

ALNAP

Essential briefings for humanitarian decision-makers

A more localised aid system: current status discourse

Localisation, now a ubiquitous term within the aid system, refers to **an ambitious, broad-ranging policy agenda to increase the power and funding of local actors in humanitarian response**. It's been a bumpy road localising the aid system despite high level rhetoric and commitments to doing so.

International organisations must **confront complex challenges**, sometimes at odds with their own success measures, and overcome other obstacles: legislation, risk appetite, the vetting and funding of many smaller organisations, accountability to taxpayers.

Meanwhile, **local groups are becoming vocal and assertive** in demanding power and independence as **inequalities persist**.

Slow progress can be seen in policies and pilots of approaches, but there is **still little evidence to support localisation efforts or analysis of outcomes and impacts**.

Funding remains major measure of progress

- Direct funding for local organisations was just 1.2% of aid financing in 2022 (Global Humanitarian Assistance, 2023). **COVID-19 wasn't the tipping point it could have been**. Just 2% of funding went directly to local partners at the forefront of the response. Ukrainian non-governmental organisations (NGOs) received 1% of direct funding in the first year of the Russian invasion.
- Reflecting renewed efforts to increase quantity of funding, major aid organisations will publish milestones to reach 25% funding to local organisations by the end of 2023.
- **Country-based pool funds (CBPF) are an effective tool for increasing funding to local actors**. In 2022, **27% of the global CBPF fund went directly to local and national actors**. However, United Nations-CBPF make up only 10% of overall humanitarian funding and exist in less than half of countries with humanitarian response plans.

Greatest risk, least funding

- There is **no standardised indirect cost recovery policy**. Typically, **indirect cost recovery (ICR) provisions don't reach smaller local actors**. Organisations are drafting **equitable partnership proposals for fair overhead cost recovery for all sub-grantees**.

Big donors pushing for greater change

- International agencies have **further refined Grand Bargain localisation commitments**. The USA has committed to 50% of all funding to programmes which 'place local communities in the lead' by 2030. The EU has released a Guidance Note on Promoting Equitable Partnerships with local responders.

Donor risk appetite drives hesitancy

- **Risk-sharing pilots have shown positive benefits**. Literature focuses mainly on risks to international actors, raising **issues of power imbalances**.

Capacity strengthening is underfunded and unidirectional

- Over 63% of local actors surveyed in a State of the Humanitarian System (SOHS) survey, said support for local actors' leadership and capacity was poor or fair.
- **Capacity strengthening focuses on local actors' ability to meet international standards**, which are **out of touch** with what they define as capacity. Efforts tend to be unidirectional – from **international to local**, **without recognising the capacity of locals** – and **may even undermine local capacity**.

International perspectives dominate

- Inter-Agency Standing Committee (IASC) mapping found local and national organisations present in 80% of Humanitarian Country Teams, but accounted for **only 9% of their leadership**. Where there has been an international presence for years, such as Yemen, these trends are entrenched. Where the system has recently scaled, like Ukraine, old patterns persist.

- An ALNAP COVID-19 evaluation synthesis **reinforces the minimal shift** in decision-making power, leadership positions and flexible funding.

Overcomplicated due diligence due to concerns about corruption

- Even simpler approaches to due diligence and risk assessment place a burden on local and national organisations to meet international standards before becoming an 'equal partner'.
- Examples of emerging good practice include:
 - Disasters Emergency Committee (DEC) has developed **due diligence passporting in Ukraine**, where vetting of partners is transferable. **Only three DEC members have used it.**
 - Filipino organisation the Centre for Disaster Preparedness has a **simplified due diligence process with USAID** for their Community Solidarity Fund.

Further questions for the future of localisation efforts

- **Tick-box exercise?** There is a potential trend of International agencies looking for partners who meet compliance requirements instead of removing barriers, cementing sub-contracting relationships over more equitable partnerships.
- **Who is 'local'?** Local organisations with international ties can cannibalise opportunities for those without global links.

- **Equity or effectiveness?** Localisation is seen as a way to address power imbalances, deliver more relevant, timely and cost-effective responses and greater resilience, sustainability and improved accountability to affected people. Current evidence backing these assumptions is weak. The sector has yet to define the intended outcomes of localisation or ways to measure its impacts.
- **Scalability of locally-led work?** More and more organisations are promoting survivor- and community-led approaches, which are flexible and contextual. But are they scaleable?
- **Role of government?** Locally-led approaches depend on strong, open civil society. But the right to peaceful assembly, association, expression is in decline. Repressive, corrupt and weak governments may limit humanitarian space.
- **At odds with humanitarian principles?** In Ukraine, aid groups wrestle with bedrock principles like neutrality and impartiality and instead emphasised a principle of solidarity – raising questions as to whether this kind of pivot could be relevant elsewhere.
- **Is the system letting itself off easily?** Localisation discourse primarily happens among international actors, further entrenching the power imbalance. Some say localisation only scratches the surface, and dodges more uncomfortable conversations about inequity and racism. Is a more radical approach tackling the colonial roots of aid needed?

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ABOUT EXplain

The greatest learning challenge for our sector is less about capturing lessons and experiences, but creating spaces for humanitarians to absorb and act on what is already known.

Operational decision makers – at all levels – are often the people with the least time to engage with vital new learning and evidence.

That's why ALNAP is piloting new approaches to communicating knowledge tailored to the needs, expectations and preferences of the busiest humanitarians.

EXplain is ALNAP's new learning experience for 2023.

- Straightforward communications to help humanitarian decision-makers make sense of, and exchange on, current evidence and discourse.
- Key learning and links all in one place: sourced, checked and curated by ALNAP's highly-respected global research team.
- Rich and accessible content, provided in a time efficient way, in an open peercomfortable environment.
- Bringing senior humanitarians more up to date on the latest developments, increasing awareness on the implications for their work, creating confidence as part of continuous professional development.

EXplain is an optimal mix of focused presentations, discussion and sharing of perspectives, with a range of high-quality supporting materials. It gives senior operational leaders a better understanding of what's out there and what they really need to know.

EXplain: simple communication, sense-making, exchange of experience.