

Grand Bargain Localisation Workstream Global Meeting – Outcome Report

23-24 October 2019, Brussels

1. Introduction

On 23-25 October 2019, the Grand Bargain (GB) Localisation Workstream organised a “global meeting” in Brussels. Hosted by the Directorate-General for European Civil Protection and Humanitarian Aid Operation (ECHO) and organised by Workstream co-conveners the Swiss Agency for Development and Cooperation (SDC) and the International Federation of Red Cross and Red Crescent Societies (IFRC) with significant logistical support from Christian Aid, the meeting gathered over 80 participants from different constituencies, including local and national actors (hereinafter referred to by the shorthand “local actors”), donors, international NGOs (INGOs) and United Nations (UN) agencies.

The meeting was intended to take stock of progress, including insights from the Workstream’s regional conferences on localisation held in Addis Ababa, Amman and Jakarta as well as its inter-agency missions to “demonstrator countries” Bangladesh, Iraq and Nigeria, and to identify ways for the localisation agenda to move forward.

2. Taking Stock¹

It was acknowledged that the Localisation Workstream has come a long way in pushing the localisation agenda forward and has taken concrete steps to help deliver the Grand Bargain localisation commitments since the World Humanitarian Summit in May 2016. Progress has been described around ‘growing normative shift towards more support and funding for local and national responders’, ‘moving from dialogue on definitions to actioning the commitments’, and ‘facilitating sharing lessons and experiences on implementing a localisation approach.’ (More details are available in Annex 1). Much remains to be done, however, for system-wide change to happen. The localisation agenda is yet to move from rhetoric to action, from policy to operations and to build on (more) evidence on how localisation delivers principled humanitarian aid that is better and stronger.

As the Workstream takes stock of its progress and learnings and discuss the future, key elements to be considered must include the need for a holistic view i.e., beyond humanitarian aid and into synergies with development and peacebuilding; a transformative shift where local and national actors agree on ways how to better collaborate, respect and build on one another’s strengths; and a solid understanding of the specificities of each context. The role of host governments also needs to be better thought-through in a nuanced way. Finally, as emphasized by the Workstream co-sherpas, better and more meaningful results to carry on making the case for localisation throughout the Grand Bargain will be useful in navigating the complex political economy where the localisation agenda operates.

The missions and regional workshops also pointed to widespread consensus on the value of strategic and long-term capacity strengthening support, and on building this from local actors’ knowledge and understanding of the their own needs. Yet, in practice, capacity is still often addressed only in narrow terms of fiduciary due diligence and capacity strengthening efforts are frequently ad hoc and short-term.

There is encouraging progress in representation of local actors in HCTs and coordinating bodies, but further improvement can be made around language, terminologies/jargon, leadership and quality of representation at different levels. Local actors consistently identify pooled funding as

¹ Summaries of some of the good practices explored in networking sessions are included in Annex 1.

an important channel (notwithstanding the relatively small amounts available through them compared to overall humanitarian expenditure) but recommended additional progress in their focus on local actors and dedicated support to them in accessing funding.

Many mission and regional workshop participants felt that there was a need for more spaces for inclusive conversations at country level, including key stakeholders such as women's rights and women-led organisations and national and local governments.

As part of the workshop's stock-taking, an overview of the purpose and content of six draft "guidance notes" – on financing, capacity strengthening, coordination, partnership, gender mainstreaming, and donors and intermediaries' arrangements – were presented. The guidance proposed in most of these drafts (and the research/studies on which they drew) had also previously discussed in the regional workshops over the summer. The current drafts were shared with Workstream members for review with an aim to finalise them before the end of 2019.

3. Feedback from Stakeholder groups

The various stakeholder groups were invited to meet separately to identify priority issues, potential actions and opportunities. Participants highlighted the following key points:

Local actors: Priority issues highlighted were progress on the GB's funding target, increasing understanding of, and funding for, capacity strengthening, and improving partnership practices. Priority actions included:

- Advocacy for the establishment of country-based pooled funds managed by local actor networks/consortia and supported by monitoring mechanisms that includes donors.
- Continued dialogue towards a shared understanding of capacity and capacity strengthening, including recognition of the capacity that already exists in local actors. This will require acknowledging diversity and complexity of capacity strengthening needs as well as understanding of the contexts in which local and national actors operate.
- Advocacy for two-way capacity sharing between local and international actors, as well as south to south collaboration and exchange.

Donors: Discussions highlighted existing constraints that are faced around due diligence and risks, accountability to a sceptical public, limited staff, and the broader issue of trust. Potential areas of contribution included:

- Arrangements/understandings with intermediary agencies with a view to promoting better support and empowerment of "downstream" local implementers
- More, and possibly collective, engagement on risk management.
- Potential collaboration on "passporting" with regard to capacity assessments, working with HQAI and Core Humanitarian Standard verification/certification mechanisms, and building on existing good examples, such as pooled funds run by INGOs and NNGOs that comply with due diligence requirements.
- Connecting localisation in the humanitarian sector with development. This was underlined specifically in places with a strong civil society and where it is critical to connect preparedness, humanitarian response, and development work
- Capitalizing on good examples and approaches in areas where localisation is already happening.

INGOs: Priority issues discussed included the need for demonstrating evidence and impact, tracking progress and measuring success, and risk taking and sharing. Potential actions and opportunities identified included:

- Developing evidence on the results and longer-term impacts of the investments made in strengthening capacities of their local and national partners
- Ways to measure success, such as developing key performance indicators (KPIs) for personnel related to localisation and making more use of existing measurement frameworks, such as the NEAR Network Performance Measurement Framework and other frameworks that have been developed at the local level.
- Recognition that internal risk aversion is driving due diligence process and requirements that are sometimes even more stringent than that required by back donors.

UN: Discussions focused on the existing opportunities that could be capitalized upon to promote localisation goals, such as the following:

- **Accountability around gender** is a priority issue and there is already a commitment and accountability from the system on actions around women, peace and security in the context of UNSCR 1325.
- **Accountability to Affected Populations (AAP):** Another opportunity would be the increased and more effective involvement of affected populations and CSOs in needs assessments and in developing Humanitarian Response Plans (HRPs) and Humanitarian Needs Overview (HNOs).
- **Humanitarian-Development-Peace Nexus:** There are important opportunities in the system have been mapped, with preparedness as a key common factor.
- **Funding:** A specific issue that is still being discussed is the 7% allowed by UN country-based pooled funds for indirect costs. Currently, decisions on whether and how much of this will be passed on to the local implementing partner are in the hands of the contract/project holder. On capacity building, the focus should not be only on technical capacity but tied to the on-going processes in improving institutional development of local and national partners.

4. Considerations to shape Workstream planning for 2020-2021

The following considerations and ideas were offered to inform the work of the Workstream going forward:

1. The need to adopt a **nuanced approach to localisation**, considering complementarity in a context-specific way, distinguishing between natural hazards and conflicts/protracted emergencies and remaining mindful of political pressures that may pose challenges to the humanitarian principles, including impartiality, neutrality and independence.
2. The need to also take a more **holistic approach** to localisation, i.e., moving beyond humanitarian aid and into synergies with development and peacebuilding.
3. The importance of **documenting and emphasising what is working**, sharing good practice **as well as learning** from problematic ones.
4. The importance of **demonstrating evidence of local actors' impact**, and promoting their self-organization, domestic resource mobilization common action and alliances.
5. **Partnership and the role of intermediaries:** There was a general recognition of the fact that intermediaries between donors and local/national responders will continue to play a key role in humanitarian work, even if direct funding to local and national actors keeps increasing. Donors to think about how to incentivize change towards meaningful and genuine partnerships with intermediaries (such as INGOs and UN agencies) so as to better

empower and support local partners, including by addressing issues around visibility, branding, de-risking, and capacity strengthening, among others.

6. The need for a stronger understanding of the **role of host governments** and or more efforts made to engage them in dialogue about localisation in principled humanitarian action.
7. The need for participation of local actors in **other GB Workstreams**.
8. The potential for **high-level dialogues**, potentially including the Eminent Person, to solidify key opportunities and overcome some of the impasses.
9. Further dialogue on **at the country level led by actors present locally**. Possible activities to include: (1) supporting national conversations and or dialogues on 'how to do' localisation; (2) forming localisation working group at the country level; (3) evidencing impact and success of local and national contributions to humanitarian response, preparedness and recovery; (4) engaging with national and local governments
10. The need to advance work on **specific financing issues**. Activities might include : (1) advocating for increased funding/investment for capacity strengthening/sharing based on long-term partnership/funding and in country-based pooled funds; (2) consider replication of and learning from innovative funding mechanisms such as the Bangladesh Start Fund and Dutch Relief Alliance; (3) exploring the possibility of harmonising risk and compliance tools and guidelines as well as adopting a passporting system; (4) supporting discussions and initiatives around promoting domestic resource mobilisation and providing equitable overhead costs share for local actors and (6) financial tracking/measuring including funds accessed by women-rights/led organisations.

5. Follow up

As next steps, the co-conveners will draw on the above ideas/proposals as a basis to draft the 2020-2021 Workstream workplan.

Annex 1: Networking - Other Localisation Initiatives

1. National Alliance of Humanitarian Actors in Bangladesh (NAHAB)

NAHAB was launched as the first national platform for local and national NGOs (L/NNGOs) in the country on January 2017 as an offshoot of the Start Network's Shifting the Power Project and in coordination with the Bangladesh Department of Disaster Management. The platform was created with the aim of facilitating a stronger voice and representation of L/NNGOs in humanitarian coordination and decision-making mechanisms as well as to create/improve access to financial and non-financial resources. The Alliance currently has 49 L/NNGOs in its general membership. It defines localisation as 'a process of institutionalising local level management of humanitarian action to ensure effective and timely services to (disaster) affected communities.' Its work is guided by three key principles : (1) Humanitarian response is a shared and co-ordinated responsibility; (2) The actions are to be led by local actors closest to the affected communities while others that are more removed/remote function as support actors and; (3) Understanding and practice that local actors are or have the potential to be first responders and are able to operate effectively and reach the most vulnerable.

Its main strategies are around alliance building, resource mobilisation, and advocacy while its areas of work include networking among humanitarian actors, partnership and coordination, information and knowledge management, capacity strengthening, resource mobilisation, working with government, and advocacy at levels. It has developed an "Accountability Framework" on localisation grounded on the understanding of the roles, functions and responsibilities of the different humanitarian actors vis a vis their accountability to affected populations. It has organised various multi-stakeholder dialogues and consultations including the series of "Localisation Cafes" as well as trainings and workshops for its member organisations. It has a seat in the Humanitarian Coordination Task Team (HCTT) and continues to be engaged in the co-creation and joint planning on the evolution of the National Start Fund for Bangladesh among others.

2. UNICEF

A review of UNICEF's current strategies and practices on localisation is being undertaken with the aim to develop a conceptual framework to further advance its localisation commitments². Some of the key observations and findings from the review include:

- Strong direct and indirect partnership with governments and national and subnational CSOs; direct partnerships are dependent upon country dynamics. Local actors are advocating for a shift in the quality of relationships from them being 'implementing partners' or 'sub-contractors' to becoming 'decision-making partners'.
- Strengthening local actors' capacity is key to localisation, especially through alternative modalities such as coaching and mentoring, ideally given priority as part of preparedness strategy.

² The review primarily draws on an analysis of UNICEF's current approach in Lebanon, Niger and South Sudan and complemented by survey in 10 additional countries, a global desk review and key informant interviews. An executive summary of the review report can be found on http://media.ifrc.org/grand_bargain_localisation/wp-content/uploads/sites/12/2019/11/UNICEF-Oct-2019-Working-Paper-on-Localization-Executive-Summary.pdf

- National and subnational CSOs and governments that receive substantial funding from UNICEF are calling for further engagement to address overhead support costs issues, more opportunities for multi-year partnership and lightening administrative processes.
- The roles, work, risks and contribution of local actors are often made visible or acknowledged in the sampled UNICEF country offices
- There was a general sense that national and subnational CSOs wield little influence on UNICEF and governmental policies and plans as well as on international policy debates on humanitarian action

3. Dutch Relief Alliance³

The DRA believes enhanced localisation can contribute to improving the effectiveness of humanitarian response. Localisation is included in its 2017-2021 Strategic Plan and it has established a localisation working group to further promote and coordinate the localisation initiatives of its member organisations.

Specific localisation objectives on the DRA strategic plan:

- At least 25% of DRA funding should flow as directly as possible to local actors by end 2019 and increase to 35% by end 2021.
- Focus on minimising transaction costs and ensuring funding to local actors as directly as possible whilst maintaining quality, strong risk management structures and robust accountability mechanisms
- Enhanced capacity strengthening support to local actors, including a target of 5-8 per cent of joint response budgets contributing to this by end 2021
- Amplify the voices and capacities of local actors in international fora, coordination systems and with other donors.
- Continue to innovate new methods to support partners in conflict contexts through remote management, monitoring and negotiating and maintaining access

4. Start Network Tiered Due Diligence Framework⁴

As a first critical step to enable taking in more local organisations into the membership with meaningful access to resources, Start Network is developing a tiered due diligence framework that moves away from a 'pass/fail' model in favour of a more 'risk-based' model. The tiered model takes into account the diversity of organisations that operate in the humanitarian space, including frontline responders that might not meet the most rigorous compliance standards. It also aims to address the systemic inefficiencies in the aid sector by promoting the adoption of a universal due diligence standard. A 'passportable' framework will reduce duplication by undergoing only one standardised assessment that can be recognised by multiple actors, instead of undergoing multiple assessments for every donor or partner you work with.

The tiered due diligence framework checks across nine key 'streams': governance, financial controls, legal compliance, ability to deliver, risk management, humanitarian best practices, data security, safeguarding, and downstream partner management. The current design of the framework involves four tiers that correspond to different compliance profiles: Tier 1 – minimum

³ The Dutch Relief Alliance (DRA) is a collaboration between sixteen Dutch humanitarian NGOs funded by the Dutch Ministry of Foreign Affairs. Information about its work can be found on <https://www.dutchrelief.org/>

⁴ For more information on the Start Network's tiered due diligence framework and its localisation work in general, visit their webpage at <https://startnetwork.org/localisation>.

compliance standards for membership; Tier 2 – basic level of sophistication on compliance with restricted access to funding; Tier 3 – meeting prevailing international compliance standards with full funding access and; Tier 4 - exemplify compliance best practices across the 9 streams. The framework is also able to determine the key strengths and areas of improvement of an organisation that undergoes assessment through its unique scoring model. This will allow Start to provide highly-bespoke recommendations to its members that enable them to address key bottlenecks, setting a clear development pathway that will help them to move up the tiers. The tiered framework is planned to be digitised into an online platform that can serve as the central database for all compliance information submitted by its members and can also provide greater transparency with donors. This opens up the opportunity for the compliance capacity of its members to be reflected in 'real-time' and for progress to be tracked over time.

5. Local Initiative Fund in Turkey (LIFT)

In a first of its kind cooperation between DG ECHO and BMZ Transitional Development Assistance, GIZ is implementing in 2019 and 2020 a multi-donor action aiming at improving the access to and provision of services for particularly vulnerable and at-risk persons through localised assistance interventions. The grant scheme Local Initiative Fund in Turkey (LIFT) is part of the 'Improving Social Services for Refugees and Host Communities in Turkey by Supporting Community Centres and Local Initiatives Project' (CLIP). It is dedicated to support particularly vulnerable groups who have not yet benefited from services and who are at risk to be 'left behind' in humanitarian and development assistance endeavours.

Current projects of LIFT commit themselves to reach 49,000+ individuals of which 39,000+ are vulnerable persons and 37,500+ benefitting from all kinds of protection services. As of October 2019, it has received a total of 169 grant applications and selected 16 projects for small and large grant schemes, and conducted 3 LIFT innovation labs. The funded projects inform about rights and responsibilities, provide access to information, refer to state services and increase advocacy and awareness. Additionally, technical and financial support is provided to NGOs running projects to strengthen their outreach to vulnerable and at-risk populations. Tailor-made capacity development measures have been offered to the implementing partners to enhance their capacities to run the projects in a high-quality manner.

Annex 2: Highlights from presentations on localisation efforts by mechanisms external to the Localisation Workstream

There is good news on **localisation in coordination** as far as the existence of policy frameworks and guidelines in IASC and clusters are concerned. It is considered by some, however, that there is not yet a sufficient level of knowledge, trust and resources to fully operationalise and or apply all these. Statistics are promising in terms of local and national actors having a seat at the coordination table e.g. national NGOs constitute 42% of cluster members in 2018, but more needs to be done towards meaningful participation such as in cluster co-leadership roles and seats in the advisory committee of the CBPF. OCHA is taking a wider view of who the local actors are as it also looking at the private sector. Leadership (of RCs/HCs, cluster and sector coordinators, heads of UN agencies, etc) is critical to make further progress on localisation in coordination and a strong narrative on how this link with the work on HD nexus and accountability to affected populations.

The **Inter-Agency Standing Committee (IASC)** went through a reform process and set out a new structure, including the formation of Results Groups (RG). Emerging opportunities to advance the localisation agenda can be gleaned from the different RG workplans, for instance Accountability and Inclusion (RG2) and Humanitarian Financing (RG5). One concrete deliverable, for instance, of the Humanitarian Financing is the development of guidance to support country-level financing solutions to local actors (expected to be complementary to the GB's guidance on this issue). This piece of work is linked with the localisation objective/plans of the Results Group on Accountability and Inclusion and is being developed in coordination with the GB Localisation Workstream. RG 5's deliverables on financing the nexus and on multi-year and unearmarked funding are also most relevant on the discussions around funding to local actors.

The **Friends of Gender group** and UN Women in particular, exerted various efforts to ensure the engagement with and investment in women and women's organisations as local and first responders, and on women's leadership in local response. In concrete terms, this meant focusing on issues around funding for women's organisations and tracking this and the space and opportunity to articulate and be heard what localisation means to them. For the upcoming FoG annual meeting, they are keen to address the more difficult discussions around inclusion and diversity. This means looking at intersectional analysis, on what this means in terms of moving forward.

As for the Cash workstream, local partnerships have been recognized as a key area. This follows discussions on the need for collaboration and cross-fertilisation between the Localisation and Cash Workstreams to draw together areas of alignment and create a meaningful space for local actors within the Cash Workstream. A sub-workstream has been formed to take this work forward. Co-led by a local partner (TBC), Oxfam and SDC, this sub-workstream is in the early stages of formation and aims to have a workplan ready toward the end of the year