

Grand Bargain Localisation Workstream Global Meeting Background Paper 23-24 October 2014, Brussels

I. Introduction

Under Workstream 2 (“More support and funding tools for local and national responders”), the Grand Bargain has established localisation as a key normative principle of humanitarian action (GB Independent Report 2019). GB signatories’ self-reports show that many of them are actively taking steps towards meeting one or more of the six localisation commitments¹. There has been a great deal of piloting of various approaches, research into best practice and barriers, as well as internal policy changes among signatories. Overall progress, however, is slow and ad hoc; a tipping point for major system change is not yet achieved.

The co-conveners (Switzerland and the International Federation of Red Cross and Red Crescent (IFRC)) are convening a global meeting to discuss progress to date, identify which barriers and opportunities are most amenable for group action to resolve/seize, and set out strategic directions for the localisation agenda to move forward. This meeting follows from a series of inter-agency missions to “demonstrator countries” ([click here for the summary outcomes](#)) in Africa, Middle East and Asia Pacific ([click here for a summary of their outcomes](#)), where good practices were shared, priority issues were identified, and planning propositions made on how to move the localisation agenda forward. This global meeting will be hosted by ECHO in Brussels.

This background paper is intended as pre-reading for participants attending the meeting. It draws on the outcomes of the regional conferences, learnings from the ‘demonstrator country’ field missions, global guidance products² and most recently published research and other evidence of good practice from Workstream members.

II. Current status of localisation commitments

The first year of the Grand Bargain implementation for Workstream 2 was largely defined by negotiations on key definitions and categories for measurement. Subsequently, the Workstream focused on information sharing (including with regard to research projects), learning from several “demonstrator countries” (Bangladesh, Iraq and Nigeria) and widening engagement and dialogue about the Grand Bargain’s localisation commitments through regional conferences (Ethiopia, Amman and Indonesia).

The GB 2019 Independent report noted that ‘signatories, both aid organisations and donors, cited ‘localisation’ as an institutional priority with many reporting substantial investments to realise the commitments’, and that ‘the workstream and its constituents made substantive progress across the board.’

¹ The full text of the Grand Bargain including the six Localization Commitments under Workstream 2 can be found in <https://interagencystandingcommittee.org/grand-bargain-hosted-iasc> and https://media.ifrc.org/grand_bargain_localization/home/

² Global guidance products are currently being developed under the WS2 workplan on capacity strengthening, financing, coordination, partnerships and gender mainstreaming.

A review of GB signatories' annual reports show that many are moving forward on localisation, including through shifts in organisational policy and strategy. There is encouraging evidence that the localisation commitments are having a tangible impact at the country level, in particular through various pilots and experiments by GB signatories and by local actors drawing on the commitments to assert their voice and call for actions from their international partners. Moreover, there has been a substantial increase in donor support for pooled funds, which have, in turn increased their overall support to local actors. The 'demonstrator country' missions³ brought together donors, UN agencies, INGOs, and local and national actors including government in a dialogue to understand what localisation means for them, to identify good practices and barriers, and draw up some actionable recommendations.

Examples of cross-cutting progress and good practice

- Humanitarian Response Plans that have localisation as an objective (IOPT and Bangladesh) or made specific reference to it (Iraq and Nigeria)
- National NGO and INGO networks initiatives on localisation (National Alliance of Humanitarian Actors in Bangladesh, NEAR Network, Charter for 4 Change, VOICE Localisation Project, Feminist Humanitarian Network, etc)
- Promoting gender equality and women's leadership (the work of Friends of Gender for example)

However, there is not yet evidence of a fundamental "system change". Direct funding to local actors has not risen substantially and, while reporting is incomplete, it appears that funding according to the agreed categories of measurement remains well below the 25% goal set out for 2020. In country and regional dialogues, local actors reported that no overall shift is observed in the way partnership arrangements are structured, with priorities often defined by donors rather than through a dialogue with local actors. Capacity strengthening, while existing, happens reportedly on a short-term basis in most cases, rather than as part of a longer-term approach. Local actors report finding themselves in the role of sub-contracting relationships instead of meaningful partnerships. Women's organisations and women-led organisations reported particular challenges in achieving recognition and support.

Commitment 2.1: Increase and support multi-year investments in the institutional capacities of local and national responders, including preparedness, response and coordination.

Progress and good practice examples

- Multi-year partnership agreements that includes capacity strengthening objectives (e.g., Sweden, IFRC, Action Aid, Germany, Belgium, and Switzerland)
- Innovative, inclusive and demand driven approaches to capacity strengthening (e.g., SHAPE Framework, Oxfam's ELNHA, CRS' PEER, Mercy Corps' Investing in Humanitarian Action, Islamic Relief's STRIDE, UN Women's LEAP, IFRC and ICRC National Society Investment Alliance)

³ Multi-agency missions were organised by the Workstream in three demonstrator countries (Bangladesh, September 2018, Iraq November 2018, and Nigeria April 2019) to sustain the political engagement and shift attention of the Grand Bargain towards field operations.

Humanitarian action and funding by nature are not geared for long-term or institutional capacitation. **Short-term humanitarian funding** available to local and national actors that are often tightly earmarked to specific deliverables does not allow for investments in organisational and administrative capabilities and staff capacity. While multi-year contributions of Grand Bargain member states to first level recipients have increased year on year (7% of total humanitarian funding in 2016, 13% in 2017 and 17% in 2018 (Development Initiatives, 2019)) this is distributed unevenly across the system and across crises⁴ and little cascades down to local and national actors or support their institutional capacity strengthening. The limited investment made in institutional capacities of local and national responders were 'received as private donations, from core funding, private foundations or institutions; traditional donors including signatories to the Grand Bargain, had not been responsive to these projects',⁵.

Beyond the funding issue, there is also a **lack of clarity around key terms and the assessment and understanding of capacities** – especially local capacities – in a crisis. “Capacity” is often seen in narrow terms, for instance a traditional organisational structure rather than including also abilities to engage local populations and contextual understanding, and as something that mostly local actors lack. While many local actors are nevertheless eager for capacity support, they have often noted that assessment methods remain very burdensome and that training is often designed in imperfect ways (such as through a one-off workshop).

Commitment 2.2: Understand better & work to remove / reduce the barriers that prevent organisations and donors from partnering with local and national responders.

Good practice examples

- New tools and frameworks for better partnerships (e.g. Charter for Change commitments, Accelerating Localisation Through Partnerships, Global Education Cluster partnership tools for country-based clusters, NEAR Localisation Measurement and Performance Framework)

While there are some good examples of long-standing partnerships, the reality of power imbalance between local and national actors and international actors' manifests in the dominant types of partnership – directive, sub-grant type, project-based and donor and recipient relationship. There continues to be competition and distrust among various humanitarian actors, including the local actors themselves, a finding in demonstrator country missions that has been echoed in the Regional Conferences.

In many conflict settings, concerns about neutrality and counter-terrorism measures affect local and national actors the most. In general, the real or perceived risks associated with financing of local actors, including operational, fiduciary and security risks, are one of the key obstacles to advancing localisation.

⁴ Between 2016 and 2018, UN agencies received the largest share of multiyear funding, 30% of the total in 2016 (US\$817 million) to 45% (US\$2,153 million) in 2018. International NGOs share of total humanitarian-related contributions increased from 17% in 2016 to 19% (US\$891 million) in 2018. Multi-year funding to the RCRC increased more than four-fold (from US\$67 million to US\$286 million), that to local and national NGOs and pooled funds were 19 and 20 times respectively higher in 2018 than in 2016. Despite these increases in volumes however, their share of the total remained relatively low (6% to RCRC; 2% to local and national NGOs; and, 1% to pooled funds). Development Initiatives, 2019

⁵ ODI HPG (2019), Grand Bargain Annual Independent Report 2019, <https://www.odi.org/sites/odi.org.uk/files/resource-documents/12734.pdf>, p.35.

A recent report by InterAction on the perception and management of risks in partnerships between international and national NGOs working in humanitarian response found that INGOs' approach to risk management exhibits a far greater emphasis on the risks of their local partners as opposed to the risks to them.' Furthermore, it points out that INGOs risk management tools and procedures for partnering are 'weighted toward mitigating fiduciary risk', while security risk management within partnerships are 'often perfunctory, involving much less discussion and cooperation'⁶

Commitment 2.3 : 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.

Progress and good practice examples

- Of 254 clusters surveyed by OCHA in 23 operations, half have national or local authorities in leadership role, and 42% of cluster members globally are national NGOs
- Global Protection Cluster Child Protection AoR Localisation in Protection project (conceptual framework and localisation checklist, capacity support to local CSOs in five countries)

The numbers noted above are encouraging. However, many local actors are faced with practical barriers for their meaningful and effective participation. These include issues such as the language and jargons being used in these meetings, with no translation available. Other obstacles, especially for small organisations, can include lack of staff and capacity to attend the numerous meetings. In a number of contexts, there is also lack of effective coordination networks among local humanitarian actors themselves, often expressed in problems of legitimacy and credibility of local representatives in coordination mechanisms.

Commitment 2.4 : Achieve by 2020 a global aggregated target of at least 25% of humanitarian funding to local and national responders as direct as possible to improve outcomes for affected people and reduce transaction costs⁷

Commitment 2.6 : Make greater use of funding tools which increase and improve assistance delivered by local and national responders

Progress and good practice examples

- Direct funding to local and national actors has increased from 2.9% in 2017 to 3.1% in 2018; broken down to 2.6% for national governments, 0.3% to national NGOs, 0.1% to RC/RC National Societies and 0.1% local NGOs (Development Initiatives, June 2019)
- Seven GB signatories in 2019 exceeded the 25 % target; OCHA at 25% and UNDP at 26%
- Policy changes to directly fund L/NNGOs (Canada); other governments restated they were already doing so (Germany, Switzerland, USA).
- The reform of the main civil society law in Ethiopia in 2019 that allows L/NNGOs much more freedom to operate and receive foreign funding.

⁶ InterAction (2019), Managing Risk in International and Local NGO Partnerships, <https://www.interaction.org/blog/managing-risk-in-international-and-local-ngo-partnerships/>, p. 3-4

⁷ On the advice of the IASC's "Localisation Marker Working Group", the Workstream elected not to pursue the development of a "localisation marker" as set out in Commitment 2.5, as this was seen as not an effective way of tracking funding flows.

The Global Humanitarian Assistance Report 2019 (Development Initiatives) noted that ‘measuring progress towards the ‘global, aggregated target of at least 25%’ remains challenging’ and ‘consistent, comparable reporting of funding through one intermediary is very limited. In 2018, only 7.9% of the total volume of flows were reported to UN OCHA FTS at this second level⁸.

Pooled funds, including the UN’s Country Based Pooled Funds (CBPF) have a proven potential for supporting localisation goals. In 2018, OCHA reported that 33% (USD\$158 million) of CBPF contributions to NGOs were channelled to local and national actors (Development Initiatives, 2019) while for 2019 monthly funding updates on the CBPF have consistently reported that 25% of the funding goes to national actors (Global Humanitarian Overview 2019, Monthly Funding updates, OCHA).

Funding to local and national actors (page 64, GHA 2019 Report, Development Initiatives)

Direct funding to local and national actors has grown by volume and proportionally since 2016 but remains a small share of total humanitarian assistance

- *International humanitarian assistance sent directly to local and national responders as a proportion of all international humanitarian assistance increased for the second consecutive year. In 2016, 2.0% (US\$433 million) was reported to FTS as having been directed to local and national responders, increasing to 2.8% (US\$552 million) in 2017 and 3.1% (US\$648 million) in 2018.*
- *Of funding flowing directly to local and national actors, national governments continued to receive the majority. The proportion of this direct funding passed to national government grew to 83% (US\$538 million) in 2018, up from 80% (US\$347 million) in 2016 and 81% (US\$448 million) in 2017.*
- *Conversely, the proportion of direct funding to local and national actors received by local and national NGOs has fallen, from 17% of direct funding in 2017 to 15% in 2018.*
- *This decrease was driven by a fall in the amount of funding that went to national NGOs, from US\$83 million in 2017 to US\$65 million in 2018*

Feedback from local and national actors during the multi-agency mission to Bangladesh, Iraq and Nigeria and repeated at the Localisation Regional Conferences was that funding they received through intermediaries (UN agencies and INGOs) are largely short-term (between 3 to 12 months) and often excludes or has limited cover for indirect/overhead costs. They also report of increasingly stringent donor requirements that they feel become even stricter down the chain. International and national counter-terror and anti-money laundering regulations are also putting increasing pressure to limit access or make it difficult for local actors to comply with donor requirements.

III. DRAFT Localisation Global Guidance Notes

One of the main deliverables in the WS2 workplan (2018-2019) is the development of guidance notes, tip sheets or similar tools drawing on relevant research findings and consultations on how best to

⁸ OCHA FTS started an internal review of existing organisations lists with the aim of aligning them towards a common classification based on the HFTT Localisation Working Group and WS2 definitions but the work remains slow due to internal capacity issues and the sheer number of organisations to review.

implement commitments. These include the following guidance notes, which will be presented at the Global Conference in Brussels and consulted with the broader workstream subsequently:

1. Best practices in humanitarian response partnerships for localisation

The basis of the guidance note is the findings of the research conducted in Myanmar, Nepal, Nigeria and South Sudan in 2018 as part of the ECHO-funded Accelerating Localisation through Partnerships programme⁹. Research respondents, representing more than 350 agencies, highlighted partnership practices which they believe are most conducive to localisation. This guidance note was further validated by humanitarian stakeholders participating in the three regional localisation conferences conducted by the Grand Bargain Localisation Workstream in 2019.

2. Humanitarian Financing for local actors

This guidance note draws on best practice identified in consultations in three regional conferences on localisation conducted in July-August 2019, as well as a research project commissioned by the IFRC with support from ECHO, consisting of a literature review and key informant interviews and country case studies in three country case studies (Colombia, Ukraine, and Ethiopia)

3. Capacity strengthening for localisation

This guidance note collates recommendations on capacity strengthening drawing from three regional conferences on localisation. It also draws on key findings from a research project carried out by the Humanitarian Policy Group of ODI between 2017 and 2019 that explored the issue of capacity and complementarity between local and international actors, including how capacity could be better understood and applied to support more collaborative responses¹⁰.

4. Guidance for Integrating GBV, gender equality and empowerment of women and girls through localisation

The purpose of these guidelines is to provide practical guidance to signatories of the Grand Bargain, and humanitarian actors, generally, on how to promote gender equality through gender-responsive actions. These guidelines follow the prioritization, ongoing discussions and evidence creation within the Localization WS, based on recommendations from the Friends of Gender Group, grey and evidence-based literature also drawing on the Grand Bargain Annual reporting process.

5. Advancing Localisation in Coordination Mechanisms

This draws on the Global Protection Cluster learning paper, *Advancing the localisation agenda in protection coordination groups*, a work carried out at the global level by the Child Protection Area of Responsibility (CP AoR) and the International Rescue Committee (IRC) and at the country level by the Protection Clusters and Sub-Clusters. Similarly, the CP AoR also conducted this piece of work on behalf of the Global Education Cluster.

6. Arrangements between donors and international intermediaries that can promote Grand Bargain localisation goals

⁹ Find out more about *Accelerating Localisation through Partnerships* here: <http://caid.org.uk/54>.

¹⁰ The project drew upon case study findings from the conflict in South Kivu and Kasai Central in the [Democratic Republic of the Congo](#) (DRC) and the Rohingya refugee crisis in [Bangladesh](#), as well as a [literature review](#).

While the Grand Bargain seeks an increase in direct funding for local actors, much of the international funding that will be available to them will continue to be channeled through an international intermediary (such as a UN agency or INGO). This guidance note will consolidate recommendations about how arrangements between donors and these intermediaries (whether in the proposal, agreement or other mutual understanding) can promote best practice in the ways that local actors are engaged, financed and listened to. The concept of the note will be presented but the draft will be circulated for comment after the Brussels Conference.

IV. Some key questions to consider ahead of the Conference:

1. What do you see as the most important lessons about localisation that have emerged since the Grand Bargain was signed? How is your agency addressing or planning to address those lessons in its own programming?
2. What are the most promising levers for change going forward towards success in achieving the Grand Bargain's localisation goals? Who should do what, and how, as a matter of priority?
3. How can we make localisation a self-propelling process, ensuring that all have a voice, a say?
4. What would success look like for us as individual GB signatories and as a Workstream in 2021?