On the road to 2020
Grand Bargain Commitment to support National and Local Responders

INTRODUCTION

Localisation, a term emerging after the World Humanitarian Summit (WHS) has become a buzz word in humanitarian discussions. A key theme in post-WHS debate, localisation is about partnership, equitable engagement in humanitarian response and recognition of the vital role played by national and local NGOs.

Given the plethora of initiatives on localisation over the last year and the large number of actors involved in discussions around localisation, this paper examines the policy shifts and funding trends related to the implementation of The Grand Bargain, concentrating specifically on **Work stream 2: More support and funding tools for local and national responders(Localisation),** presenting an overview of initiatives, and research projects, recent trends and sectoral perspectives on progress and challenges towards providing more support and funding tools for local and national responders[1].

1. LOCALISATION RELATED COMMITMENTS

There are three major sets of commitments related to localisation, agreed at the World Humanitarian Summit:

- The Grand Bargain[2] which includes a work stream on local and national responders;
- The Charter4Change[3], an initiative of 30 INGOs focusing on improving their way of working with local and national partners;
- Individual commitments[4] by donors and humanitarian organizations made at the WHS related to local and national humanitarian actors.

1.1 The Grand Bargain – Work stream on local and national responders

Arguably one of the most tangible outcomes of the WHS, with 53 signatories (22 donors, 31 organisations), the Grand Bargain contains ten work streams, all of which are focused on more effective and efficient humanitarian assistance. Signatories are expected to commit to most if not all of the Commitments. Trócaire is not a signatory to The Grand Bargain.

The leadership of every work stream is in the hands of two co-conveners, and the overall process is guided by a facilitation group[5]. The best resource on the Grand Bargain is the ICVA Guide[6].

To maintain momentum around the Grand Bargain initiative, Kristalina Georgieva, CEO of the World Bank (previously European Commissioner for International Cooperation, Humanitarian Aid & Crisis Response) serves as "eminent person" to secure high-level political engagement. One year after the Summit, signatories self-reported on commitments and an independent progress report on the GB was published.[7]

Localisation is featured prominently in the Grand Bargain. The second work stream - **_More support and funding tools for local and national responders_** – is considered by some the most important one[8] and contains six commitments (C1-C6)[9] on local and humanitarian actors, which have been categorized as relating to capacity strengthening, partnership, coordination and funding:[10]

Capacity strengthening: multi-year investment in the institutional capacities of local and national responders (C1)

Partnership: incorporate capacity strengthening in partnership agreements (C1), remove barriers that prevent organizations and donors from partnering with local and national responders (C2)

Coordination: Support and complement national coordination mechanisms, include local and national responders in international coordination mechanisms (C3)

Funding: a global, aggregated target of at least 25 per cent of humanitarian funding to local and national responders (C4), greater use of funding tools which increase and improve assistance delivered by local and national responders (C6), 'localisation' marker to measure direct and indirect funding to local and national responders (C5)

1.2 The Charter4Change

The Charter was conceived as an advocacy instrument in the run-up to the WHS in 2015 by several faith-based organizations that traditionally work with local partners. Instead of urging the external humanitarian system to change in one way or another, the signatories committed themselves to improve the way they work with their local and national partner organizations. Currently it has 30 INGO signatories, including Oxfam and CARE and Caritas Members Trócaire, CRS, CAFOD, Caritas Denmark, Caritas Norway, Cordaid[11] and more than 200 endorsers. The commitments of the charter[12] relate to:

- **Financial flows and tracking:** Commit to pass 20% of humanitarian funding to National NGOs

- **Recruitment:** Address and prevent the negative impact of recruiting NNGO staff during emergencies

- **Partnerships:** Reaffirm the Principles of Partnership

- **Advocacy:** Emphasize the importance of national actors to humanitarian donors

- **Equality:** Address subcontracting and ensure equality in decision-making

- **Capacity support:** Provide robust organizational support and capacity-building

- **Communications:** Promote the role of local actors to media and public

The Charter has been very successful with advocating for localisation, and will remain live beyond the original end date of May 2018.

According to its most recent progress report[13], 80% of the signatory organizations reported progress on their commitments, most of which focused on implementing two or three commitments. Given that many of the signatories did not focus on all of its commitments and many have only started internal processes to implement them, the 2018 deadline was perhaps too ambitious.

One crucial question for C4C INGOs is related to a business model that clearly defines their new role in a more localized humanitarian eco-system.

1.3 Agenda for Humanity – Reinforce Local Systems and Invest in Local Capacities

Besides the Grand Bargain and Charter4Change signatories, various other actors made commitments related to localisation at the WHS. OCHA summarized the nearly 4000 individual WHS commitments by donors, humanitarian organizations and networks in the Agenda for Humanity[14], which consists of five core responsibilities and 24 transformations, two of which, transformation 4A – *Reinforce Local Systems* and 5A – *Invest in Local Capacities* address localisation related issues. In total, **more than 200 academic institutions, faith-based organization, foundations, international organizations, member states and private sector entities made commitments related to these two transformations**. Progress reports on these transformations have been issued one year after the summit, according to organizations' self-reporting. These identify the **"reluctance of donors, international NGOs and UN agencies to relinquish decision-making power"[15]** as one of the main obstacles to progress and recommend "commonly agreed, global key actions or targets" to establish baselines and measure progress[16] on localisation related issues.

2. LOCALISATION – CONTROVERSIES, ACTORS, INITIATIVES AND RESEARCH

Various overview reports and meta-analysis on localisation have been published since the WHS. Local2Global[17] produced a very comprehensive literature review on the topic, Humanitarian Outcomes[18] mapped more than 47 initiatives related to Localisation in the beginning of 2017, the Global Mentoring Initiative issued an overview report on the Localisation debate[19], and ICVA is planning to release a briefing note on localisation in 2018. In addition, various actors, including Trócaire, have published research and are implementing localisation related initiatives.

So what are the current and possible future trends emerging from the various initiatives?
Since the WHS, one commitment has received a lot of attention - the commitment *to increase funding flows to local actors by 25% by 2020* and a large proportion of humanitarian stakeholders are shaping their policies and plans around this specific point.

2.1 The controversy around the 25% funding target & the Localisation Marker

An IASC (Inter-agency Standing Committee) Humanitarian Finance Task Team (HFTT) sub-working group was set up in August 2016 to develop a localisation marker that should measure the progress towards the commitment of *"a global, aggregated target of at least 25 per cent of humanitarian funding to local and national responders as directly as possible."*[20] It became clear that this target critically hinged on the definitions of "local and national responder" and "as directly as possible".

During 2017, Development Initiatives[21], documented the consultation process towards defining **'who is local?'.** The proposed definitions were presented to more than 380 survey participants from humanitarian organizations in 71 countries. 60% of the responders were from local and national NGOs/CSOs and a large majority of the responders agreed on the presented IASC HFTT localisation marker working group definitions[22].

The co-conveners of the Localisation work stream, the IFRC and the Swiss Government presented the definitions to the GB signatories to seek endorsement but no support could be secured. Consequently, the co-conveners modified the suggested definitions and sought endorsement by the signatories in June 2017.

The changes concerned affiliated NGOs and whether funding flows to local actors through one intermediary should be considered. The HFTT definitions explicitly excluded NGOs affiliated to INGOs from the local and national NGO category, while the definitions by the co-conveners were not explicitly excluding these NGOs. The co-conveners also suggested that funding flows through one intermediary should be counted towards the 25% target, which were not mentioned in the HFTT definitions paper. **The co-conveners' modification of the HFTT definitions highlighted three areas of disagreement.[23]**

These controversial areas question whether:

- …. affiliated organizations should be considered local responders?

- …. in-kind transfers should be considered funding?

- …. indirect funding outside pooled funds should be considered within the as-direct-as-possible realm?

Are affiliated organizations local responders?
Both local and international organizations are often affiliated in one way or another with other international bodies, for example, members of global alliances such as ICVA (International Council of Voluntary Agencies), the ACT Alliance[24] or Caritas Internationalis. Red Cross/ Crescent (RCRC) National Societies are part of the international RCRC movement; national members of CARE are part of the CARE International confederation.

The term affiliated, as these examples already suggest, is not a uniform category, but can be seen as a spectrum. It ranges from national offices of centrally managed INGOs to an independent local or national actor that is affiliated to an international network such as ICVA or an endorser of the Charter4Change. While a national office of a INGO is often very dependent on its HQ in terms of funding and decision making, the membership of the local actor to a network does not usually make them less independent. However, the distinction is not always easy to make, and several stakeholders presented strong views on this issue.

Many signatories of the C4C, including OXFAM and CARE, share the "strict" view that their national offices and members of the confederations should not be considered national NGOs. Other INGOs like World Vision consider some of their national offices as national NGOs. They categorize national offices according to various types, ranging from a program office which they consider an INGO, to a fully independent national office, which they would classify as a local organization [25] However, WFP for example classifies all of its World Vision partners as international NGOs, as do OCHA's Country Based Pool Funds (CBPFs).[26]

Should only direct funding be considered for the 25% target?
The GB 25% funding commitment contains the phrase "as directly as possible", which was a contested issue within the localisation marker working group. The definition paper by HFTT recommended that only direct funds and funding channelled through pooled funds should be included and count towards the 25% target. Several donors argued that funding through one intermediary (UN, INGO, RCRC) should also be included. A particularly strong view on this issue was voiced by the NEAR network and some 20 local and national endorsers from Asia, the Middle East and Africa. They argued, that only direct funding should be included and opposed

the changes made by the co-conveners.[27] **However, 25% of direct funding would entail a staggering increase from less than $100 million (2016 figures) channelled to local and national actors to over several billion dollars within a few years.[28]**

Should in-kind contributions be considered funding? Some of the major humanitarian actors often procure large quantities of food or non-food items that are subsequently handed over to local implementing partners for distribution. In the course of the debate, WFP argued that these in-kind transfers should be counted towards the 25% target.

However, counting in-kind transfers would render the 25% target meaningless, as many major UN agencies already allocated more than 25% of their expenditure to local actors prior to the Grand Bargain, if in-kind is included.[29] Their existing way of working could be interpreted as localized responses, although they entail massive in-kind transfers, small amounts of funding and little decision-making power for local actors. A survey by Development Initiatives showed that 60% of the respondents agreed that in-kind transfers should not be included in the 25% target, nonetheless **the co-conveners have allowed for reporting of in-kind transfers.**

In November 2017, the GB signatories endorsed a modified set of definitions, which are the currently accepted ones.[30] These definitions exclude affiliated NGOs, but allow to report in-kind transfers (the distinction between in-kind and cash grants is only optional) and will most likely include funding channelled through one intermediary.[31]

2.2 Positions and Trends among Donors on Localisation

While many donors are conceptually very committed to localisation, little has changed in terms of their funding allocations and policies since the WHS.

For the largest humanitarian donor, the United States, channelling more funding to local and national responders was identified as challenging at the outset of the Grand Bargain.[32] Since the WHS, the US started to provide funding to three of OCHA's pooled funds in 2016 and 2017, though this is a small percentage compared to both its overall humanitarian portfolio and other major donors. **People familiar with US as a humanitarian donor, do not expect a short-term change in US policies related**

to localisation, as the US is seen as very risk-adverse and no scale-up of its engagement with pooled funds or direct funding is to be expected soon. **Within the next year, however, the US government will establish a baseline for current levels of funding flows to local actors through international actors.[33]**

DFID has funded a number of localisation focused initiatives and projects, among them the Humanitarian Leadership Academy and projects within the **Disasters and Emergencies Preparedness Programme (DEPP) of the START Network**, that are at the end of their funding cycle in 2018. While conceptually committed to the localisation agenda, DFID's main focus since the WHS has been the GB work streams on cash and needs assessments. Localisation is seen very positively in the context of DFID's Value for Money approach. However, currently no post-DEPP strategies exist but DFID will most likely develop a strategy on localisation and preparedness in 2018. DFID's approaches will be informed by other GB donors and their existing and recently developed practices towards localisation.

ECHO has legal constraints in terms of directly funding NGOs outside of the European Union. Nonetheless it has funded the NEAR network, the southern NGO network launched at the WHS through CAFOD. ECHO supports many local organisations via direct partnerships with FPA Holders such as Trócaire. Overall, EU programmatic engagement in localisation has been very limited, it will only start a consultation process with relevant stakeholders in 2018, similar to DFID, to develop a strategy and framework on localisation. ECHO sees localisation as a long-term process for the next 10-15 years and a slow and careful start is envisaged.

Among the four largest GB donors, the **German Government** has most significantly changed their funding allocations since the WHS. Germany is now the second largest donor of country-based pooled funds, which many donors increasingly see as the primary vehicle to increase funding to local actors.
While the large GB donors (the US, UK, ECHO and Germany together allocated 70% of the total GB signatories funding) still need to formulate strategies and adopting their policies, smaller GB donors have moved more swiftly on policy changes in the context of localisation. **France** and **Canada[34]** included localisation in their new overall humanitarian policies, and others

like Italy very specifically made changes to legislation allowing for direct funding of local NGOs that have previously received funding through Italian NGOs.[35]

Denmark has gone beyond simply including the Grand Bargain commitments in strategies. Danida has included 'working with local actors and building their capacity' as one criteria of assessment for its new strategic partnership agreement with INGOs, starting in 2018.[36] While it remains to be seen to what extent this criteria will be implemented, having such a criteria in its INGO partner selection process will serve as an example for other donors in creating incentives for international actors to develop improved partnerships with local actors and increase funding flows.

Due to lack of both embassies and people on the ground in areas of humanitarian crises, **Ireland** will mainly work through intermediaries to meet their localisation related GB commitments. Ireland, as the former chair of the pooled fund working group also promotes OCHA's country based pooled funds and significantly increased its funding to the CBPFs and CERF over the last three years. It also supports OCHA's CBPF funding target, so that eventually 15% of the funding with in the humanitarian response plan should be channeled to CBPFs. Ireland, similar to Denmark, adopted a new funding policy for NGOs[37], in which it asks INGOs to describe how its "approach contributes to strengthening the localised response", as well as capacity building of partners. While Denmark "specifically assesses its application on their approach working with relevant local partners", the Irish policy is not as explicit on this issue. However, the changes in both donor countries' policies is a big step towards policy change to encourage INGOs to work more with local actors.

Examples of other donors shifting policies include **Belgium** that will allow funding to INGO-managed pooled funds and has already committed funding to the Start-Fund in 2018.[38] **Australia** recently funded a locally-led real-time evaluation of the response to the Rohingya crisis focusing on the implementation of the localisation related WHS commitments[39]. **Slovenia** requires all its humanitarian fund recipients to work with local and national partners.[40]

2.3 UN agencies

In its most recent strategic plan[41], **WFP** committed to capacity strengthening of relevant national and local NGOs and has issued a guidance note for WFP country offices on the involvement of NGO partners (both national and international) in creating country strategic plans. In terms of capacity strengthening, WFP is working on a pilot project with IFRC and the RCRC National Societies in Burundi, Dominican Republic, Pakistan and Sudan.

WFP is engaging INGOs that hold close relationships with local actors, among these INGOs are CRS and DCA. During the Grand Bargain negotiations, WFP successfully argued that the funding target, which was originally intended to be 20% should instead be 25%[42]. While the report of the high-level panel of humanitarian financing[43] commended the C4C for passing on 20% of their funding to local responders, the passage on funding allocations to local actors in the final version of the Grand Bargain agreement contains the phrase "as directly as possible". This includes, according to WFP's understanding when signing the Grand Bargain, in-kind transfers of food to implementing partners. The WFP mode of operation prior to the WHS, already included funding and in-kind transfers close to the 25% target. Successfully reaching the target is not likely to require much change in WFP engagement with local actors. However, the other commitments relating to localisation, are equally important to effectively supporting local actors.

UNICEF's post-WHS initiatives include the development of a new inter-agency (WFP, UNHCR, and UNICEF) partnership portal allowing civil society organizations to create profiles, and UN agencies to post partnership opportunities. The portal will give local actors the opportunity to introduce themselves and share self-reported organizational data with multiple UN agencies at once, thus reducing paperwork and duplicative requests for information. The portal is expected to support UN agencies in diversifying their partner portfolio, and in facilitating more transparency and openness in partner identification and selection. UNICEF also works on localisation in the context of the protection and education clusters and strengthens capacities of local actors to become more engaged in coordination on sub-national level, with pilot projects in four countries. UNICEF was already beyond the 25% GB funding target in 2016, as it allocated almost 30%

of its humanitarian funding to national humanitarian actors. This funding is directly provided to governments and national civil society organizations. Under UNICEF partnership agreements, both national and international civil society partners are entitled to receive "effective and efficient programme management" costs, a category of earmarked funding that encompasses in-country management and support staff, operational costs, and planning, monitoring, evaluation and communication costs. In addition, international NGOs are entitled to 7% for out-of-country HQ support costs, a category of unrestricted funding that does not apply to national civil society partners.[44][45]

OCHA is very involved in the global debate around localisation and its country-based pooled funds are seen by many donors as their main vehicle to increase funding to local actors. The country-based pooled funds (CBPF) have seen rapid growth over the last year, both in terms of its overall funds received by donors as well as funds channeled to local actors. **Since 2014 funding to CBPF increased by approximately $100 million every year, in 2017 CBPFs received $800 million and OCHA has the very ambitious aim to increase the total CBPF funding to over $2 billion per year (in 2017 values)** [46]

Unlike funding through some UN agencies, **NNGOs funded by CBPFs receive a 7% indirect support cost rate and have more decision-making power in the design of their projects.** Despite their popularity, country based pooled funds have been criticized, in the context of the Syria crisis and the "slowness of the [CBPF] processes" has been identified as a main obstacle by NGOs.[47] Also in the global context, the effectiveness and efficiency of OCHA's funding disbursement have been identified as needing improvement.[48] In terms of information on overhead costs, publicly available data is lacking. However, existing data indicates an overhead and administration fee of approximately 4.2%[49] for CBPFs in Afghanistan, Somali, DRC, CAR, Sudan and South Sudan.[50] This percentage is used to manage the fund in country and administration of donors headquarter costs related to the funds remains unclear.
Besides the pooled funds, OCHA is also working on localisation in the context of coordination, aiming to give local actors a more prominent role and increase the engagement of local actors in the humanitarian country teams.[51] Several of OCHA's Humanitarian Response

Plans for 2018 prominently feature localisation, including the response plans for South Sudan[52], Somalia[53] and OPt[54].

2.4 International NGOs
Several C4C signatory INGOs with other international partners, most prominently the **Start Network**, have launched research projects and initiatives addressing localisation- related issues. This group of INGOs, are probably among the most influential movers of the localisation debate due their large number of initiatives.

While other big INGOs have signed the Grand Bargain, their reporting[55] on and involvement in localisation discussions is very limited, though few are openly opposed to the localisation agenda. At the end of 2016, MSF (not a GB signatory) issued a report[56] expressing their concerns about localisation and criticizing the "political correctness with which a range of NGOs and others have promoted this agenda" and also the inherent link between long term development and localisation. Similar to the ICRC, MSF identifies challenges for local actors when working in armed conflict settings, a view shared by NRC[57]. However, most of the large INGOs that self-implement are less vocal about any concerns they may have about the localisation agenda.

A number of relevant research initiatives are presented below, many of which are (co-)led by C4C signatories.

Shifting the Power – Start Network[58] a consortium of 6 INGOs (Action Aid, Concern and four C4C signatories) focusing on five countries and 55 local organizations, committed to capacity strengthening of local actors; building and strengthening national humanitarian platforms; and ensuring that the INGOs live up to their localisation related commitments. The project lasted from 2015-2017 and currently a final evaluation is being conducted[59]. During the project, misalignments between INGOs' HQs and field office commitments to localisation became apparent[60], and different perceptions of partnership between local actor and INGOs.

Missed Opportunities is a research consortium of ActionAid and C4C signatories CAFOD, Oxfam, Christian Aid Tearfund, and most recently also CARE. Started in 2012, it is arguably one of the longest-running

research collaborations on localisation related topics and has published various reports on major humanitarian crises including South Sudan, the 2015 earthquake in Nepal and Typhoon Haiyan in the Philippines. For the humanitarian response in Nepal, the consortium identified the lack of capacity strengthening on an organizational level and the absence of harmonized partnership policies among INGOs, as some of the major issues for local actors when working with internationals.[61] In the context of the Typhoon Haiyan response, the research identified the need of an "enabling environment for partnership", the importance of local surge capacity and emphasized the need to focus on preparedness of local actors.[62]

Supporting Locally-Led Responses (SLR) is a set of pilot projects managed by Local2Global[63] in the Philippines, Myanmar, Palestine, Kenya and Sudan. The SLR approach is based on the understanding that crisis-affected communities are in most cases the first responders to crises. Instead of treating them as victims in need of external help, the SLR approach focuses on supporting already ongoing initiatives and action by local communities and maximizing their potential. **This support can entail several possible components, among them community micro-grants, demand-led skills training, support for advocacy, fund-raising as well as local coordination services.**

Start Fund – Global/Bangladesh[64] The Start Network, a C4C endorser, operates the Start Fund, a pooled funding vehicle for INGOs, which on a global scale disbursed $10 million in 2016, less than 2% of OCHAs overall funding for its country-based pooled funds. Of the recipient INGOs, 68% implemented programs through local partners. In 2017, a national version of the Start Fund was established in Bangladesh,[65] operated by INGOs currently but aiming to be a nationally owned fund.

The **Financial Enablers** project by the Start Network[66] focuses on capacity strengthening of national actors in the Philippines, allowing partnerships of national civil society actors, NNGOs, academic institutions and the private sector to apply for funding for capacity strengthening measures according to their own design and needs. **Delivered by a consortium of C4C organizations, Oxfam, Tearfund, and Christian Aid, this project constitutes another example of**

demand driven capacity-building, unlike traditional approaches where INGOs often make the decisions on behalf of local actors.

2.5 The Red Cross/Crescent Movement

IFRC, co-convener of the localisation work stream, has extensive experience in working with national societies and with many faith-based organizations, an early mover on the localisation debate before the WHS. **One concrete localisation-related initiative is the National Society Investment Alliance[67], which is a joint project between IFRC and ICRC and focuses on sustainable capacity-strengthening and organizational development of National Societies with a commitment of multi-year financing for these activities (directly addressing the second GB Localisation commitment).[68]**

The ICRC emphasizes the importance of localisation in natural disasters and development contexts, but has reservations concerning local humanitarian actors in crisis contexts, their capacity and adherence to humanitarian principles, as local actors may be "too politically biased, corrupt, restricted or intimidated to respond impartially"[69].

2.6 Local Actors – National NGO Networks

While in the regional consultations preceding the WHS, local actors were strongly involved in the discussions, their involvement generally decreased after the WHS. Initially, many of the meetings related to localisation and the GB were almost exclusively among international actors. However, there is an increasing awareness of the importance of including local actors in localisation discussions.

National NGO networks

Besides increased local participation in global meetings, local actors are also very active at country level. In several countries the Localisation debate is increasingly localized with the engagement of several national networks including Bangladesh,[70] Ethiopia,[71] the Philippines[72] and Somalia[73] some of which are supported by **Shifting the Power** and the **Humanitarian Leadership Academy[74]**. The success of localisation is context specific and the strength, visibility and influence of local actors varies from country to country. The **National Humanitarian Network in Pakistan**, is a strong national network

with 180 members that has developed a localisation-related Charter of Commitment signed by several INGOs. It currently advocates for a localisation related country strategy, including a localisation marker, which should be included in every project proposal.[75] The Somalia NGO Consortium has successfully progressed discussions on localisation, promoting dialogue between national and international NGOs, government officials and departments, UN representatives and the donor community, producing a series of policy papers and supporting advocacy trainings with national NGOs.

NEAR Network
The Network for Empowered Aid Response (NEAR), is the first global national humanitarian NGO network, which was launched at WHS 2016, with currently some 40 local and national NGO members in Africa and Asia. It has been involved in various policy forums at a global level, where it has argued for a stricter set of definitions of local actors and funding modalities that should count towards the 25% GB target. Since the peak of the discussions in the summer 2017, NEAR's advocacy focus has shifted from arguing to channel the 25% of funding in a direct way to local actors, it now focuses more on overheads and core costs.[76]

2.7 International Networks – Think Tanks – Others

Other important actors in the localisation debate include the **Humanitarian Policy Group** of the **Overseas Development Institute** in London, **Groupe URD** which has been involved in research and several publications on the topic, as well as the **Organisation for Economic Co-operation and Development** (OECD), since most of the Grand Bargain signatories are also DAC (Development Assistance Committee) members.

ODI currently conducts several localisation related research projects. In fact, its research program from 2017-2019 focuses on understanding local response to crises[77] and includes research projects on capacity building and complementarity, non-state actors in protecting civilians as well as a project on non-traditional ways of aid financing. Overall the think tank is a strong voice for reforming the sector, for example in its 2016 flagship publication "Time to Let Go"[78], ODI argued for a shift of power and control from international to local and national responders.
OECD has engaged with donors on how to move localisation-related commitments forward and issued a policy brief for its members on localisation,[79] highlighting the importance of pooled funds and

recommending coherence and complementarity between donors' development and humanitarian activities. **OECD also funds research by Ground Truth Solutions on local actors' perception of their international partner organizations.[80]**

The **Humanitarian Leadership Academy[81]** is another important actor in the debates around localisation. Funded by Norway and the UK among others, it focuses on crises response and preparedness training of individuals and organizations. Among its localisation related activities is a fund to strengthen local learning networks, currently in Malawi and Pakistan and capacity-strengthening initiatives in Kenya and Philippines,[82] as well as co-hosting relevant conferences.[83] Together with the British Red Cross it recently published a series of case studies on local humanitarian action,[84] in various contexts in Bangladesh, Botswana, DRC, India, Indonesia, Jordan, Myanmar, Philippines and Somalia.

3. TRENDS IN THE LOCALISATION DEBATE

In summarizing the ongoing initiatives and positions of various stakeholders, several trends in the global debate on localisation can be identified:

- The discussion is moving away from targets and definitions;

- Local actors and networks play an increasingly important role;

- Donors and international actors are increasingly including localisation related topics in their polices;

- There is growing movement to measure progress towards the GB Commitments with more indicators.

The debate is moving away from the 25% target and definitional questions
Post WHS, localisation debates focused on questions around funding transfers, definitions and power. Discussions are now moving towards more practical considerations, focusing more on how localisation can be implemented operationally. While the departure from questions around definitions of local actors is understandable, the 25% target, however, should not be neglected. It is a very concrete goal (and the only quantitative target in the GB) which can keep the momentum of the localisation debate going

In terms of concrete large-scale models, OCHA-managed pooled funding mechanisms are in a uniquely strategic position, demonstrating one model of localized humanitarian action, unlike any other actor. **Given their track record of constantly increasing funding flows to local actors, as well as their absorption capacity, their aim of more than doubling the size of the fund from $800 million to more than $2billion seems feasible.** Many INGOs, while very successful in advocating for more localised responses and having worked with local and national partners since decades, have yet to successfully promote work-able models for how localisation can be done in practice on a large scale.

Local and national actors, including national networks increasingly take a leading role in the localisation debate and bring it to a national level

Increasingly discussions and debates on localisation have been led and influenced by local actors themselves and some national NGO networks, such as the Somalia National NGO forum have been formed. These national forums have developed definitions of what localisation means in their specific context and developed strategies to influence the humanitarian system in their countries to make it more localized.

Donor and international actors start to include localisation related commitments into their policies

Some donors, among them France and Canada, have already included localisation in their humanitarian strategies, Denmark went even further and made working with local and national actors and strengthening their capacities an assessment criteria for their INGO partnership agreements. At least three humanitarian response plans for 2018 (South Sudan, Somalia and oPt), acknowledged the importance of local actors and included localisation as one of their priorities. In Ireland, the Oireachtas Parliamentary Joint Committee for Foreign Affairs and Trade included the localisation commitment[85] in recommendations to the Irish Government for the new White Paper on Development[86].

This trend is likely to increase in 2018, with DFID and ECHO planning to develop strategies related to localisation. Recent humanitarian responses (see for example 'When the rubber hits the road; Leadership in the first 100 days of the Rohingya Crisis Response'[87]) have highlighted disparities between some INGO HQs' localisation commitments and country offices' actions,

which indicate the need for clear internal policies on localisation. Efforts by INGOs can serve as examples for putting commitments into internal policy, and methods to measure progress.[88] For example, Oxfam developed change plans and progress indicators for each Charter4Change commitment[89], and CARE developed agency-wide baselines on localisation. Trócaire's updated partnership policy will include commitments and recommendations related to localisation.

An increased number of actors acknowledge the need for additional indicators

There is a growing consensus that only measuring funding flows is not sufficient to evaluate progress on "softer" topics around localisation, such as the quality of partnership, the type of funding and support including indirect costs. Several participants at a recent IFRC-hosted workshop on localisation expressed the need to measure progress on various dimensions of localisation.[90] One framework developed by GMI for the Start Network identifies seven dimensions of Localisation[91] - funding, coordination, partnership and capacity, policy influence, visibility of local actors, and inclusion of affected communities. Additional initiatives that allow for measuring progress are the OECD commissioned research by Ground Truth Solutions on local actors' perspectives on their international partners.[92] Started in 2007, it will be extended in 2018 and can develop into a longitudinal snapshot on progress on localisation related issues as perceived by local actors.

4. OPEN QUESTIONS

Within the varied discussions on localisation, there remain a series of open questions on how to move from the GB commitments to a reality of more localized humanitarian responses.

Can local actors deliver a principled humanitarian response?

One of the repeated questions on localisation concerns principled humanitarian action. A recent report (January 2018) by ODI's Humanitarian Policy Group show a more nuanced view on these issues based on case studies in Syria and Ukraine, indicating that not one single type of actor is privileged when it comes to challenges with upholding humanitarian principles.[93] Trócaire's recent work with Groupe URD,[94] also highlights that adhering to humanitarian principles can be a challenge to both

international and local actors. Instead of looking at neutrality and impartiality of single actors, the study suggests that the collective action of all actors on a country or crisis level adheres to these principles.

What are the economic incentives and deterrents relevant to localisation?

What is the future business model of international actors? Will the role of INGOs become less about decision-making and implementation and more about facilitating, supporting and consulting? These questions need further research.

Currently there is very little engagement by finance staff of the GB signatories in the global debates on localisation, which is an issue that has also been raised in a recent overview study on overhead costs commissioned by the IFRC.[95] **In an eco-system where 75% of the funding comes from government donors, economic incentives set by donors are arguably one of the most effective ways to change behavior among humanitarian actors.** Denmark's change of assessment criteria of its partnering INGOs is one way to influences models. Overall, there is a lack of understanding of the financial considerations that drive international humanitarian actors to work with partners or to self-implement. Further investigation is required to better understand the incentives and deterrents related to partnership with local actors, the choices available and the collective commitment to greater localisation.

How can local capacity be strengthened in a sustainable way?

The question on how to strengthen local capacity in a sustainable way raises additional questions:

- **What kind of capacity strengthening is most impactful?**

- **How can women in humanitarian leadership roles in national NGOs be supported and encouraged?**

- **How is it feasible for an NGO to run on grants alone, and still retain highly skilled staff?**

- **How will multi-year funding address the solvency of NGOs that cannot depend on fundraising or access un-earmarked funding?**

- **How can local capacity be sustained, given threats such as short-term funding, staff turnover or deliberate poaching of staff by international actors?**

These questions have not been answered within existing research projects and it remains an open question how to even measure the impact of capacity strengthening interventions. One recent trend is *capacity strengthening* where the local actors identify for themselves areas in which they want to build their capacity, an approach which has been piloted by DFID. However, it remains to be seen if these new approaches are more sustainable or financially viable than previous ones. Ongoing research and work by ODI and the Humanitarian Leadership Academy might provide some answers to these questions.

How to overcome fiduciary concerns of donors?

A concern often raised in the context of increased direct funding of local actors is related to accountability and adherence to strict due diligence processes of donors. Surprisingly, given the amounts involved if the commitment is reached by 2020[96] very little concrete discussion has happened on this topic. Instead, there is greater attention on the need to reduce the reporting burden for smaller grant holders. The progress achieved in another GB work-stream – *Harmonise and simplify reporting requirements* that developed a common reporting template for GB donors can potentially serve as a template for similar progress to reduce the reporting burden for local and national actors. Much deeper analysis is needed on risk, mutual and collective accountability and shared responsibility to strengthen financial management systems, and monitoring and evaluation capacities of donors.

ENDNOTES

1 https://interagencystandingcommittee.org/more-support-and-funding-tools-local-and-national-responders

2 https://interagencystandingcommittee.org/grand-bargain-hosted-iasc

3 https://charter4change.org/

4 https://agendaforhumanity.org/explore-commitments/report-search

5 The members of the facilitation group are: ECHO, IFRC, OCHA, SCHR, Switzerland, UN Women and WFP.

6 https://www.icvanetwork.org/resources/grand-bargain-explained-icva-briefing-paper-march-2017

7 https://reliefweb.int/sites/reliefweb.int/files/resources/nn_-_grand_bargain_report_final.pdf

8   https://www.icvanetwork.org/system/files/versions/Grand_Bargain_Explained_ICVAbriefingpaper.pdf
Note that the terminology "national first responders" is also used in the debate, for example in the High-Level Panel on Humanitarian Financing Report to the Secretary-General https://interagencystandingcommittee.org/system/files/hlp_report_too_important_to_failgcoaddressing_the_humanitarian_financing_gap.pdf

9   https://interagencystandingcommittee.org/system/files/grand_bargain_final_22_may_final-2_0.pdf

10   http://www.urd.org/IMG/pdf/HEM19_EN_WEB_.pdf

11   https://charter4change.org/signatories/

12   https://charter4change.files.wordpress.com/2016/02/charter-for-change-july-20152.pdf

13   Ibid

14   https://www.agendaforhumanity.org/

15   https://www.alnap.org/system/files/content/resource/files/main/ap-5a-0.pdf

16   https://www.agendaforhumanity.org/sites/default/files/resources/2017/Aug/AP_4A_0_0.pdf

17   www.local2global.info/wp-content/uploads/L2GP_SDC_Lit_Review_LocallyLed_June_2

18   https://www.icvanetwork.org/resources/rapid-mapping-localisation-initiatives

19   https://static1.squarespace.com/static/58256bc615d5db852592fe40/t/596bbb9e37c5813ffa04be86/1500232669089/GMI+-+UNDERSTANDING+THE+LOCALISATION+DEBATE%5B1%5D.pdf

20   https://interagencystandingcommittee.org/system/files/grand_bargain_final_22_may_final-2_0.pdf

21   http://devinit.org/

22   Development Initiatives- Tracking humanitarian funding to local and national actors - Summary of online survey results – March 2017

23   See for example: https://www.devex.com/news/sponsored/dispute-over-grand-bargain-localization-commitments-boils-over-90603

24   http://actalliance.org/about/

25   Interview with Julian Srodecki: What does "localization" of humanitarian aid mean in practice? I Professionals in Humanitarian Assistance and Protection (PHAP) https://phap.org/thematic-notes/2017/07/interview-julian-srodecki-what-does-localization-humanitarian-aid-mean

26   UNHCR on the other hand classifies some of World Vison member as national NGOs. IRC is classified as INGO by both OCHA and WFP.

27   http://near.ngo/imgtemp/downloadfile/Open%20Letter%20on%20Localization%20Working%20Group%20Definitions_20%20June%202017%20_1498019781.pdf

28   https://www.local2global.info/wp-content/uploads/L2GP_GrandBargainSignatories_commitment_full_Report_FINAL.pdf

29   https://www.local2global.info/wp-content/uploads/in_kind_vs_funding_28_11_2016.pdf

30   https://interagencystandingcommittee.org/system/files/categories_for_tracking_direct_as_possible_funding_to_local_and_national_actors_003.pdf

31   While the agreed definitions postpone a decision as what should count towards "as directly as possible", it seems very unlikely that funding through one intermediary will be excluded, given the significance of that channel

32   https://interagencystandingcommittee.org/system/files/final_-_summary_note_5th_grand_bargain_28_june_2016_ny.pdf

33   https://interagencystandingcommittee.org/system/files/united_states_of_america_-_self-report.pdf

34   http://international.gc.ca/gac-amc/publications/plans/dp-pm/dp-pm_1718.aspx?lang=eng

35   https://interagencystandingcommittee.org/system/files/italy_-_self-report_0.pdf

36   "Applicants [...] will specifically be assessed on their approach to working with and capacity building of communities, national and local organisations, local authorities and/or other relevant civil society actors aimed at building local capacity to better prepare for and respond to crises, in particular in favour of vulnerable, poor and marginalised groups." p15/16 http://um.dk/~/media/UM/Danish-site/Documents/Danida/Information%20Note%2029-03-2017.pdf?la=da

37   https://www.irishaid.ie/media/irishaid/allwebsitemedia/30whatwedo/HPP-2017--18-Guidelines-Final.pdf

38   https://reliefweb.int/report/world/belgium-allocates-1-million-euro-start-fund-innovative-ngo-fund-faster-humanitarian

39   http://www.cxb-cso-ngo.org/wp-content/uploads/2018/01/When-the-Rubber-Hits-the-Road-Localisation-Final-Electronic-1.pdf

40   However, Slovenia is one of the smallest donors among Grand Bargain signatories.

41   https://docs.wfp.org/api/documents/WFP-0000019573/download/

42   https://interagencystandingcommittee.org/system/files/wfp_-_self_report.pdf

43   https://reliefweb.int/sites/reliefweb.int/files/resources/%5BHLP%20Report%5D%20Too%20important%20to%20fail%E2%80%94addressing%20the%20humanitarian%20financing%20gap.pdf

44   Note that other UN entities like WFP, UNFPA and OCHA's CBPF allow 7% overheads to local partners. Both WFP and CBPFs pay 7%, the rate for UNFPA ranges between 0 and 12%. UNHCR, like UNICEF only pays 7% unrestricted funding for INGOs. See https://www.icvanetwork.org/system/files/versions/UN%20Partnership%20Agreement%20Review%201%20June%202015.web.pdf

45   See NEAR endnote 28, More than Money: Localisation in Practice https://www.trocaire.org/sites/default/files/resources/policy/more-than-the-money-full-report.pdf

46   "15% of HRP requirements to be allocated to CBPF https://www.alnap.org/system/files/content/resource/files/main/ap-5a0.pdf

47   https://www.icvanetwork.org/system/files/versions/Review%20of%20NGO%20experiences%20with%20Syria-related%20pooled%20funds_web.pdf

48   https://www.scribd.com/document/336603381/2016-OCHA-Functional-Review

49   The 4.2% include costs for grant management (3.2 % by OCHA) as well as the fund administration (1% by the UNDP hosted multipartner trust fund office)

50   Based on data from UNDP's Multi-Partner Trust Fund Office's website http://mptf.undp.org/

51 Workshop Report: More support and funding tools for local and national responders Workshop Report

52 https://reliefweb.int/sites/reliefweb.int/files/resources/2017_hrp_draft5_20_12_2017_v2.pdf

53 https://reliefweb.int/sites/reliefweb.int/files/resources/2018_somalia_hrp_final_draft_18122017_0.pdf

54 https://reliefweb.int/sites/reliefweb.int/files/resources/SS_2018_HumanitarianResponsePlan.pdf

55 For example, GB signatories NRC and Mercy Corps reporting on localization in their GB self-reporting was empty

56 https://arhp.msf.es/sites/default/files/MSF_EGS03_The%20challenges%20of%20localised%20humanitarian%20aid%20in%20armed%20conflict_november%202016_0_0.pdf

57 Ibid

58 https://startnetwork.org/start-engage/shifting-the-power

59 The evaluation should be completed by the beginning of March 2018. https://startnetwork.app.box.com/s/h9mrkm0tilobmy6j90bk0vrvsd0xwcqo

60 According to stakeholders interviewed by the author of this report. See also a report by Christian Aid, "whilst Christian Aid's leadership in London believes in C4C, it is hard to guarantee that all CA country offices will energetically adhere to all 8 commitments." https://reliefweb.int/sites/reliefweb.int/files/resources/rhetoric%20versus%20reality.pdf

61 https://reliefweb.int/sites/reliefweb.int/files/resources/2016-Opportunity-Knocks-FULL%20report.pdf

62 https://reliefweb.int/sites/reliefweb.int/files/resources/2016-Opportunity-Knocks-FULL%20report.pdf

63 https://www.local2global.info/

64 https://startnetwork.org/start-fund

65 https://startnetwork.org/start-fund/national-funds

66 https://startnetwork.org/start-engage/financial-enablers

67 http://media.ifrc.org/ifrc/wp-content/uploads/sites/5/2017/12/NSIA-Description.pdf

68 See also https://www.wiltonpark.org.uk/event/wp1543/

69 http://blogs.icrc.org/law-and-policy/2018/01/19/the-international-committee-of-the-red-cross-and-the-localization-of-aid-striving-toward-meaningful-complementarity/

70 https://reliefweb.int/report/bangladesh/nahab-milestone-towards-localization-bangladesh and http://www.cxb-cso-ngo.org/

71 https://reliefweb.int/sites/reliefweb.int/files/resources/StP_CCRDA_Forum.pdf

72 https://startnetwork.org/news-and-blogs/future-humanitarian-surge-locally-led-response

73 http://near.ngo/imgtemp/downloadfile/NEAR%20Network%20Somalia%20%20Policy%20Brief%20_1513575316.pdf

74 http://www.humanitarianleadershipacademy.org/partnerships/

75 http://nhnpakistan.org/

76 http://near.ngo/home/detailview?id=53

77 https://www.odi.org/projects/2870-hpg-integrated-programme-2017-19-ground-understanding-local-response-crises

78 https://www.odi.org/hpg/remake-aid/

79 http://www.oecd.org/development/humanitarian-donors/docs/Localisingtheresponse.pdf

80 http://groundtruthsolutions.org/our-work/by-project/projects-with-the-oecd/

81 http://humanitarianleadershipacademy.org/wp-content/uploads/2016/12/HLA-4-Page-Map-Amend-Low-Res.pdf

82 https://www.agendaforhumanity.org/annual-report/5739

83 Among them http://humanitarianforum.org/whaf/ https://www.wiltonpark.org.uk/event/wp1543/

84 https://reliefweb.int/sites/reliefweb.int/files/resources/Academy-Red-Cross-Case-Studies-Final-Med-Res-Spreads.pdf

85 'Ireland's commitment to channeling 25% of humanitarian aid through local actors by 2020 is particularly important in this regard and would allow greater flexibility and quicker responses in emergency contexts'.

86 https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/joint_committee_on_foreign_affairs_and_trade_and_defence/reports/2018/2018-02-22_report-review-of-the-irish-aid-programme_en.pdf

87 http://humanitarianadvisorygroup.org/wp-content/uploads/2017/12/When-the-Rubber-Hits-the-Road-Localisation-Final-Electronic.pdf

88 https://www.agendaforhumanity.org/user/export-annual-report/5382

89 https://www.agendaforhumanity.org/user/export-annual-report/6138

90 Summary Report Grand Bargain Workstream on Local and National Responders Workshop to Support Coordinated Localization Research 30 November 2017, Geneva https://interagencystandingcommittee.org/system/files/f_-_localization_research_workshop_report_final_2.pdf

91 https://startnetwork.org/news-and-blogs/start-network-launches-new-framework-localisation

92 http://groundtruthsolutions.org/our-work/by-project/projects-with-the-oecd/

93 https://www.odi.org/sites/odi.org.uk/files/resource-documents/11981.pdf

94 https://www.trocaire.org/sites/default/files/resources/policy/more-than-the-money-full-report.pdf

95 IFRC: Provision and Conditions of Core/Overhead/Indirect Costs for Local/National Humanitarian Actors

96 See endnote 29