising, building evacuation shelters, restoring power to disaster hit regions post-typhoons and helping entrepreneurs to rebuild their livelihoods.

Case Study: Dialogue for action on aid localisation in Somalia

A consortium comprising the Somalia NGO Consortium, Rift Valley Forum, Centre for Humanitarian Change and the Network for Empowered Aid Response (NEAR) held a workshop in May 2017 in Nairobi on action on aid localisation in Somalia, aimed at bridging the gaps that exist between the local and international actors and to create innovative solutions as to how these groups could better cooperate and form long term partnerships in the future, rather than short term contractual agreements. Many of the key findings, whilst discussed in the context of Somalia, are applicable across the localisation agenda.

Rationale for localisation

- First responders – local organisations are often first on the scene with greater understanding of the location and communities
- Understanding the context – local grassroots organisations are embedded, trusted and have local knowledge INGOs have to familiarise themselves with before acting
- Ownership – it is important that Somali organisations play a leading role representing their communities with INGOs supporting – they will be remaining there once the INGOs have left

Challenges identified by local actors

- Lack of trust
- Short term engagement
- Capacity assessments
- Lack of relevant, longer term capacity strengthening
- Representation
- Funding
- Lack of direct communication
- Lack of a common approach

Challenges identified by international actors

- Stricter accountability regulations
- Aid management
- Competition
- Fund administration

Ways forward

- *Capacity assessments* – devise one capacity assessment model to be used by all UN agencies and INGOs with a portal to provide material and feedback processes which will allow organisations to understand which areas need strengthening
- *Representation* – broader and more equal representation at decision making meetings such as cluster meetings; develop a stronger local NGO consortium and fora that can represent the unified voice of local organisations; travel subsidies to enable participation of smaller organisations
- *Funding* – creation of a nationally managed civil society fund; set targets that take account of overheads and admin costs of local NGOs
- *Long-term partnerships* – develop a mechanism and strategy that invests in long-term partnerships; form regional or thematic consortia that will allow donors to fund larger programmes for local organisations to lead.
- *Capacity strengthening* – ensure it is mutually beneficial; create indicators that demonstrate progressive capacity development in local organisations; provide a measure of quality assurance and progress towards aid localisation that will identify when organisations have sufficient capacity to manage larger resources to respond more effectively to communities' needs.

Case Study: Charter for Change

The Charter for Change (C4C) is an initiative launched at the World Humanitarian Summit in 2016 signed by 29 international NGOs which commits them to change the way they work with, and relate to, national actors. It has also been endorsed by over 130 national NGOs. The signatories made 8 commitments to be implemented by May 2018:

- Pass at least 20 per cent of their humanitarian funding to national NGOs (NNGOs)
- Publish the amount/percentage of funding passed to NNGOs
- Reaffirm principles of partnership
- Address and prevent negative impact of recruiting NNGO staff during emergencies
- Address subcontracting and ensure quality in decision making
- Emphasise the importance of national actors to donors
- Provide robust organisational support and capacity building
- Promote the role of local actors to media and the public

The collaboration works along partnership principles seeking a more strategic relationship with local and national actors in a move to break away from the current subcontracting model, preferring to focus on strong partnerships not just strong projects.

Progress to date:

- 16 organisations have reported back with between 4 – 88 per cent going to national organisations and the majority working at 20 per cent or more
- Much more explicit reference to partnerships and how much is passed on for administration costs
- Ethical recruitment policies in place within some members
- In the Philippines, a Catastrophe Fund has been established that enables local organisations to respond much quicker and with greater reach; In Haiti Christian Aid are providing a facility whereby local organisations can survive outside of a crisis
- Several members advocating with bilateral donors to support the localisation agenda
- Many members have now instigated tracking and measurement procedures to provide the evidence that change is happening

Challenges:

- Language and how to represent partners within different cultural contexts
- Larger INGOs still have the capacity to 'poach' staff from smaller national NGOs, who have often invested time, effort and money in training up their staff – a hidden subsidy for INGOs
- Differentiating between funds that go to national organisations and international organisations with locally registered offices
- Funding timeframes are not long enough to build effective partnerships in addition to implementing projects
- Risk aversion – many donors and larger NGOs are reluctant to initiate arrangements with smaller organisations they do not know, therefore there is a tendency to work with those organisations that already meet the often onerous due diligence requirements
- Significant gap between rhetoric and reality – humanitarian institutional structures are still predominantly top-down, for example the cluster system; and everyone is expected to participate in the systems originally created in the north.