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BEYOND BARRIERS

FINAL STUDY REPORT
CONCERN WORLDWIDE
SEPTEMBER 2024





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beyondbarriers.concernusa.org

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Photo: Hugh Kinsella Cunningham/Concern Worldwide

EXECUTIVE SUMMARY

Despite wide-ranging efforts, significant barriers continue to limit the role of local actors in humanitarian response. These barriers are deeply entrenched in multiple complex and interconnected systemic issues. Addressing such barriers requires a holistic, ecosystem-based approach that goes beyond rhetoric and a deeper understanding of factors slowing progress. Addressing these barriers depends on the full engagement of stakeholders from across the humanitarian system.

The Beyond Barriers project aimed to explore these barriers further. With funding from USAID's Bureau for Humanitarian Assistance (BHA), Concern Worldwide implemented the project in partnership with a team of researchers from the Centre for Environmental Policy and Advocacy (CEPA), Trust Consultancy and Development, Innovations & Entrepreneurial Social (IES), New Access, and independent researchers Mahfuza Mala and Farah Anzum.

The research reflects the perspectives of the study participants, not those of Concern Worldwide or the research partners. The study focused on three thematic areas: **humanitarian funding, human resources, and power dynamics in partnership**. The research was conducted using qualitative and quantitative methods in five contexts: Bangladesh, the Democratic Republic of the Congo (DRC), Malawi, Northwest Syria (NWS), and Somalia.

The research project identified **eight key findings** that must be addressed to create a humanitarian system where those affected by crises lead response efforts. These findings add new perspectives to localization discussions by highlighting cross-cutting challenges that affect the role of local actors in multiple operational areas of the humanitarian system.

Currently, humanitarian stakeholders do not share a definition of "localization" or a common understanding of its specific objectives. This lack of common agreement on who qualifies as "local" and what successful localization looks like in practice fundamentally complicates efforts to achieve it. The research found that this ambiguity has concrete consequences, notably the lack of measurable progress, metrics, and results. The different perspectives on capacity and risk between international actors and L/NNGOs (Local and National NGOs) consulted during the research are also at the root of addressing these barriers.

Providing increased funding for local humanitarian actors is the primary indicator of successful localization. Despite numerous commitments to increase the proportion of resources going directly to L/NNGOs, progress toward these commitments from bilateral donors has been limited. Pooled funding mechanisms are an essential source of funding for some L/NNGOs. However, they represent such a small proportion of the overall humanitarian response plan that they alone cannot make

significant progress toward localization of humanitarian funding.

Moreover, the research found that a more nuanced approach to tracking progress on localization is required. An overemphasis on the target of 25% funding going as 'directly as possible' to L/NNGOs was observed. Stakeholders across the five contexts expressed the importance of the quality of funding. The overemphasis on direct funding also has unintended negative consequences. As funders aim to meet their localization commitments or targets, they tend to fund large national NGOs that can absorb and manage substantial grants. The effect of this is to contribute to small groups of local and national NGOs – or an 'oligopoly,' whom the international actors are ready to fund. This comes at the expense of smaller, more local, or community-based organizations. The scarcity of resources available at the local level also exacerbates the challenges of recruiting and retaining qualified staff for local organizations.

A cross-cutting theme from the research revealed that a pervasive lack of trust between all stakeholders in the humanitarian system is a key impediment to progress on localization. This leads to reduced coordination, undermined capacity, inhibited innovation, and decreased effectiveness. Too often overlooked and considered a "soft skill," the research findings demonstrate that trust and trust-building are fundamental competencies required for achieving a locally-led response.

As the humanitarian sector strives toward a more locally-led response, the voices and needs of communities themselves must be at the heart of these efforts. Affected communities have articulated their desire for power to be shifted by increasing participatory approaches, honoring local practices, building trust, and responding to crises in a timely manner that prioritizes communities' most significant concerns. Community focused groups stated that both local and international actors have an essential role to play in increasing the sector's responsiveness to affected communities.

This project sought not only to identify why progress on localization has been limited, but to also identify solutions. Several operational tools have been developed to help organizations of all types to better align their practices with the goals of localization.

These research findings and tools are intended to support humanitarian stakeholders in any context as they work towards the vision of a locally-led humanitarian sector.

KEY FINDINGS

1. Trust

Lack of trust between all stakeholders in the humanitarian system is impeding progress on localization. This leads to increased risk aversion, reduced coordination, undermined capacity, inhibited innovation, and decreased effectiveness. Trust building is often overlooked and considered a “soft skill,” but it is a fundamental competency required for achieving a locally-led response.

2. Destination

“Localization” has different meanings for different actors. The research found two broad dimensions within localization. The first is localization of the humanitarian system, which means shifting power and resources from international actors to L/NNGOs. The second dimension—locally-led responses or local leadership—ensures that those affected by the crisis lead humanitarian responses. The research found an overemphasis on the first dimension, often at the second's expense.

3. Measurement

The goal of 25% funding going as ‘directly as possible’ to local and national NGOs, a target outlined in the Grand Bargain, has not been met. International and L/NNGOs alike doubt that it will ever be achieved under the current system. Creating a more locally-led response requires more nuanced measurement and accountability mechanisms than simply tracking the number of direct funds directed to L/NNGOs. It is equally important to measure the quality of funding for L/NNGOs, such as ICR (Indirect Cost Recovery) sharing, and the level of ownership and decision-making power held by communities and local entities.

4. Beyond Partnership

Despite the existence of principles of equitable partnership, they need to be consistently upheld in partnerships between international organizations and L/NNGOs. Equitable partnerships are an essential starting point for shifting to a locally-led response. Shifting power to L/NNGOs must be an objective in all partnerships, where the aim is to “adjourn” the partnership and transfer ownership of programming and control of financing to L/NNGOs. For this to happen, the role of INGOs must be reimagined.

5. Risk

Perception and prioritization of risk differ significantly between local and international actors. These two groups face varied risks (such as fiduciary, security, and reputational risks) that must be recognized. Moreover, risk-sharing models have not been adopted at scale. International actors are perceived to be highly risk-averse. Their compliance requirements are beyond the reach of many L/NNGOs. This level of risk aversion perpetuates the preference for funding international intermediaries instead of L/NNGOs.

6. Pooled Funding

Pooled fund mechanisms have successfully channeled direct funding to L/NNGOs. However, these mechanisms represent such a small proportion of overall humanitarian funding that they alone cannot drive progress on localization. Pooled funds also favor larger L/NNGOs, who can meet the eligibility and compliance requirements. Further work is required to ensure the organizations receiving funding represent the communities served. Increased decision transparency and space for L/NNGOs' influence are also needed.

7. Capacities

All actors see capacity as one of the greatest barriers to a more locally-led response, and capacity strengthening is seen as one of the most powerful solutions. Yet stakeholders' perceptions of capacity differ greatly and often diverge over the most important capacities for L/NNGOs' advancement. Both international and L/NNGOs have capacity gaps, many of which could be alleviated through mutual capacity sharing, requiring equitable partnership.

8. Staffing

Staff recruitment and retention are persistent problems for humanitarian actors which do not have clear solutions. The lack of pay parity between local and international actors, as well as the predominance of project-based, short-term funding in the sector, make it difficult for L/NNGOs to retain the most experienced staff. Recruitment of L/NNGO staff to work at international organizations is common, leading to instability at the L/NNGO level and loss of institutional knowledge. All international actors recognize the role they play, yet concrete steps to address or mitigate the problem are not evident.

INTRODUCTION & SCOPE OF RESEARCH

Over the last two decades, the discussion surrounding aid effectiveness has largely been dominated by local responders' role in making humanitarian assistance more accountable to affected populations. Localization emerged on the global policy stage with the [World Humanitarian Summit](#) and alongside the [Grand Bargain in 2016](#), which set a goal for the humanitarian community to make humanitarian responses “as local as possible, as international as necessary.” This vision was supported by a number of commitments signed by prominent humanitarian organizations. The discourse surrounding localization that followed has been robust, with many researchers having worked to define what localization is and how it can be practically implemented to better serve communities affected by crisis.

Since the initial commitments of the Grand Bargain, the global humanitarian sector has continued to support a more locally-led humanitarian response, recognizing how L/NNGOs are uniquely positioned to lead preparedness, response, and recovery efforts. However, tangible progress in policy, funding, and organizational practices has been limited, and there still needs to be a shared understanding of what makes a response local.

Concern Worldwide, in partnership with a team of five researchers and with funding support from USAID's Bureau of Humanitarian Assistance, carried out the Beyond Barriers project to investigate what is required for the humanitarian system to make genuine progress on localization, in terms of both the underlying ethical ambition and change of operational policies. Please see the literature review to see the extensive operational and academic literature underpinning the project's research.

The research reflects the perspectives of the study participants, not those of Concern Worldwide or the research partners. The ultimate objective of the Beyond Barriers project was to develop evidence-based operational solutions to the barriers that undermine response effectiveness by failing to engage actors at all levels of the humanitarian system appropriately. In terms of scope, the project focused on three areas that are central to the localization debate, such as how they can enable or limit the role of L/NNGOs in humanitarian response.

Consultations and research revealed that power imbalances underpin all the barriers identified in this project. Discussions on funding, capacity, and staffing highlighted clear and unbalanced power dynamics at work, which are sometimes at risk of being reproduced through well-intentioned localization efforts if they are not intentionally addressed.

This paper aims to discuss the ways in which power manifests in the operational setting, with a particular focus on the roles of international and L/NNGOs, trust between these actors, and the way in which power in partnership impacts access to funding and human resource issues. The research team has also proposed **practical tools** to assist organizations in identifying and addressing these imbalances in their work that can be found on the project website.

Key Topic Areas of the Research

- Power in Partnership
- Humanitarian Funding
- Human Resources

METHODOLOGY

The research conducted for this project was extensive both in its breadth and its depth, examining progress on and barriers to localization in five distinct humanitarian contexts. Study locations were selected using criteria that looked at existing crisis type (conflict, climate, or both); the severity of crisis or emergency; perceived progress on localization; geographic diversity; operational presence of Concern Worldwide; and the feasibility of implementing the project's research activities.

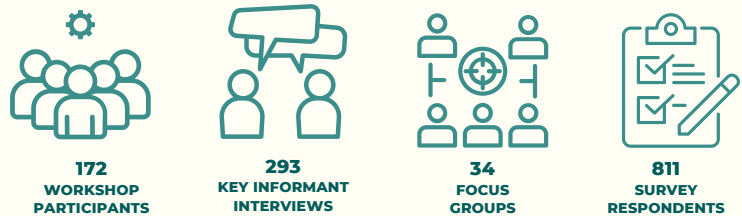


Figure 1: Study Participants by Data Collection Type

The five contexts selected were Malawi, Bangladesh, NW Syria, Somalia, and DRC. Interviews and consultations were conducted between September 2022 and May 2023, utilizing a methodology co-designed with the study's five research partners. Data sources for this research included a one-day stakeholder workshop in each context; key informant interviews (KIIs); focus group discussions (FGDs); and a Global Localization Survey.

Interviews and FGDs were undertaken in the capital city or central hub of humanitarian response in the context, as well as in smaller regions with affected community members and community-based organizations. Stakeholders in the workshops and KIIs included practitioners from local and national NGOs (L/NNGOs), international NGOs (INGOs), and UN agencies. Across all five study countries, the researchers engaged 172 individuals in workshops, conducted 288 KIIs, and conducted 35 focus groups with crisis-affected communities.

The Global Localization Survey had 811 responses from 60 countries to validate the study's qualitative findings. Of the total respondents, 74% worked for L/NNGOs.

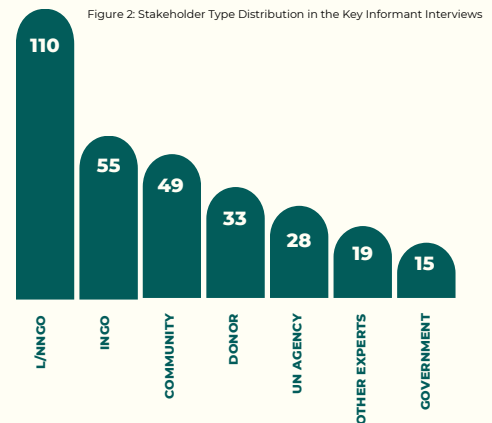


Figure 2: Stakeholder Type Distribution in the Key Informant Interviews

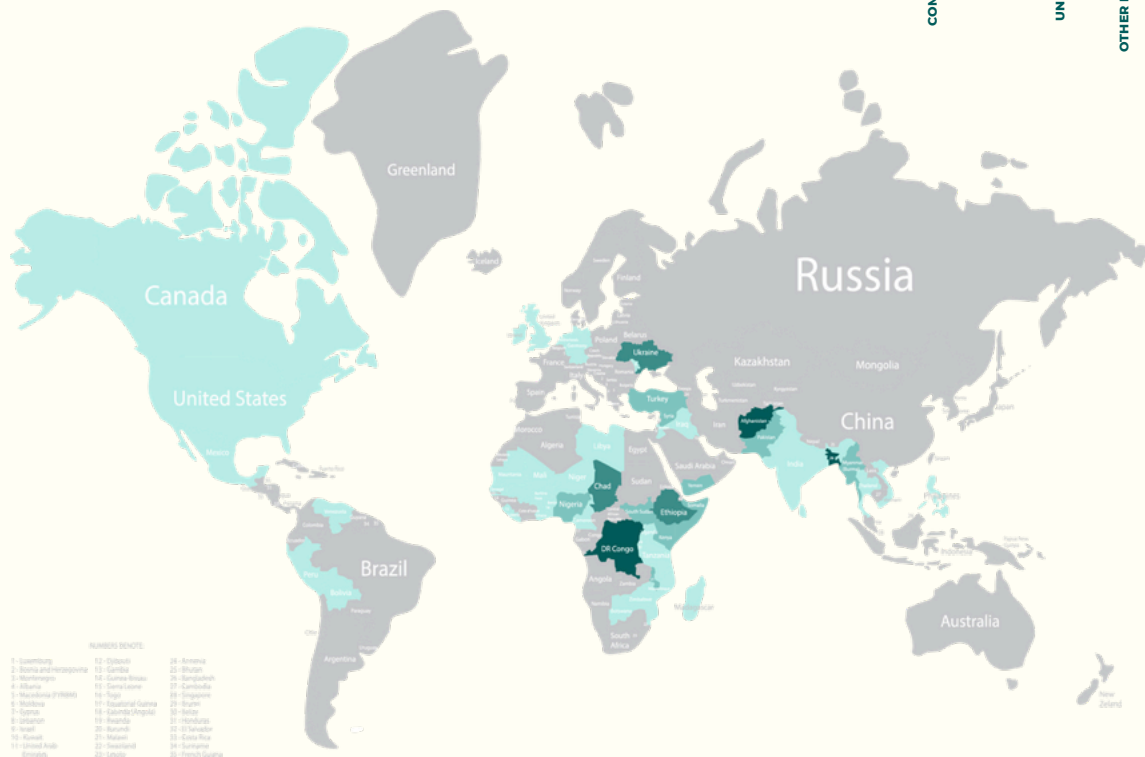


Figure 3: Geographic spread of Global Localization Survey respondents. Map (Credit : Freepix.com)

Data analysis of the KIIs was conducted using both deductive and emergent codes under the three core topic areas. From these three core areas, 38 sub-themes emerged, such as pooled funding, capacity strengthening, and risk mitigation. These sub-themes allowed for greater comparison of stakeholder perspectives across topic areas. Figure 4 displays a list of the most prevalent sub-themes across the interview data.

This report, along with the detailed country reports, Global Localization Survey, tools, and a variety of other materials developed from the study, are intended to be a resource for the entire humanitarian community.

Key Terminology

The umbrella terms, “L/NNGO” and “international actor,” are frequently used in the study and throughout this report. The research team met with a mix of L/NNGOs that range in size, budget, mandate, and geography. This diversity of organizations was reflected in their different needs and challenges. Throughout this report, the term L/NNGO refers to organizations that were founded in and are active in a given country context. Where it is necessary to distinguish, the type of L/NNGO is identified, such as “Diaspora NGO” or “Large National NGO.” Organizations that represent specific communities are sometimes referred to as “Community-based Organizations.” The international stakeholders involved in the research were in-country donors, UN Agencies and INGOs. The term, “international actors,” is used throughout the report as reference to these stakeholders, where appropriate.

Study Limitations

While the study sought to include a diversity of humanitarian actors, the largest stakeholder group involved in the study were staff of Local and National NGOs (L/NNGOs). As a result, this report may best represent their opinions, while at the same time sharing the experiences and opinions of other stakeholders within the humanitarian system.

Language and geographic barriers limited the sample size of L/NNGOs. The Global Survey was conducted online and disseminated through existing coordination bodies in various contexts. It is recognized that many L/NNGOs are not within these networks.

Humanitarian contexts are continually evolving. The contexts visited during the research have experienced change in the lifetime of this research project and since the research visits. The research context visits reflect what were the views of participants at the time.

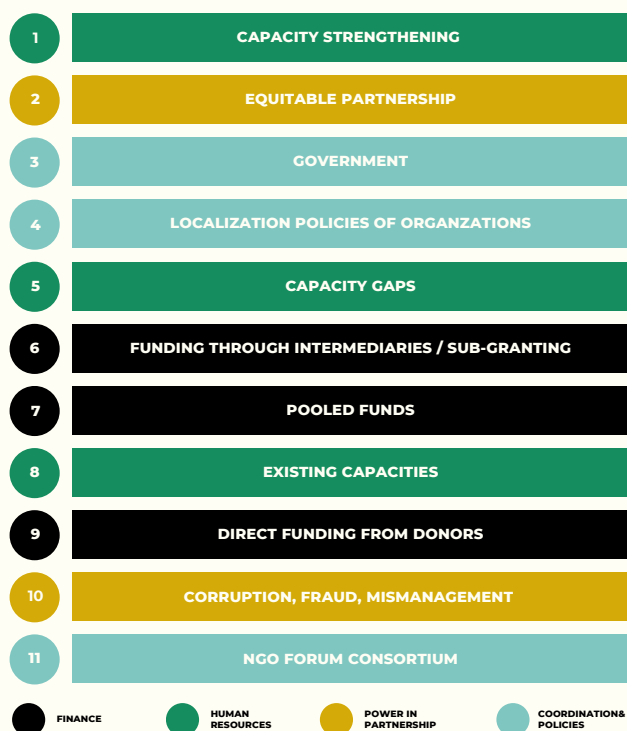


Figure 4: Top Sub-themes in the Research as determined during the coding methodology

Concern Worldwide partnered with the following researchers to collect data and analyze the findings:

CONTEXT	RESEARCH PARTNER
MALAWI	Centre for Environmental Policy and Advocacy (CEPA): Herbert Mwalukomo, Gloria Majiga and Stern Kita
NW SYRIA	Trust Consultancy and Development: Youssef Almustafa and Mazen Alhousseiny
BANGLADESH	Mahfuza Mala and Farah Anzum
DRC	Innovations & Entrepreneuriat Social (IES): Emmanuel Muzigirwa Muke, and Gang Karume B. Augustin
SOMALIA	New Access: Nouradin H. Nour and Mukhtar Mahamat

Figure 5: Names and Organizations of Local Research Partners in the five study contexts



ABOUT CONCERN WORLDWIDE

Concern Worldwide is a non-governmental humanitarian and development organization dedicated to the elimination of extreme poverty. Concern works in 26 of the world's most fragile contexts, pursuing long-term development goals, responding to sudden onset and protracted humanitarian crises, and contributing to an overall improved humanitarian response through a growing collection of capacity-building programs. With more than 50 years of experience, focusing on integrated programs for the extreme poor, Concern has worked extensively in the fields of nutrition, livelihood security, DRR, health, education, research and advocacy.

As a dual mandate development and humanitarian actor, Concern's understanding of research is driven by our identity, vision for change, and mission – ultimately using what we have learned through our own work to produce evidence-based research that aims to influence policy and improve humanitarian action.

The findings in this report come from an aggregate analysis of data collected across the five study contexts and the Beyond Barriers' Global Localization Survey.

All interviews were conducted with the assurance of anonymity and the report ensures that this is respected.

The report reflects the views and perspectives of the research participants, not those of Concern Worldwide and its research partners.



“CULTURAL SENSITIVITY PROMOTES TRUST, MAKES ASSISTANCE DISTRIBUTION EASIER, AND GUARANTEES APPROPRIATENESS.”

COMMUNITY MEMBER, SOMALIA

WHAT COMMUNITIES WANT

The conversation surrounding how to make humanitarian response more locally-led too often needs to include the voices of affected communities. This gap is particularly significant when considering the second dimension of localization, as outlined in Finding 2 of this research. Affected communities were actively engaged in data collection in all five study contexts with in-depth consultations about their experience as recipients of humanitarian assistance, their preference of who delivers aid, and the nature of its delivery.

Community data analysis across the five study contexts revealed four key themes regarding communities' needs and expectations of humanitarian response. Those themes included the inclusion of the community's voice, timeliness of response, trust, and complementarity among actors. Detailed findings on these four themes and specific examples from each of the country contexts can be found in the Beyond Barriers' Community Report. The debate over who is truly "local" is important when considering the communities' views. As highlighted in the introduction, a diverse range of L/NNGOs exist in each context. This section focuses on those L/NNGOs with genuine connections to the community.

The most critical capacity affected communities seek in a humanitarian response is the timeliness of assistance. L/NNGOs, CBOs, and community members themselves are typically the first to respond during a crisis, coordinating immediate needs such as evacuations or providing basic services in the short term. Their deep local knowledge and context, ability to speak the local language, and awareness of the community's most vulnerable members enable them to deliver the timeliest and most appropriate response. L/NNGOs were also seen as being better equipped to navigate access issues and manage sensitive relationships with government and community leaders.

Affected communities often exist outside the structures and institutions governing humanitarian aid. Within these traditional structures, communities depend on external actors within the system to include them in decision-making processes. Throughout the research, several communities reported that they had never been consulted about the aid they received. Yet, despite this, they expressed a strong interest and willingness to share their experiences and preferences.

“NGOs and other humanitarian organizations often follow a top-down approach in terms of disaster response. They do not consult with us and distribute their relief according to their way. We, local people, have no scope to provide our feedback to them.”

Local Leader, Bangladesh

Communities want the system to be more participatory in design, where they have a more established seat at the decision-making table. Participatory approaches that include communities can allow for greater ownership and sustainability of programming, as well as better utilization of indigenous knowledge and practices that have long kept communities resilient.

Data collected at the community level through this study indicated that L/NNGOs were perceived as more accountable to the populations they serve. This perception stems from these actors' shared identity and experiences and their willingness and flexibility to involve communities in programmatic design and decision-making. For instance, one community member in NW Syria described some international actors as "machines," unwilling to adjust or be flexible in their operations. Communities also noted that funding L/NNGOs tends to increase the ownership and accountability of local leaders.

"Vulnerable communities and us local actors are the weakest of the groups, but everyone pretends to work for us with respect and dignity. It's the opposite."

Community Member, DRC

However, not all community members agreed that L/NNGOs were the most accountable; in some instances, examples were cited where INGOs had been more responsive to their needs than local NGOs. Ultimately, communities value the behavior of unique organizations rather than their origin or affiliation.

Trust, a central theme of the research, manifests largely among communities as the ability to be transparent and to respect the culture and traditions of communities themselves.

Regarding transparency, communities indicated trust is earned when actors openly share information about resources and decision-making. Discussion of what can be achieved through a program, decisions around distributions, and targeting of program participants, in particular, were areas where communities felt that transparency among stakeholders was critically important.

Respect was also found to be fundamentally important, about responders respecting affected populations' culture, traditions, and religious practices. Respect for communities, therefore, should be operationalized through adherence to local practices around clothing, food preferences or restrictions, gender roles, and acceptable communication styles.

Communities noted the advantages of having both local and international responders present during a crisis. Generally, communities prefer responders who speak their language and understand their culture and contextual nuances – strengths often attributed to L/NNGOs. They noted that those closest to the community, or community members themselves, are perceived to have the best understanding of community needs and the ability to target those at greatest risk effectively.

In some contexts, international actors were seen as being more principled and less susceptible to or likely to engage in corruption. Being actors from outside of the community, or a specific context, in some cases can be viewed as a strength, as it could ensure more impartial aid delivery without the influence of local stakeholders. Communities also noted that the presence of international responders could bring greater awareness of their circumstances and the potential for additional funding and support.

This research sought to keep the needs, wants, and preferences of affected communities at its core, as it is for their benefit that the entire system operates.

"THEY [THE INTERNATIONAL COMMUNITY] CAN GAIN OUR TRUST BY INVOLVING US IN DECISION-MAKING."

COMMUNITY MEMBER, MALAWI

A woman wearing a blue burqa is walking from right to left in the foreground. In the background, there is a building with a green roof and several windows. The sky is blue with some clouds. The overall scene is outdoors.

“

TRUST IN ORGANIZATIONS IS BUILT WHEN THEY DEMONSTRATE A GENUINE COMMITMENT TO UNDERSTANDING AND ADDRESSING THE NEEDS OF THE COMMUNITY. WHEN AN ORGANIZATION ACTIVELY LISTENS TO OUR REQUESTS AND TAKES ACTIONS ACCORDINGLY, IT STRENGTHENS THE LEVEL OF TRUST I HAVE IN THEM. GAINING OUR TRUST REQUIRES THEM TO PRIORITIZE ACCOUNTABILITY AND OPENNESS IN THEIR OPERATIONS. TO SHOW THEIR DEDICATION TO OPENNESS, ACTORS WHO ARE RESPONDING TO EMERGENCIES SHOULD MAKE THEIR ACTIONS, MONEY ALLOCATION, AND EFFECT TRANSPARENT AND EASILY AVAILABLE.

CBO, SOMALIA

”

1. TRUST

The lack of trust between stakeholder groups underpins all the barriers identified in this research project. Despite acknowledging the importance of trust, there was little evidence of stakeholders actively addressing the issue. The expectation is that trust develops organically. However, trust is considered intangible and difficult to define or measure. Many organizations have defined principles of equitable partnerships in which they aim to operate but do not define how they measure trust.

“It seems that trust is quite up in the air. There is no discussion. We haven't ever seen our partners discussing trust with us.”

NNGO, Somalia

This study identifies two aspects of the trust issue: procedural and relational. The procedural components, such as policies on sharing indirect cost recovery (ICR), are easier to identify and measure. Relational elements of trust, however, are more abstract and challenging for stakeholders to measure but equally important to address.

Due to the lack of trust in L/NNGOs, there is a reluctance to provide direct funding, and the preference to channel funds through intermediaries. Similarly, barriers such as the lack of access to donors or information on funding opportunities, the sub-contracting nature of intermediary funding and stringent due diligence requirements erode the trust that L/NNGOs have in international actors. L/NNGOs also must compete with international actors for funding, leading to questions whether these organizations are their partners or competitors.

The perception among international actors that L/NNGOs lack capacity often stems from a lack of trust rather than actual evidence. This perception also generates mistrust among L/NNGOs who, as a result, question the authenticity of their international partners' attitudes about their capacity. Similar issues arise with perceptions and perspectives on risk.



“MUTUAL TRUST IS AN ESSENTIAL COMPONENT OF A PARTNERSHIP. MUTUAL RESPECT, MUTUAL UNDERSTANDING, RECOGNITION OF EACH OTHER, SHARING OF RESOURCES, SHARING OF REAL FACTS AND FINDINGS, AND JOINT ACTION AND COLLABORATION ARE CRUCIAL FACTORS IN BUILDING TRUST.”

LNGO, BANGLADESH



The Beyond Barriers' Global Localization Survey results highlighted this issue throughout the humanitarian system. In response to "Who do you perceive to be at the greatest risk of corruption in your context?" There were the following responses:

ACTOR	LOCAL ACTOR PERCEPTION	INTERNATIONAL ACTORS PERCEPTION
CBOS & COMMUNITY LEADERS	28%	31%
DONORS	3%	1%
GOVERNMENT	32%	36%
INTERNATIONAL NGOS	16%	4%
LOCAL & NATIONAL NGOS	11%	19%
UN AGENCIES	10%	9%

Figure 6: Actors listed as at the greatest risk of corruption in Global Localization Survey

The above data shows that local and international actors converged on opinions about all stakeholders, except for the view of L/NNGOs on INGOs and that of international actors on L/NNGOs. This data supported the sense of mistrust conveyed between the stakeholder groups in the qualitative interviews.

International actors see L/NNGOs as riskier despite the lack of empirical evidence to support this assumption. Furthermore, L/NNGOs face unique risks when responding to humanitarian crises, risks they perceive their international partners to overlook, further damaging trust.

Staff retention challenges further exacerbate trust dynamics between international and L/NNGOs. Significant salary disparities and the tendency of international actors to recruit the most qualified and experienced staff from L/NNGOs enhance the perception of INGOs and UN agencies as competitors rather than collaborators. Frequent turnover in international organizations requires L/NNGOs to rebuild trust with members of partner organizations constantly.

Such challenges reflect the unequal power dynamics prevalent in the humanitarian sector. The power that international actors inherently hold over L/NNGOs by controlling funding automatically generates a sense of mistrust. It is, therefore, incumbent on international actors to address this by proactively taking measures to build trust with L/NNGOs.

According to study participants, the Grand Bargain Agreement in 2016 created expectations that the unequal power dynamics would be addressed. However, the lack of progress on key commitments has generated frustration among L/NNGOs, with many interviewees questioning the sincerity of the signatory organizations.

"INGOs [are] not seriously empowering local partners. They prefer to sustain their offices and expat positions they prefer to have a small number of local NGOs, rather than to increase the number of empowered local partners."

NNGO, NW Syria

Not only has there been limited progress on the Grand Bargain commitments, but L/NNGOs point to the need for more policies on localization from international actors as an indication of the absence of genuine commitment to localization. While some L/NNGOs appreciate collective initiatives such as the Charter for Change, others criticize the lack of accountability to the commitments made. This lack of accountability further fuels mistrust of international actors; as one L/NNGO representative from Malawi observed, “the resistance to change... has eroded trust between local and international [actors].”

L/NNGO participants need more confidence that international actors are sufficiently incentivized to relinquish their power and control over resources. As one NNGO in Bangladesh described it,

“The UN [being entrusted with] localization or the Grand Bargain commitments [is like] bringing in oil companies to the COP in Dubai... it’s like putting fish in the hand of a cat and asking him to keep an eye on it.”

Meanwhile, several UN agency representatives thought that localization was not compatible with their agencies’ mandates. As stated by one UN Agency in DRC, its mandate was the protection of vulnerable persons, and while it aims to strengthen the capacity of partners whom it funds, it is not its priority. Another UN agency in Malawi believed that the donors want to maintain the status quo so that they can hold UN agencies accountable.

“Although [donors], for example, like us to involve national NGOs, they want to be able to hold us accountable for everything that goes on. So, I don’t know whether there’s been much of a shift in the mentality of some of the major donors as to how they would bear more of the risk.”

UN Malawi

There are also challenges with trust dynamics between L/NNGOs. L/NNGOs are diverse; there are power dynamics between the different actors based on size, regional or ethnic factors. Furthermore, the humanitarian funding system encourages L/NNGOs to act in competition with each other rather than collaborate based on complementarity. During the Beyond Barriers’ stakeholder workshops, suggested solutions centered around collaboration and coordination of L/NGOs.



“NO PARTNER WILL TELL YOU, ‘THIS IS WHAT WE ARE NOT DOING WELL’ UNLESS YOU BUILD THE RELATIONSHIP, THE RAPPORT, THE TRUST.”

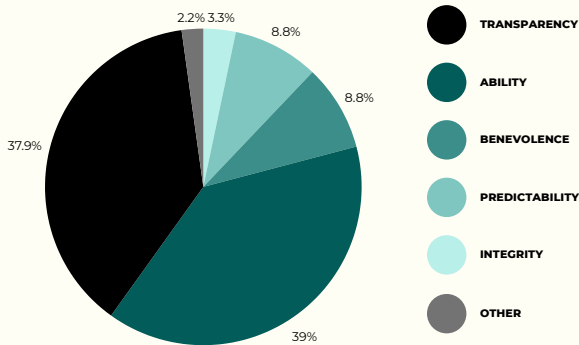
INGO, MALAWI



Building Solutions

During Beyond Barriers' stakeholder workshops, specific sessions were developed on trust in partnerships. An organizational and business psychology study (Breuer et al. 2020) was adapted, and the full results are in the [Global Stakeholder Workshop Report](#). The participants in the workshop ranked components of trust and provided examples where trust was built and damaged in their partnerships. The most notable outcome from these exercises was that, despite the diverse contexts where the research was conducted, there was agreement on the importance of specific components of trust, as defined by Breuer et al. (2020): transparency, ability, benevolence, integrity, and predictability.

POSITIVE INCIDENTS THAT INCREASE TRUST BY NATIONAL AND INTERNATIONAL ACTORS COMBINED



NEGATIVE INCIDENTS THAT DECREASE TRUST BY NATIONAL AND INTERNATIONAL ACTORS COMBINED

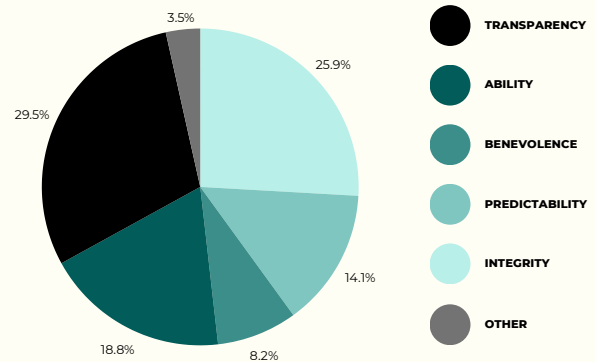


Figure 7: Actions that built (left) and damaged (right) trust from stakeholder workshop, coded into categories from Breuer et al.

Although contextual factors are always relevant, the research indicates that certain principles and components of trust are commonly considered important and require careful management. International and L/NNGOs alike generally agreed on the significance of these principles and components. Transparency was seen as a critical component of trust by both sets of actors that has the power to build or break trust in partnership. However, their views diverge when asked specifically to provide examples of what undermines trust. From the perspective of the international actor, trust is far more likely to be damaged if questions arise over the integrity of their partner. In contrast, the L/NNGOs are more likely to lose trust with an international partner due to transparency and information sharing.

While the study identified that trust in partnership is vital, it is not the endpoint. The positive outcomes resulting from trust in partnership are crucial.

Research participants gave examples of better outcomes for communities, increased transparency from partners, greater comfort in sharing innovative ideas, improved reporting and compliance, and an overall willingness to invest in organizational systems.

Many of the elements affecting the power imbalances that create mistrust are in the hands of a small group of international actors, making it clear that the behaviors and actions that lead to trust in partnership is within the control of all actors working in the humanitarian sector. However, these are often termed “soft” skills, implying they are not as important. A mindset shift is required, and the skills required to manage trust should be viewed as fundamental.

TOOL & CASE STUDIES

Study findings revealed that humanitarian actors need a framework to evaluate and monitor the actions and behaviors that affect trust in partnership. This project has developed a [Trust in Partnership Tracker](#) which sets out the four main categories of trust in partnerships, adapted from the existing research to fit the humanitarian sector and its realities, together with the components and actions which build and sustain them.

1	RESPECT & HUMILITY	<ul style="list-style-type: none"> • Acknowledge partner's expertise. Listen to and apply recommendations of partners. • Treat partners as peers and include in decision-making • Be willing to and take action to share and transfer power • Communicate and behave in a supportive, collaborative manner and be culturally sensitive
2	LOYALTY & SOLIDARITY	<ul style="list-style-type: none"> • Advocate for partners to stakeholders (including government, where necessary and appropriate) • Understand difficulties faced by partner and problem-solve together • Defend decisions of partner to other stakeholders
3	PREDICTABILITY & RELIABILITY	<ul style="list-style-type: none"> • Ensure funds, guidance, reports, and feedback are provided/shared on time and as promised • Communicate unanticipated actions and changes • Complete work to agreed standard and timeframe (include being able to complete work independently) • Capacity gaps are shared and support provided (on-the-job training, support visits, and technical backstopping), as agreed with partner • Respond to safeguarding, security, and safety requests/incidents and adopt risk sharing approach
4	TRANSPARENCY	<ul style="list-style-type: none"> • Communicate openly, frequently, and consistently • Share reports, audits, budgets, and all project info • Adhere to ethical and humanitarian principles • The needs and well-being of communities are centered in activities and conduct of the organization

Figure 8: Four Core Categories of Trust that emerged from the research specific to humanitarian response and partnership



2. DESTINATION

To effectively address the barriers to a more locally-led response, it is important to have a clear understanding of the end goal. The research identified a lack of consensus on the ultimate objectives of localization and what these objectives mean in practice. Among the differing perspectives, two key dimensions of localization emerged: the first dimension involves shifting power and resources from international actors to L/NNGOs – usually L/NNGOs or government. The second dimension aims to ensure that humanitarian responses are led by those affected by crisis.

The research found that many humanitarian stakeholders over-prioritized the first dimension of localization and were largely concerned with ensuring L/NNGOs have access to funding. However, achieving this dimension does not automatically increase decision-making power among affected communities. Across the five contexts, communities expressed their dissatisfaction with their ability to influence the aid they receive, indicating the need for greater emphasis on achieving the second dimension of localization.

Localization's First Dimension: Shifting Resources to L/NNGOs

The “humanitarian system’s” efforts to achieve a more locally-led response thus far have aligned with the same “top-down” approach that has existed for decades. The research shows that L/NNGOs rarely receive direct funding from major bilateral donors and mostly rely on

funding through international intermediaries. While there has been some progress in transferring resources to L/NNGOs, it requires them to take on the qualities and capacities of international actors, mostly related to compliance and financial management. Whether they are the organizations best placed to respond is not always prioritized.

The dominance of international actors has been referred to as an “oligopoly,” whereby a small group of powerful actors control the majority of resources (Parker 2016). The sector’s top-down approach to localization risks creating a new layer of power below the traditional international intermediaries, with a select group of large NNGOs becoming an oligopoly of their own. Without a course correction, power and control over humanitarian responses may remain concentrated with a group of actors far removed from communities.

There is a risk that the current system is “sucking local systems and local organizations into an international framework” (INGO, DRC) and not building on the local acceptance or capacity of L/NNGOs, but rather taking them further away from their communities. In other words, the push for localization at the policy level may be inadvertently contributing to an oligopoly or a layer of “mega NNGOs”. While this may be viewed as an investment in sustainable operations, it also may undermine the goal of achieving a more locally-led response, by simply supplanting INGOs with large NNGOs.



"THE WAY I SEE THE APPROACH TO LOCALIZATION, IN THIS SENSE, IS THAT WE ARE BASICALLY SUCKING LOCAL SYSTEMS AND LOCAL ORGANIZATIONS INTO AN INTERNATIONAL FRAMEWORK, WHICH IS NOT GOING TO ACTUALLY BUILD ON LOCAL ACCEPTANCE OR LOCAL CAPACITY, BUT IT'S GOING TO ACTUALLY TAKE THEM MUCH FURTHER AWAY FROM THE LOCAL POPULATION. THEY WOULD NEED LOCAL PARTNERS THEMSELVES."

INGO, DRC





“

“I THINK THE QUESTION IS, WHERE ARE THE DECISIONS MADE? [LOCALIZATION] DOES NOT MEAN HAVING FIVE OR TEN BIG NGOS IN BANGLADESH AND ALL THE INTERNATIONAL NGOS DISAPPEAR. IT’S NOT LOCALIZATION UNTIL IT GOES TO THE REALLY LOCAL LEVEL, AT THE VILLAGE LEVEL OF SOCIAL DEVELOPMENT WORK, BUT ALSO VILLAGE LEVEL BUSINESSES.”

INGO BANGLADESH

”

Increased funding for L/NNGOs is vitally important. However, even if the Grand Bargain commitments are reached, it will not ensure aid responses are locally-led. In some cases, L/NNGOs are being funded to fulfill a localization objective, despite lacking a meaningful tie to the communities they are meant to serve. In other words, the priority, in some cases, is to meet targets, rather than support a locally-led response. The research revealed examples from all five contexts where L/NNGOs have responded to humanitarian crises in communities where they have no connection, nor established community acceptance.

Localization's Second Dimension: Centering Communities
 If there is to be a real commitment to achieving locally-led responses, the central stakeholders – those directly affected by crises and dependent on assistance or support – should be able to influence, make decisions or control the responses. When stakeholders in the Beyond Barriers' workshops were asked about existing power dynamics, they perceived the communities to be at the bottom of the power pyramid.

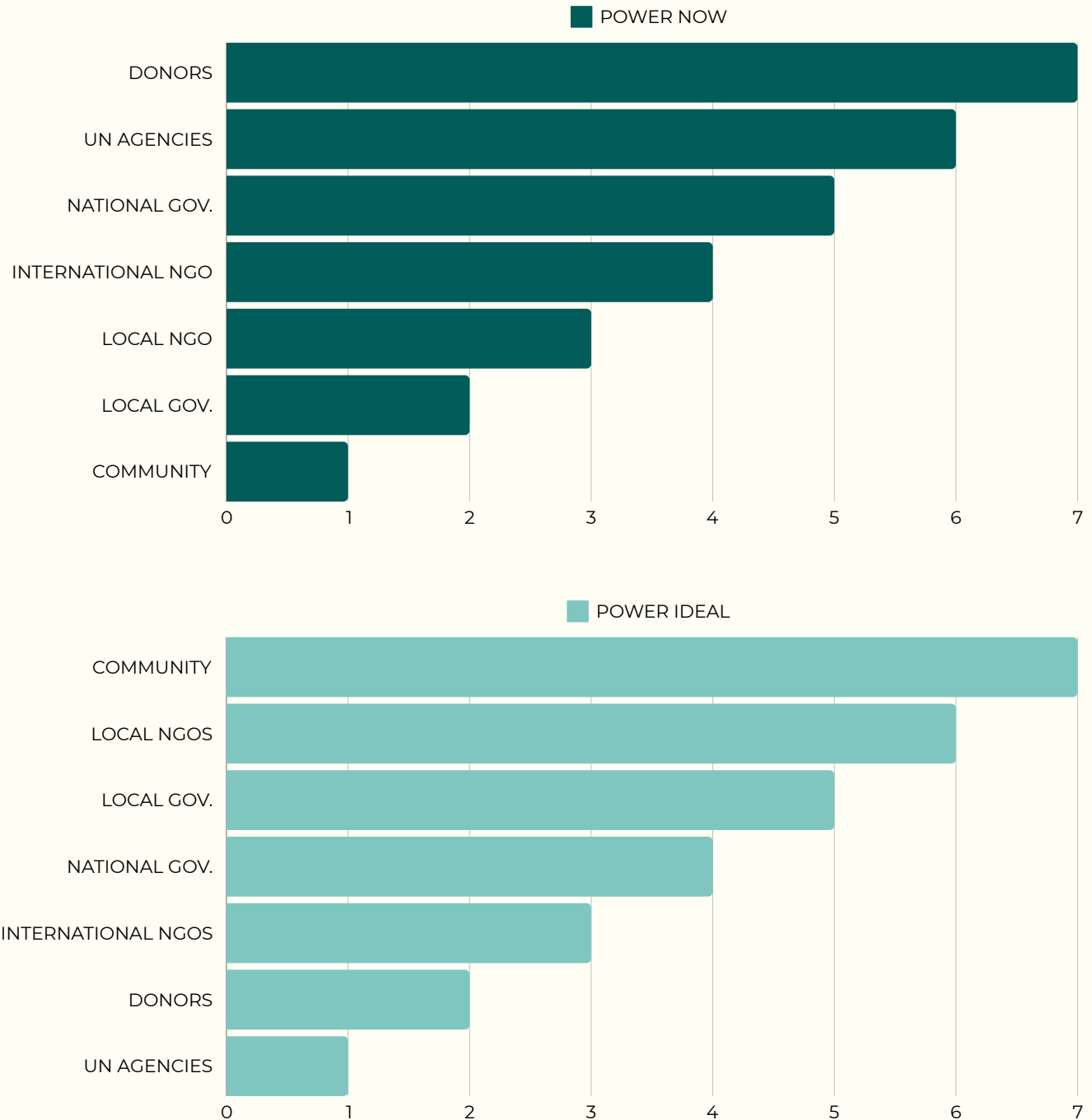


Figure 9: Rankings from Stakeholder Workshops Comparing Power Dynamics Now, and the Ideal Dynamics

An aerial photograph of a rural area. A white van is parked on a dirt road in the center. Several people are gathered around the van, some standing and some sitting on the ground. The area is surrounded by lush green trees and vegetation. The overall scene suggests a community meeting or a distribution point in a rural setting.

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"WHAT IS REALLY IMPORTANT IS TO UNDERSTAND [COMMUNITY] STRUCTURES, ORGANIZATIONS, AND LEADERSHIP, AND HOW THEY INTERACT WITH HUMANITARIAN AND DEVELOPMENT ACTORS. I THINK THAT IS THE REAL STARTING POINT; TO UNDERSTAND WHAT EXISTS ALREADY AND WE WILL BE SURPRISED TO WHAT EXTENT COMMUNITIES ARE VERY WELL ORGANIZED AND HAVE SYSTEMS IN PLACE THAT WE MAY JUST NOT APPRECIATE."

”

DONOR DRC

Data from community consultations (including FGDs and KIIs) challenges the assumption that L/NNGOs know and understand the complexities of the crises better than INGOs. While some communities could identify L/NNGOs that represented their needs, others needed to trust L/NNGOs operating in their area, with some even preferring INGOs or other actors to respond. This challenges the assumption that L/NNGOs categorically have legitimacy and represent all communities. To ensure that responses are locally-led by those affected, international actors must go beyond simply funding L/NNGOs. It is vital that the organizations they fund have the confidence and trust of communities affected by the crisis, include them in decision-making, and demonstrate that the communities have influence and control.

International actors acknowledged the importance of community inclusion. Donors expressed frustration at being unable to “reach the layer below.” They rely on intermediaries to get funding for the actors closest to the communities. However, alternative funding models have been adopted to ensure local leadership of humanitarian responses. What is lacking are large-scale funding opportunities to ensure sustainable impact. There is great scope to learn from some examples encountered during the research.

Tools & Case Studies

The research project developed two case studies capturing best practices from Bangladesh and NW Syria, highlighting approaches that put the communities in the lead of response efforts.

The **Local Coalition Accelerator** in Bangladesh provides community-based actors with the opportunity to operate as their own democratically governed Coalition and create and implement holistic, community-centered collective action plans geared toward improving disaster resilience. The Coalition is comprised of local NGOs, self-help groups, and other community-based organizations. It aims to “flip the system” and put the Coalition in a position to directly receive bilateral funding without the need for an international intermediary.

Door Beyond War (DBW) in NW Syria is a strategic partner for grassroots-level communities. DBW has one project with Youth of Change Network, a network of 26 local development committees, and 240 community organizers in NW Syria, where they were co-applicants. This created the conditions for shared ownership and decision-making power within this network, allowing those closest to communities to influence the programs.



"I THINK WHEN WE TALK ABOUT LOCALIZATION, OFTEN WE TRANSLATE THAT TO BE [FOCUSED ON] NATIONAL NGOS. BUT I WOULD SAY IT'S HOW DO WE ACTUALLY ENGAGE, AND HOW DO WE ENSURE THE WIDER COMMUNITY PARTICIPATES AS MUCH AS POSSIBLE IN THE PROGRAM, IS THE PERSPECTIVE I WOULD COME FROM."

DONOR DRC



3. MEASUREMENT

As discussed in the previous study, there is an overemphasis on the first dimension of localization, shifting power and resources to L/NNGOs. There is also a tendency to measure this shift using quantitative metrics that are both simplistic and reductive. Achieving locally-led humanitarian responses is a complex issue and merits a multifaceted approach.

The Grand Bargain signatories committed to ensuring that 25% of funding goes directly to L/NNGOs by 2020. Not only was this target not reached, but the funding in both volume and percentage has **declined since 2017**. This project's evidence suggests that the 25% target will not be achieved without radical changes to the current funding system, especially those related to donor agencies' internal processes and regulations. While the Grand Bargain made numerous commitments (51 across ten focus areas, which have been updated in **Grand Bargain 2.0** in 2021 and again in June 2023), the participants of the research focused on the commitment concerning the funding of L/NNGOs as directly as possible.

Quantity of Funding to L/NNGOs

In 2022, 10.2% of USAID funding was going directly to L/NNGOs, although this decreased to **9.6% in 2023**. In DRC and NW Syria, good examples of progress USAID/BHA made in funding L/NNGOs directly exist. However, the due diligence process was described to be onerous for donor agency and L/NNGO alike. To reach the target of 25% direct funding to L/NNGOs will require an overhaul of these processes. ECHO (European Civil Protection and Humanitarian Aid Operations) cannot legally grant to organizations whose headquarters are not based in a European Union member state, due to restrictions in EU law (**European Commission 2023**).

"It's very difficult to fund directly local partners by the nature of our due diligence processes, and the kind of requirements. We're trying to, at a global level, have simplified policies for this so that we're acknowledging that it's a constraint, but also trying to work ways around it."

Donor, DRC

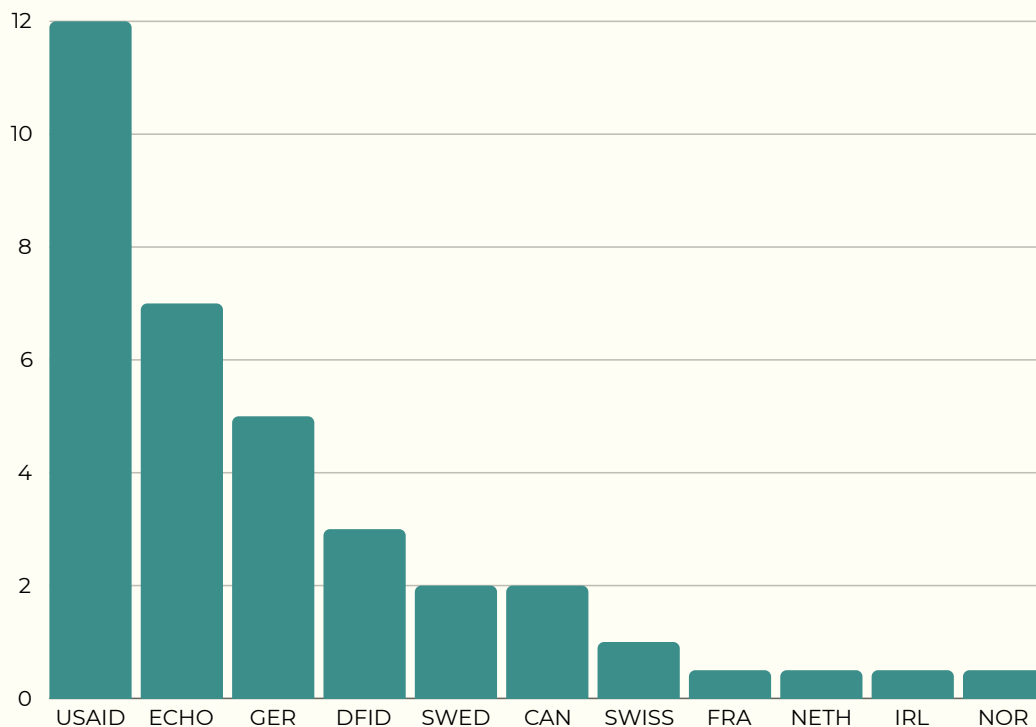


Figure 10: Percentage of L/NNGOs from Global Localization Survey listing funding from major bilateral donors

Most donor agencies face similar challenges in funding L/NNGOs directly. A combination of internal bureaucracy, limited staff resources to manage various grants, and a high level of risk aversion contribute to the lack of progress towards the Grand Bargain target. A positive example was the Swiss Development Cooperation in DRC, which funded L/NNGOs directly. They established their office in Bukavu, South Kivu, not in the capital, Kinshasa, or the humanitarian hub of Goma, which facilitated relationships with L/NNGOs they intended to fund.

Unintended Consequences

Not only is the 25% target unlikely to be achieved given current practices, but some research participants also question whether it is an appropriate way to measure progress. Evidence suggests that the emphasis on the quantity of funding has unintended negative consequences.

In Finding 2 Destination, it was noted that the “top-down” approach to localization risks creating a new power layer – or oligopoly of large L/NNGOs. This will be exacerbated if international actors are focused on reaching a quantitative target.

An example in DRC, a major bilateral donor-funded four L/NNGOs directly in 2023, was shared and referred to by several donors. These L/NNGOs would now be viewed as reliable partners and would likely be sought after by donors. This was not for programmatic reasons but rather because they were deemed “safe” to absorb big grants. It is not only donors that target large L/NNGOs. Several INGO study participants reported that they sometimes must compete with other INGOs to partner with large NNGOs. As donors exert pressure to increase the quantity of funding via partners, they will seek out the L/NNGOs that can manage big grants. Evidence from Bangladesh indicates that this has already occurred. Certain L/NNGOs claimed that the large NNGOs were a more significant barrier to their growth than INGOs.

“Power is centralized. INGOs often and generally collaborate with national NGOs and rarely [collaborate] directly with local NGOs which have community roots”.

LNGO, DRC

"MOST INGOs IN NWS HAVE FEW LOCAL, STRONG PARTNERS AND THEY COMPETE WITH EACH OTHER TO HAVE PARTNERSHIPS WITH THESE STRONG LOCAL NGOS. THIS MEANS NO NEW STRONG LNGOS. WE NEED STRONG LNGOS TO SUPPORT SMALL LNGOS....OTHERWISE, WE END UP WITH FEW STRONG LNGOS; THE LOCALIZATION NEEDS ARE MUCH MORE THAN FEW STRONG AND ACTIVE LOCAL PLAYERS."

NNGO, NW SYRIA

The Global Localization Survey asked L/NNGOs about their funding preferences among a set of factors related to quality (direct/indirect funding, control over design and decision-making, and program length). Results of the ranking of options in Fig. 11.

Understandably, respondents were most interested in direct funding options that were multi-year or provided them with control over decision-making or both. However, respondents preferred to be funded through intermediaries over a shorter direct funding scenario, with minimal control over decisions. These results indicate that the quality of funding is of high importance to L/NNGOs, and it is not sufficient to only measure the quantity of funding.

By not measuring the components of quality funding, international actors are being encouraged to reach a target of 25% without consideration of how that impacts the L/NNGO. Not enough funds are available for overhead costs, contributing to a “race to the bottom,” whereby L/NNGOs must keep salary and administrative costs to a minimum to win an award.

This often puts the long-term sustainability of the organization in jeopardy, making staff retention more difficult and forcing L/NNGOs to use funding reserves to cover administrative costs that are not covered by the donor.

Quantitative metrics on funding also do not take into consideration the impact on the second dimension of localization, which is the extent to which responses are locally-led. If donors were to succeed in providing 25% (or more) direct funding to L/NNGOs, there is still no guarantee that this will lead to an increase in responses being led by the actors closest to the community. As outlined in the previous finding, this aspect has been neglected and needs to be incorporated into the measurement of localization.

RANK	TYPE OF FUNDING	CONTROL LEVEL	DURATION
1	DIRECT	FULL	3 YEARS
2	DIRECT	MINIMAL	3 YEARS
3	DIRECT	FULL	6 MONTHS
4	INTERMEDIARY	FULL	3 YEARS
5	DIRECT	MINIMAL	6 MONTHS

Figure 11: Ranking of Desired Funding Options from Global Localization Survey by L/NNGOs

LOCALLY LED DEVELOPMENT SPECTRUM USAID IMPLEMENTING PARTNERS

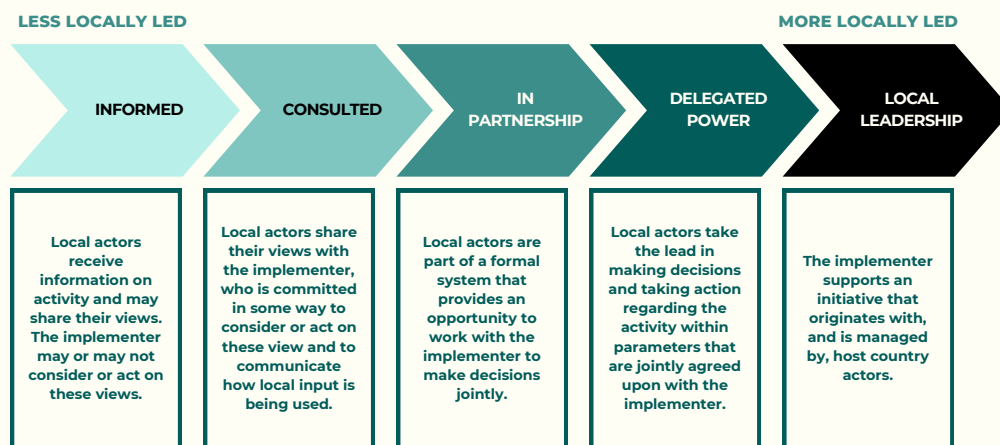


Figure 12: USAID's Locally Led Development Spectrum Measurement.

Tools & Case Studies

Locally-Led Funding Tracker: USAID’s Locally Led Development Spectrum provides a helpful illustration of the journey needed to ensure that a response is locally-led. Indeed, USAID has developed 14 locally-led development indicators to measure progress. Following the five country visits, this research project has adapted them to the humanitarian context, creating a tool to measure progress on localization funding. This adapted “scorecard” brings together the components of the quantity of funding reaching L/NNGOs, the quality of the funding, and the local leadership score. International actors should report using these tools and metrics to show their progress on localization instead of quantitative measurements, such as the 25% direct funding target.

FUNDING QUANTITY

DIRECT TO LOCAL ACTOR	POOLED FUND SYSTEM	PARTNERSHIP/ SUB-CONTRACT
INGO DIRECT IMPLEMENTATION	CONSORTIUM	UN AGENCY

Figure 14: Beyond Barriers’ Locally-Led Funding Tool

The Quantity of Funding component measures and scores the total funding given to different actors or stakeholders in a response. The response can be for a particular donor, response, or year, etc. To provide a score, the indicators also measure the percentage granted to each actor.

LOCALLY-LED ACTION

INFORM PROGRAM DESIGN	PARTICIPATORY CO-CREATION
LOCAL LEADERSHIP IN IMPLEMENTATION	PARTICIPATORY MEAL ACTIVITIES

Figure 13: Beyond Barriers’ Locally-Led Action Tool

The **Locally-Led Action** component measures local communities’ level of leadership and participation in the design, implementation, and monitoring and evaluation of a given humanitarian response. It measures the level of localization based on USAID’s locally led programs indicator. This questionnaire is targeted toward local communities.

The **Quality of Funding** component measures and scores the total funding given to different actors or stakeholders in a response. The response can be for a particular donor, response, or year, etc. To provide a score, the indicators also measure the percentage granted to each actor.

QUALITY OF FUNDING

RESPONSE DESIGN	PROGRAM BUDGET
ADAPTABILITY, ACCOUNTABILITY, & INSTITUTIONALIZING FEEDBACK	INSTITUTIONAL FUNDING
CAPACITY	

Figure 15: Beyond Barriers’ Quality of Funding Score Sheet

The Quality of Funding component measures:

- Participation and involvement in program and budget design and decision-making
- Whether the funds they receive are adequate, including ICR
- Flexibility of funding
- Extent to which feedback and adaptations are possible
- Opportunities for capacity sharing

SCORE
0-20%: INFORMED
21-40%: CONSULTED
41-60%: IN PARTNERSHIP
61-80%: DELEGATED POWER
81-100%: LOCAL LEADERSHIP

Figure 16: Scoring method for the Locally Led Action Tool + Quality of Funding Score Sheet, derived from USAID’s Locally Led Development Spectrum in Fig. 12

4. BEYOND PARTNERSHIP

Based on existing evidence, radical systemic change in the humanitarian sector is unlikely in the short-to-medium term. Therefore, funding through international intermediaries will likely persist as the primary modality of funding L/NNGOs for the foreseeable future. Given this reality, equitable partnerships must be a priority and considered the baseline or minimum for engagement. International intermediaries should enter partnerships with the intention of one day handing over responsibilities.

“For instance, [UN Agency] directly funding local partners to implement food distributions ... it's a way to minimize the costs. I'm not sure it's real localization.”

INGO, DRC

The principles of equitable partnership (Equality, Transparency, Results-Oriented Approach, Responsibility, and Complementarity) have been well-established since 2007. Despite the prevalence and awareness of these principles, the predominant partnership model is that of the L/NNGO acting as a subcontractor to its international partner. This funding model presents a fundamental barrier to forming equitable partnerships. Having an international partner as a prime recipient creates an inherent power imbalance that is difficult to overcome.

Additionally, donors' expectation that the intermediary partner will monitor the local partners' compliance with regulations is wholly incompatible with maintaining a partnership where the international and local partners hold equal power.

“[UN agencies] Work more with an approach of cost-effectiveness... they choose local organizations to deliver in cases for cost-effective delivery, but the true conversation that should happen between equal partners is missing.”

INGO, Bangladesh

Humanitarian funding opportunities, by their nature, only allow a little time for partners to design projects together. They often leave the L/NNGO partner in a position where they have no choice but to agree to implement a project submitted by their international partners. L/NNGO respondents in all contexts reported the challenges they have in accessing funding. They do not have the luxury of turning down opportunities. Donors can play a role here by providing seed funding for partnerships to develop before emergencies strike.

“TO US, DONORS, UN, AND INGOS ARE ONE PERSON. THEY KNOW, COOPERATE, AND PROTECT EACH OTHER TO CONTINUE WORKING IN OUR COUNTRY.”

CBO, DRC

In the Beyond Barriers' Global Localization Survey, INGOs and L/NNGOs were asked for their perceptions on certain aspects of partnerships. L/NNGOs were asked to rank their international partners' performance on certain key partnership behaviors. The international actors were asked to rank their own performance on the same behaviors with their partners.

PARTNERSHIP

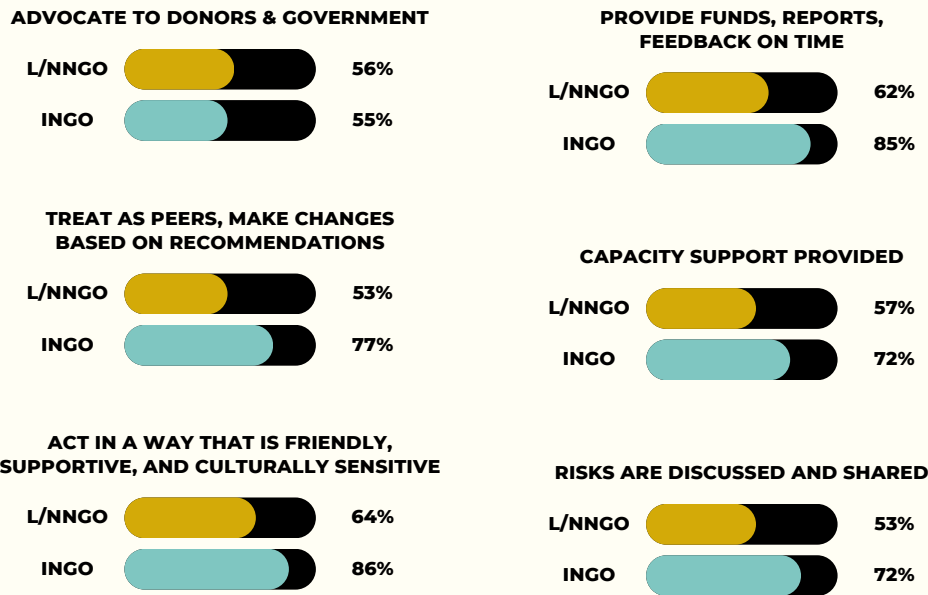


Figure 17: Comparison of INGO and L/NNGO Opinions on Partnership Behaviors from Global Localization Survey

As the above table shows, on average, 56% of L/NNGOs reported that their partners performed the six core actions of partnership. Across five of these six listed behaviors, international actors' self-reporting of behaviors was greater than L/NNGOs' perception of their being performed. This data indicates that while some INGOs perform well on partnership, there remains a gap between their perception and that of their partners.

Overall, interviews with stakeholders corroborated the inconsistencies of international partners' conduct in relation to equitable partnership. Across contexts, L/NNGOs could provide examples of difficult partnerships with international actors, challenges reflected in how international actors communicate, behave, and relate to their local counterparts. Examples of these are provided in the context reports.

“Everything is designed in the INGO office without us.”

LNGO, DRC

Indirect Cost Recovery

A critical component of equitable partnership highlighted by L/NNGOs is receiving a fair share of ICR. In conversations with L/NNGO stakeholders across the five contexts, it was clear that ICR is inconsistently shared with local partners.

In the Global Localization Survey, only 37% of L/NNGO respondents felt that the ICR they receive is fair, compared to 76% of INGO respondents. The results also revealed that the potential to receive ICR increased with the size of budget and L/NNGO's number of staff, but there was no correlation between size of the L/NNGO and the percentage of ICR received.

“IF WE GIVE THIS TO YOU NOW, WE HAVE TO GIVE IT TO THE REST OF OUR PARTNERS.”

NINGO, NW SYRIA



“

“IT'S A BIT OF A CHICKEN AND AN EGG. YOU'RE GOING TO GIVE THEM THE 7% SO THEY CAN ACTUALLY GET THEMSELVES SET UP WITH THESE SYSTEMS, [BUT] THEN NO ONE WANTS TO GIVE THEM 7% BECAUSE, YOU KNOW, THEY DON'T HAVE THESE SYSTEMS.”

UN AGENCY, SOMALIA

”

According to respondents to the Global Localization Survey, among L/NGOs and international actors alike, the fairest way to share ICR is by making it proportional to the total budget per partner. In [Development Initiatives](#) research in 2023, 17 of the 18 INGOs surveyed reported having a policy on ICR or were developing one. This indicates a willingness to address the inequity that has persisted on this issue. However, the most common practice reported was limiting the proportion shared to 50%, even in cases where the partners' budget is more than 50%.

Evolution of Partnerships

If the objectives of locally-led responses are to be achieved, there must be a vision to move beyond equitable partnership to a situation where the L/NGO takes more control and ultimately becomes the prime on future awards. An evolution of partnerships, such as the "partnership journey" suggested by the [Humanitarian Advisory Group](#), should be encouraged.

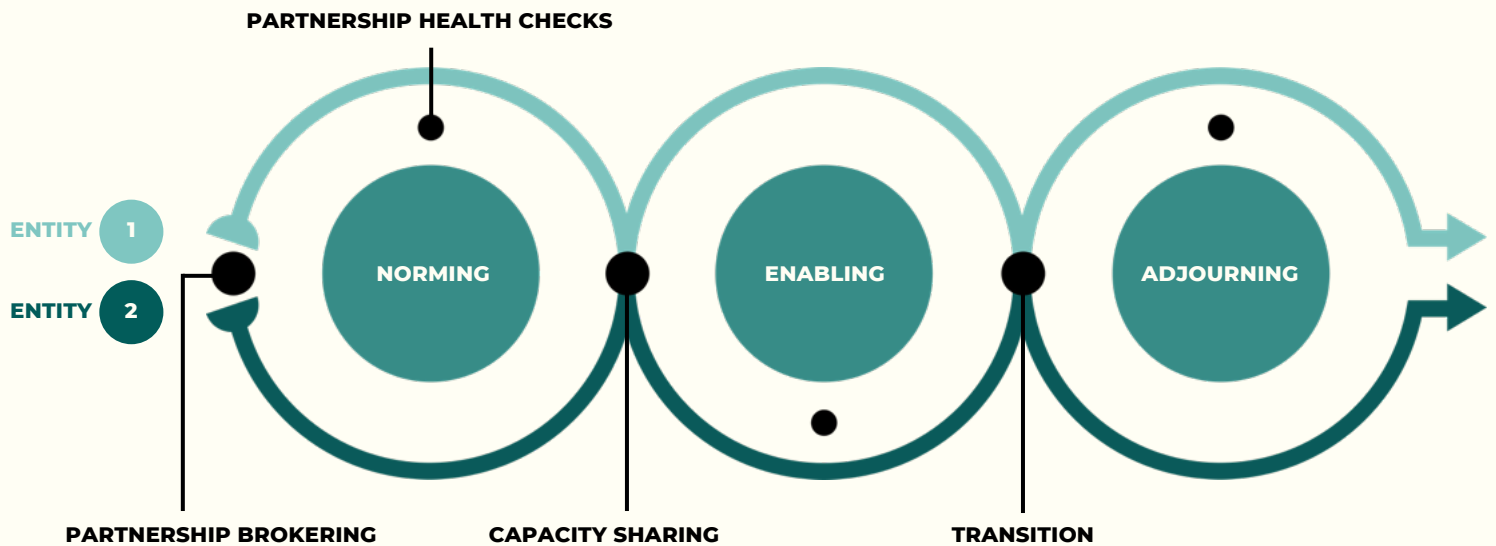


Figure 18: Partnership Journey, Humanitarian Advisory Group 2023



“I HAVE SEEN SO MANY ORGANIZATIONS, BY THE TIME THE PROJECT CLOSES, THEY CLOSE THEIR OFFICE. THEY RELEASE THEIR STAFF. YOU JUST HAVE THE ORGANIZATION EXISTING. BUT IF YOU ARE GETTING THIS LIFE SUPPORT, THEN YOU CAN SUSTAIN YOUR ORGANIZATION. YOU CAN IMPROVE ITS SYSTEMS.”

NNGO, SOMALIA



Under this model, greater emphasis would be placed on the adjourning phase, or the partnership's end stage, when handover and organizational capacity sustainability are considered. One example from Somalia illustrated the partnership journey's phases. In 2011, the L/NNGO received small grants from the INGO for serving as an implementing partner. The INGO consistently provides grants to support organizational development. In 2018, the nature of the partnership changed, and the INGO supported the L/NNGO in becoming a member of a consortium it was leading. This allowed the L/NNGO to gain decision-making power in the consortium, direct access to the donor, and a deeper understanding of how the international humanitarian sector operates. The L/NNGO now receives very little funding from the INGO, as they have access to more opportunities. This is just one example of how a partnership can transform an L/NNGO.

“This essentially means that over a period of time my portfolio will reduce and I have to get ready [for] that.”

INGO, Bangladesh

Forming strategic partnerships with L/NNGOs that share common values and missions leads to more sustainable partnerships. Developing a joint long-term vision transcends the merely project-based partnership. This allows L/NNGOs to be well-positioned to apply once funding opportunities arise while also preparing them to apply for funding on their own. Such partnerships also open the door to opportunities to design projects before the funding opportunities arise. These experiences can be the foundations of equitable partnerships.

“I think there is this large feeling within the local NGO community of partners that they are being used... They do the work. They don't get the recognition. They don't get the visibility, and they don't get to claim the financing.”

Donor, DRC

Consortium models, through which L/NNGOs become full, decision-making partners, are becoming the preferred model for many donors. They allow them to make fewer, larger grants and have the risk managed by at least one international actor. The governance structures of some consortia also allow L/NNGOs to enter as sub-grantees but “graduate” to become full members. Consortia are seen as “empowering” due to their longer-term funding, where the L/NNGOs control the budget and have the flexibility of crisis modifiers.

The “**Nexus Consortium**” case study in Somalia is a positive example of the consortium model. A group of L/NNGOs established it to create a consortium that would reconfigure the dynamics of aid delivery in Somalia.

Evolving Role of INGOs

The study findings made clear that achieving equitable partnerships is a necessary first step to increasing the decision-making power and financing of L/NNGOs, a partnership model cannot be the only vision for the future of a locally-led response. L/NNGOs were asked to share what role they want and need international actors to play to support their work. The following is a non-exhaustive list of those actions:

- Resource mobilization
- Advocacy to donors, government, and other high-level stakeholders
- Network building and maintenance
- Technical support and backstopping
- Elucidating donor priorities and policies, especially compliance
- Proposal submission guidance and support
- Supporting Monitoring & Evaluation and report preparation
- Promoting visibility and giving due credibility

International actors should explore how they can support local partners in the above actions. INGOs should aim to begin acting as allies for L/NNGOs, ensuring that they share space at meetings with donors so that they can hear and understand what is being discussed by decision-makers in the sector. They also have a role in ensuring that this is valued space, not just token, and that their participation will tangibly contribute to decision-making.

Advocacy to donors on behalf of L/NNGOs is another important role for INGOs, as well as holding each other, donors and UN agencies accountable for their commitments to localization. INGOs also have a key role to play in ensuring that L/NNGOs get due recognition for their work and that the visibility of partners is prominent in communications.

All stakeholders, including communities themselves, strongly supported the need for a continuing role for INGOs. However, there must be a change in the status quo. As one Syrian NNGO noted: “the most important thing for INGOs is to develop a localization mandate and follow it.” It will be necessary for INGOs to set out what they intend to achieve and hold themselves accountable. Continued growth of INGOs, both in finances, influence, and geography, is currently considered a metric of success. This metric runs counter to the localization agenda and should be reconsidered.

Tools & Case Studies

In a case study from Malawi, CARE has established the Humanitarian Partnership Platform in order to strengthen local and national leadership representation on the Humanitarian Country Team. It provides an example of the role that an INGO can play in promoting local leadership that goes beyond the traditional partnering modality.

“

“[UN AGENCY] IS REALLY WORKING WITH WOMEN-LED ORGANIZATIONS OR GROUPS AND ENABLING THEM TO SECURE FUNDING AND WORK. AND THAT IS PART OF THEIR STRATEGY TO BASICALLY [PUT] THEMSELVES OUT OF A JOB ... THIS IS THEIR MANDATE: BUILDING AND ENSURING WOMEN'S EMPOWERMENT AND GENDER EQUALITY. AND IT HAS TO BE DONE LOCALLY.”

DONOR, BANGLADESH

”

5. RISK

The issue of risk is inextricably linked to the concept of trust and is at the core of many barriers to locally-led response efforts. In DRC, Bangladesh, and Malawi, the discussion of risk among stakeholders centered primarily on concerns about corruption and misappropriation of funds. In NW Syria and Somalia, these concerns also included the risk of aid diversion. The issue of low capacity for financial management was consistently cited as a principal cause of fears about corruption and the hesitation to provide more direct, unsupervised funding to local and national actors.

“[It’s] easier for international NGOs to blame the locals. Internationals commit fraud, but they still get paid, and their reputation isn’t ruined. Local NGOs have been *blacklisted* and can no longer get work.”

INGO, DRC

Definitions and Prevalence of Risk

When discussing risk as a general category, the difference in emphasis and definition between local and international actors was stark. Analysis of the interviews conducted revealed differing perspectives. When asked about risk, L/NNGOs were three times more likely to discuss security and safety than the international actors interviewed. International actors discussed issues of corruption and fraud five times more than the L/NNGOs.

While corruption and misappropriation of funds undoubtedly exist throughout the sector, there is an imbalance between the perceptions of L/NNGOs being riskier and the evidence of corrupt practices.

While many actors cite experiences or anecdotes, the imbalance between the perceptions and evidence is substantial, as illustrated in the table above on Trust on Perceptions of Risk. Empirical evidence does not support the perceptions that L/NNGOs are more likely to commit fraud.

L/NNGOs, meanwhile, believe that the physical and security risks in crisis response disproportionately impact them. In DRC, Somalia, and NW Syria, they respond in the areas where international actors cannot access. L/NNGOs in these contexts reported on the difficult decisions they must make to balance staff security against the needs of communities. This situation is exacerbated by the disparity in security risk management resources between L/NNGOs and international actors. Inadequate overheads and inconsistent sharing of ICR mean that L/NNGOs cannot invest in these resources. This is particularly concerning as, globally, L/NNGOs are most at risk of attack.

“It’s all about that misperception. Nobody has ever done a study to prove that fraud cases are greater by a local partner... I would say that local and National NGOs are being put into situations where it is more likely to happen, because they are on the front line.”

Donor, Malawi

“I THINK THAT INGOS AND UN AGENCIES TYPICALLY HAVE A VERY NARROW VIEW OF RISK, WHICH IS ALMOST INEVITABLY FINANCIAL AND FIDUCIARY.”

DONOR, MALAWI

Reputational risk is also viewed as a factor that contributes to a culture of risk aversion. The existing logic is that governments are fearful that their taxpayers' money will be misappropriated, which could damage their reputation. Certain in-country donor interviewees acknowledged that their compliance requirements are often unrealistic for L/NNGOs to follow. However, they do not have the power to change these requirements, as the Government ministry hosting the donor agency sets the rules that must be complied with.

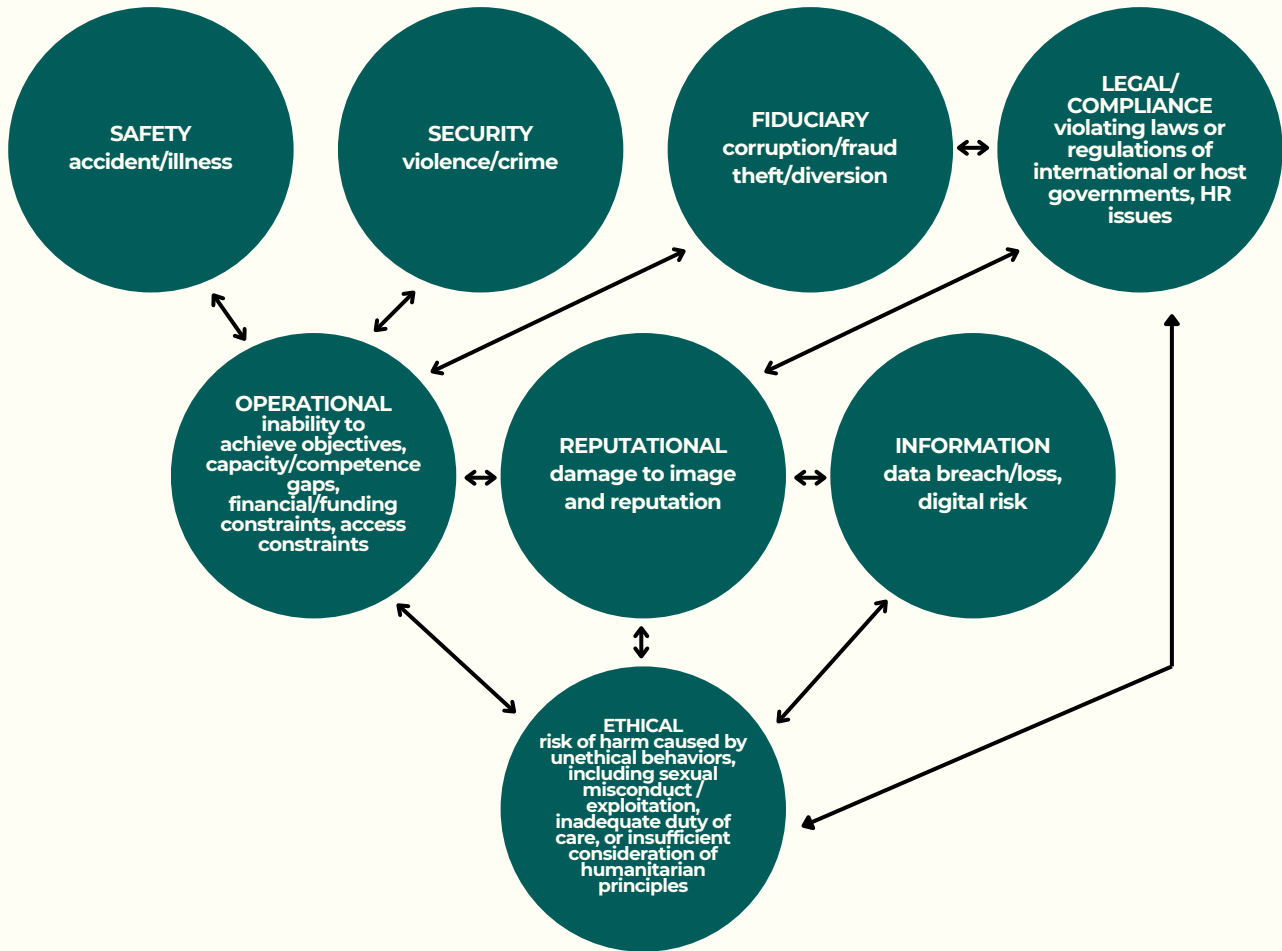


Figure 19: Risk Areas as defined by [Interaction 2019](#)

Consequences of Risk

It is the consequences of risk where the greatest imbalances are observed. Many stakeholders observed that the punitive nature by which L/NNGOs are treated once a suspected fraudulent case arises, creates fear among L/NNGOs preventing them from reporting mistakes or suspected cases. There were several examples provided of L/NNGOs being 'blacklisted' for suspected fraud, which is existential for many organizations. This dynamic feeds into the lack of trust and transparency between actors.

Another consequence of risk aversion is the stringent nature of due diligence and compliance requirements. This is compounded by the fact that every donor, UN Agency, and INGO has their own unique requirements.

These requirements create a huge barrier for L/NNGOs that must repeat these processes for every different funding opportunity, many of which are not successful. This entails diverting human and financial resources already stretched thin to complete these bureaucratic tasks.

“When a partner has the trust of [an agency] it can be lost very easily because of financial management.”

UN Agency, DRC

Risk aversion also perpetuates the disproportionate funding of multilateral actors. Some donors acknowledged that increasing the volume of funding to UN agencies is not conducive to the objectives of localization. In the words of one donor, “We can’t just keep shoveling money into the UN system and then hope that they change themselves. They won’t. There’s no incentive structure there.” Nonetheless, donors remain dependent on UN agencies because they trust the UN to respond at scale. Donors perceive UN agencies’ funding as a low-risk practice, which means it is prioritized, even as it impedes and slows the shift toward localization.

L/NNGO participants acknowledge the risks of the contexts in which they work. They understand that there must be accountability, and they must take responsibility for this. However, they are calling for their international partners to treat the risks they encounter as partners. The current practice of “risk transfer” protects international organizations from the consequences of risk. However, a risk transferred remains a risk in the system. If these risks are not treated, they threaten the successful outcomes of humanitarian response. It should be in the interest of all stakeholders that these risks are eliminated and mitigated against. This requires the acceptance and sharing of risk among all stakeholders.

Risk Sharing

Humanitarian actors’ risks in the sector cannot be eliminated entirely. However, L/NNGOs believe that the imbalance in the burden and consequences of risk can be addressed. Many L/NNGOs call for a risk-sharing approach, where they can speak openly about the risks they face with partners.

They seek to develop a common approach to mitigating the risks while agreeing on each partner’s roles if a “risk event” occurs.

In 2021, the Netherlands Ministry of Foreign Affairs, the International Committee of the Red Cross (ICRC), and InterAction developed a [framework](#) for operationalizing risk sharing. This framework is designed to ensure equity in dialogue between all partners and equal representation when discussing risks. While this framework supports more equitable risk sharing among actors, a holistic risk identification is needed where all stakeholders’ risks are considered. Agreements on the best risk response strategies should be made, and opportunities to share the related responsibilities must be explored. This may involve certain partners taking actions to mitigate risk on behalf of another partner, a key element of risk sharing.

Tools & Case Studies

[In a Case Study from Somalia](#), the Somalia NGO Consortium led an initiative to standardize how INGOs assess their partners by developing a common tool. While the partners agreed upon this in principle, the uptake on its use has been limited, as each INGO has its own internal procedures to follow.

Another proposed solution involves developing a system of due diligence “passporting,” whereby international actors recognize partners have been assessed by their counterparts and that qualifies them to enter into partnership. Charter for Change, together with Humentum have developed the [Due Diligence Passporting Tool](#).



Photo: Hugh Kinsella Cunningham/Concern Worldwide

6. POOLED FUNDING

Pooled Fund mechanisms have been described as having the **potential to reshape the humanitarian funding landscape, allowing for needs-based**, rapid, locally-led funding. During this research, three of the five contexts visited had UN-managed Country-Based Pooled Funds (CBPFs) (DRC, NWS, and Somalia). These CBPFs were viewed as positive catalysts for localization across the contexts, with the Somalia Humanitarian Fund being the global leader of CBPFs, with 69% of funding going to L/NNGOs in 2023.

However, the overall impact of CBPFs on localization needs to be adequately assessed. It represents such a small proportion of the overall funding that it is unrealistic to expect this mechanism alone to have any significant impact on the goals of localization in its current iteration. A CBPF representative stated that the funding mechanism can act as a catalyzer for localization but not in isolation. This was in stark contrast to the importance that certain stakeholders attached to it. Many donors point to their funding of Pooled Funds as one of their main contributions to localization.

In 2023, CBPFs only represented **3.25%** of overall humanitarian funding and there are numerous humanitarian contexts which do not have any CBPFs. One donor in DRC went so far as to say that CBPF could be a barrier to real progress on localization because it allows donors “to fund it and report to our HQ that 40% is going to L/NNGOs – job done. It becomes the easy way out”. Most stakeholders agreed with such a small percentage of the funding making its way to the Pooled Funds, it raises questions about the sincerity of donors' commitment to shifting power and financing to L/NNGOs.

“I'm struggling to think of something we've done tangibly to support the localization agenda other than the support to the pooled funds.”

Donor, NW Syria

RECIPIENT NAME	\$ USD (MILLIONS)	%
WFP	8,179.5	23
UNHCR	3,745	10.5
UNICEF	3,199.30	9
INGOS	1,986.80	5.6
ICRC	1,760.20	4.9
CBPF	1,159.20	3.25

Figure 20: Data from 2023 on distribution of humanitarian funding from [CBPF Allocations Overview](#)

This is especially true when funding to a small group of large UN agencies continues to grow. It was argued that if donors are serious about their commitments to localization and believe Pooled Funds are the best mechanism, there should be a significant shift of funds from these UN agencies.

Advantages

The CBPFs provide opportunities for L/NNGOs to access direct funding and the freedom to design their projects, within the parameters of the funding allocations. Several L/NNGOs noted that this was their only option to receive direct funding. 30% of L/NNGO respondents to the Global Survey had received pooled funds, the majority (62%) being UN CBPF.

Becoming eligible for the CBPF and being awarded a grant is of great importance to many L/NNGOs. It represents a milestone of credibility for the organizations, as being recognized by the CBPFs means that they are more likely to get funding from other donors, UN agencies and INGOs. In the Global Survey, 73% of L/NNGOs agreed that receiving pooled funds allowed their organization to grow and become more sustainable. Although several L/NNGO interviewees were dissatisfied with the level of overhead costs received from Pooled Funds, 65% of L/NNGO respondents to the Global Survey agreed that the funding they received covered their overhead costs.

STATEMENT FROM GLOBAL SURVEY	AGREEMENT %
<p>“RECEIVING FUNDS FROM POOLED FUND ALLOWED MY ORGANIZATION TO GROW AND BECOME MORE SUSTAINABLE.”</p>	<p>73%</p>
<p>“THE FUNDING WE RECEIVED COVERED OUR OVERHEAD COSTS.”</p>	<p>65%</p>
<p>“DECISIONS ON POOLED FUND ALLOCATIONS ARE TRANSPARENT AND FAIR.”</p>	<p>45%</p>
<p>“DECISIONS ON POOLED FUND ALLOCATIONS ARE INFLUENCED BY LOCAL ACTORS.”</p>	<p>39%</p>

Figure 21: Global Localization Survey results on impacts of pooled funding

CBPF Challenges

L/NNGOs that receive funding from CBPFs are optimistic about these mechanisms. However, data from the Global Survey also showed that only 45% of L/NNGOs believe that decisions on Pooled Funds allocations are transparent and fair. Furthermore, only 39% agree that L/NNGOs influence decisions on Pooled Funds. While L/NNGOs with seats on advisory boards have made progress, some reported that they do not feel confident challenging their international counterparts on decisions. Others claimed that the organizations on these boards do not represent the interests of all L/NNGOs.

The proportion of those deemed eligible to receive funding needs to be higher. According to research data, of those who applied in 2023, only 14% succeeded in DRC and 40% in Somalia. The organizations that are ineligible feel that the process is long and onerous. The CBPFs tend to harmonize donor compliance requirements, which leads to the strictest conditions being applied. Consequently, a small proportion of L/NNGOs consistently receive funding, contributing to the “oligopoly” of L/NNGOs mentioned in Finding 2. The table below from the Global Localization Survey illustrates this point as it shows the proportion of organizations that received CBPF funding compared to their size.

The percentage of L/NNGOs funded by CBPF in Somalia (69%) and NW Syria (66%) is very high. A significant factor is the access challenges international actors in these contexts face. The most difficult-to-reach areas are typically where the needs are greatest, and L/NNGOs are the only ones that can respond. This raises questions about whether the success of these CBPFs in funding L/NNGOs directly is out of necessity or a real commitment to localization.

Another challenge raised by L/NNGOs study participants was the lack of feedback they received after a failed eligibility application, and when they were able to receive feedback, there were no opportunities to address capacity gaps. The CBPF representatives do not see it as their role as needing to help address capacity gaps, as the CBPF’s primary objective is to save lives. One CBPF representative said that if they provided funding for capacity strengthening, it would detract from the number of lives they would be able to save.

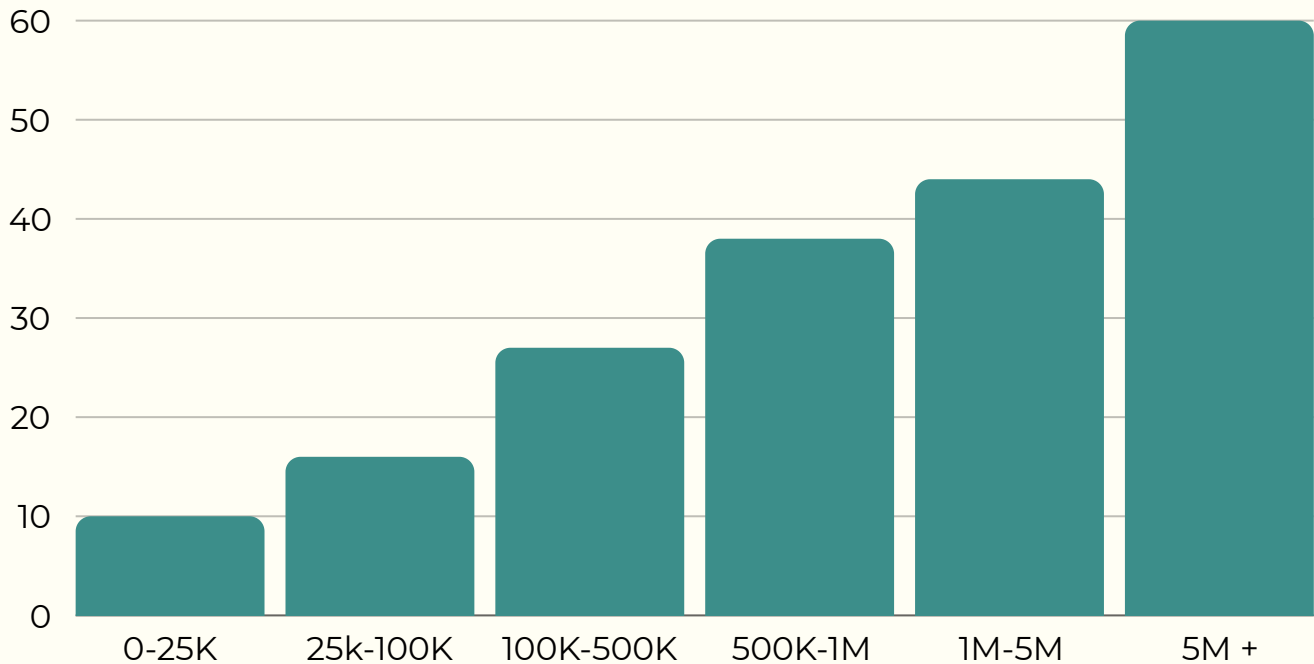


Figure 22: Percentage of organizations receiving pooled funding by budget size from Global Localization Survey

When asked what top three improvements they want to see in pooled funding mechanisms, L/NNGOs prioritized them as follows :

OPTION	SELECTED %
AVAILABLE TO L/NGOS ONLY	20%
LONGER PROJECTS AND FUNDING DURATION	19%
INCREASED BUDGET AND OR EXTENSION	14%
SIMPLIFIED PROPOSAL PROCESS	14%
LESS COMPLIANCE / ELIGIBILITY REQUIREMENTS	12%
INCREASED SUPPORT COSTS	11%
CAPACITY STRENGTHENING FOR NON-ELIGIBLE L/NNGOS	10%

Figure 23: Top improvements sought to pooled funding mechanisms from Global Localization Survey

By the nature of the fund's mandate, CBPFs require organizations to be ready to respond immediately. While intended to meet life-saving needs, priority is given to organizations prepared to respond immediately – usually INGOs and UN Agencies. However, the CBPF funding allocations are generally short-term and do not provide adequate operating costs. This means that organizations must have alternative resources to be in a realistic position to respond effectively. These limitations favor the international actors and the large NNGOs. Certain INGO interviewees stated that they consider the application process overly onerous and opt not to apply for allocations – a luxury many L/NNGOs do not have.

Competing with international actors for CBPFs poses a challenge for L/NNGOs. Many L/NNGOs called for the creation of a Pooled Fund accessible only to L/NNGOs. Certain stakeholders proposed Establishing Pooled Funds specifically for women-led and minority organizations that find it difficult to compete with INGOs and L/NNGOs alike.

For more information about the challenges faced by minority organizations, see the case study outlining the challenges faced by minority rights organizations in Somalia.

Tools & Case Studies

Alternatives to the UN-managed CBPFs are having a further impact on localization and should be explored. These provide examples of how Pooled Funds can be as effective while increasing the level of local leadership.

In a Bangladesh case study, the Start Network established START Fund, its flagship rapid pool funding mechanism. The Start Network has been at the forefront of promoting localization by actively involving L/NNGOs in addressing small—and medium-scale crises.

After the earthquake in 2023, the NEAR Syria Solidarity Fund (SSF) case study was established in NW Syria. The initiative aims to address issues related to the delay in advancing the localization agenda and provide flexible and high-quality funds funded directly to L/NNGOs. The national pooled fund relies on a localization approach, allowing members to submit proposals in Arabic.

7. CAPACITY

Capacity was the most common issue discussed across the five contexts, covering 20% of the entire body of data. As one NW Syria NNGO above summarized the study found that the concept of capacity, while widely discussed, is ambiguous and holds different meanings for different stakeholders. There was no clear definition for what a fully capacitated L/NNGO should look like, and as a result it leads many L/NNGOs to view capacity as a moving target. As soon as they approach one requirement or standard, a new capacity arises that requires them to keep them from reaching the threshold for direct implementation or increased responsibility.

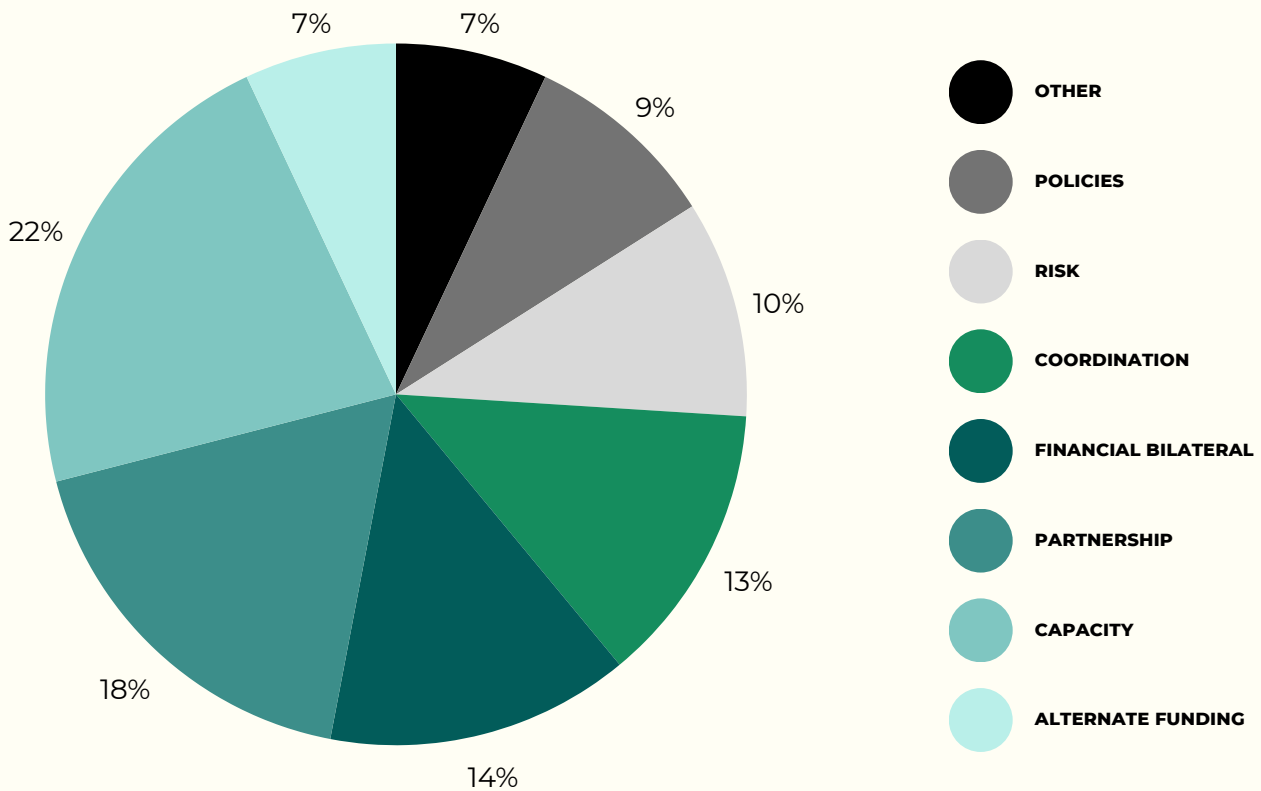


Figure 24: Distribution of Primary Codes Across the Qualitative Data



**“CAPACITY IS THE SCHOOL YOU
CANNOT GRADUATE FROM.”**

NNGO, NW SYRIA



In the stakeholder workshops, capacity was seen as an underlying driver for many challenges that currently limit locally-led humanitarian action. Capacity strengthening was also seen as the primary solution actors in the workshops mentioned. However, there has been no shortage of capacity-strengthening efforts in the last few decades as stated by a Somali NNGO representative: “we have been working at this capacity building for the past 20 years and they are asking now, when do we graduate?” A rethinking of the effectiveness of current approaches is therefore needed.

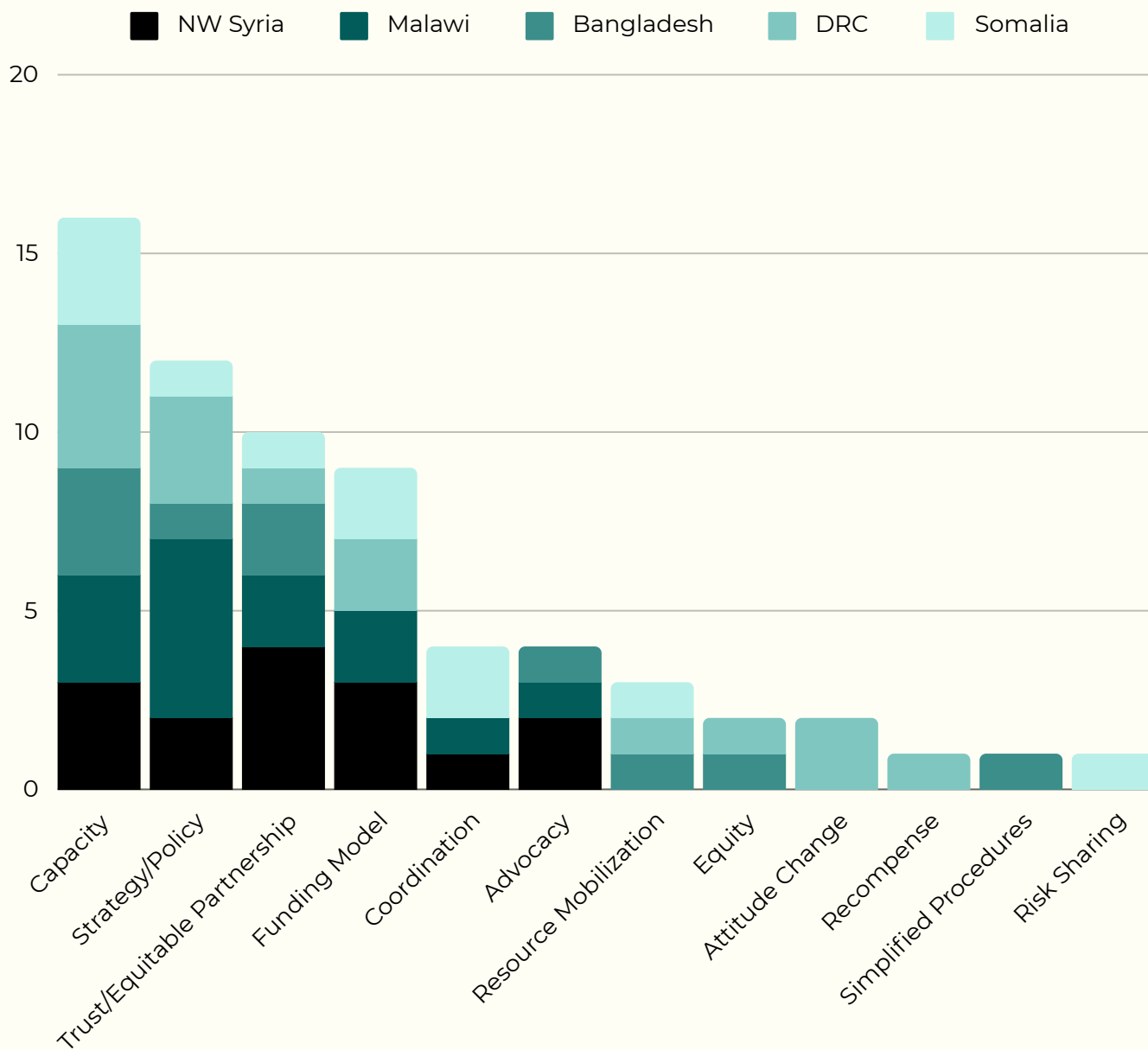


Figure 25: Distribution of Primary Codes Across the Qualitative Data

Respondents recognized the capacity of L/NNGOs' capacity to negotiate with various stakeholders, gain access to communities, understand local context and sensitivities, and in many of the technical elements of program delivery. While these capacities are vitally important to the success of humanitarian programming, international actors increasingly prioritize other capacities. International actors see financial management and compliance as the most critical capacities, which they also often consider lacking at the local level. L/NNGOs mainly recognize their limitations in some of these areas and want organizational capacity-strengthening efforts adapted to their needs.

Language – Overlooked Capacity Barrier

Language skills are another capacity required of L/NNGOs to operate in the humanitarian system. It should be noted that the relevance of this issue varies widely depending on the context. However, the expectation is that L/NNGOs work in the predominant European language (usually English or French). While many L/NNGOs can efficiently operate in multiple languages, evidence from the Global Localization Survey shows that language acts as a barrier to approximately 1 in 3 L/NNGOs, as shown below:

In the context of this research, L/NNGOs require strong English or French to engage in coordination structures, apply for funding, and report to donors. L/NNGOs, without strong English or French language skills, operate at a significant disadvantage, effectively locked out of the system and its financial opportunities. Furthermore, even when L/NNGOs have competent language skills, international actors' excessive use of jargon, acronyms, and other specific terminology can pose a barrier for those less familiar with the sector. This exclusive language favors those organizations familiar with the system and reinforces the power of the 'oligopoly' of large NNGOs.

International languages have become the default in the humanitarian sector, as in most globalized sectors. However, for progress on shifting power to L/NNGOs, there needs to be a rethinking of where the burden of translation lies. L/NNGOs reported spending resources on consultants to ensure that proposals read correctly in English. This raises questions over why the actors with the least resources, i.e., the L/NNGOs, carry the burden of translation. One INGO reported that they were accepting proposals for partners in the local language. If more international actors followed this lead, it would open the opportunity for funding to a much more comprehensive, diverse range of L/NNGOs.

L/NNGOs' reluctance to attend or engage in coordination forums is also often attributed to the fact that meetings are not conducted in local languages. Increased efforts to have coordination spaces conducting business in local languages or with translation services would improve the inclusion of L/NNGOs.

RESPONDENTS ON THE GLOBAL LOCALIZATION SURVEY, WHEN ASKED ABOUT LANGUAGE BARRIERS:

IT IS A CHALLENGE FOR MY ORGANIZATION TO NOT BE ABLE TO SUBMIT PROPOSALS/REPORTS IN MY MOTHER LANGUAGE

32% AGREE / STRONGLY AGREE

MEETINGS BEING CONDUCTED IN FRENCH/ENGLISH/NOT MY NATIVE LANGUAGE IS A SIGNIFICANT BARRIER FOR ME

30% AGREE / STRONGLY AGREE

Current Capacity Strengthening Efforts

The inadequacy of capacity-strengthening efforts begins with the fact that the opportunities are not demand-driven. L/NNGOs respondents reported frustration with the capacity-strengthening opportunities their international partners offer. They are rarely consulted on what is needed. The sentiments expressed in the workshops and interviews were supported by data from the Global Localization Survey. L/NNGOs ranked Fundraising and Governance/Organizational development as the two most sought-after capacities (see below table):

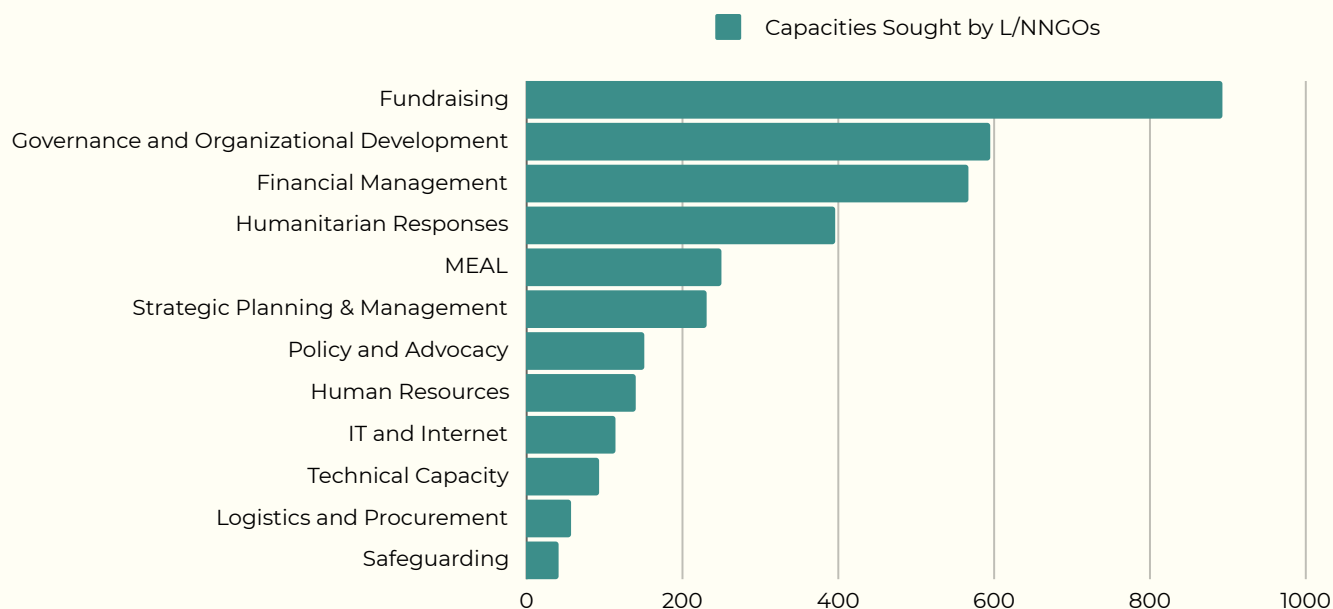


Figure 26: Areas L/NNGOs are seeking to build capacity, from Global Localization Survey (Ranked Totals)

However, existing training opportunities are primarily designed top-down by international actors, with little input from locals on their capacity needs. Further, participants noted that many trainings available are technical or programmatic rather than investing in the organization and equipping them to take on greater funding and responsibility.

“For training to be more useful it should be accompanied by real projects; otherwise, it will be very temporary, and its benefits will not last for a long time.”

LNGO, NW Syria

Further challenges are posed by capacity strengthening typically being linked to project funding. Certain INGOs report being frustrated when limited by inflexible donor grants, which do not allow for holistic capacity strengthening. The most common method remains one-off trainings targeted at individuals. These one-off trainings are rarely tailored to the unique needs of the individuals who attend, many of whom will have attended numerous trainings on the same subject matter. Often, the most senior LNNGO members attend, rather than the staff members doing the actual work related to the training topic, and in certain cases, they are incentivized to collect per-diems rather than to gain new capacity.

To combat these issues, an initiative in NW Syria to develop a register of capacity-building trainings and who was attending was launched, but it did not progress due to a lack of funding.

The timeline of typical humanitarian funding cycles also frequently precludes partners’ progress on capacity strengthening. Because humanitarian grants are typically short-term and require activities to be completed urgently, humanitarian organizations often cannot prioritize long-term goals such as capacity strengthening over urgent programmatic priorities.

In other words, humanitarian response's inherently reactive and short-term nature is a serious impediment to sustaining an intentional focus on capacity strengthening. A lack of dedicated funding for capacity strengthening is also seen as an issue. In one case study from Somalia, there is an example of a mentorship project that paired L/NNGOs with INGOs over a period of time. Despite the success of this partnership project, progress was limited due to difficulties in maintaining funding.

Overall, the research demonstrates widespread dissatisfaction with current capacity strengthening efforts, highlighting a need for a sharper review on how to best address capacity needs.



“

“CAPACITY SHARING, AT THE CORE, IS RECOGNIZING THAT EVERYONE HAS SOMETHING TO BRING TO THE TABLE... WE AGREE THAT LOCAL ORGANIZATIONS HAVE A BETTER IN-DEPTH UNDERSTANDING OF THE COMMUNITIES....IN TERMS OF FUNDING, INGOS ARE A STEP AHEAD. BUT COVID TAUGHT US THAT LOCAL ORGANIZATIONS HAVE A LOT TO OFFER BECAUSE WHEN NO ONE WAS THERE, WE WERE THE ONLY ONES WHO WERE THERE. WE WERE THE ONLY ONES WHO WERE GOING TO THE COMMUNITIES. AND SO, IT'S APPRECIATING THAT... FOR EXAMPLE, DESIGNING A PROJECT ... INGOS HAVE THE TECHNICAL KNOWLEDGE. STILL, IF YOU DO NOT HAVE A REALISTIC UNDERSTANDING OF THE CONTEXT ON THE GROUND, THEN THE TECHNICAL KNOWLEDGE IS NOT SERVING ANY PURPOSE. IT'S LIKE FITTING A JIGSAW PUZZLE.”

NNGO, SOMALIA

”

Photo: Adnan Mohamed/Concern Worldwide

If the humanitarian system is to rededicate itself to a more locally-led structure, it will need to recognize that capacity strengthening cannot be a one-way exercise. To improve coordination and make responses more appropriate and effective, it must be recognized that no one actor holds all the necessary skills and that international actors have a lot to learn from L/NGOs regarding local contexts, their ways of working, and techniques for building trust and effective partnerships.

Pooling the diverse capacities of both local and international actors is essential to deliver quality programming, and this requires a concerted effort to acknowledge and leverage the existing capacities of all actors. This also requires international actors to better tailor capacity-strengthening activities to the actual needs of L/NGOs that are often clear about the gaps they see in their own organizations and that have defined explicit requests related to areas ready for capacity-strengthening efforts.

8. STAFFING

The humanitarian sector exists within a free-market system that allows people to seek to better their careers and livelihoods. The international organizations with the most resources tend to offer the best working conditions for humanitarian workers because of larger, more flexible budgets. While the imbalance of funding and power between international and L/NNGOs persists, this will continue to be a barrier to localization. This issue also impacts INGOs, often losing staff to UN Agencies or better-paying INGOs. However, the organizations at the bottom of this “food chain” are most impacted.

Recruitment

L/NNGOs need help recruiting qualified staff. These challenges manifest themselves differently depending on the context. In Malawi, it wasn't easy to find suitably skilled staff, particularly for L/NNGOs in rural locations. However, in other contexts, the more significant issue was that salaries at the L/NNGO level were not competitive enough to recruit qualified staff, a challenge felt most acutely for positions related to accounting and financial management. As a result, L/NNGOs are often understaffed or rely on volunteers. Some participants called for harmonizing salary scales between international and L/NNGOs to address the recruitment issue. However, many others questioned whether this would be feasible.

“The international NGOs are often paid four or five times more than people would earn with a similar degree in a local organization.”

Donor, Malawi

Retention

L/NNGOs not only had challenges recruiting the right staff for their programming, but they also had challenges retaining staff. 51% of L/NNGOs in the Global Localization Survey agreed that staff turnover is a significant challenge for them as an organization. As mentioned above, L/NNGOs' inability to be competitive with salaries from inside and outside the sector vastly limits their ability to retain ambitious staff. Some stakeholders noted that retention issues arise when staff can attend training opportunities. Once their capacity expands, they frequently move on to new jobs.

L/NNGOs, however, provided some clear information about factors that keep them dedicated to their roles. In the Global Localization Survey, L/NNGO staff reported that the top three most important reasons to stay with their organization were: 1) Mission and Mandate, 2) Supporting Your Community, and 3) Learning and Training. Salary was listed as the fourth most important reason for staying for L/NNGOs, whereas INGO respondents ranked it higher. This quantitative data corroborates the trends in discussions with stakeholders. The ties to community were also deeply motivating, allowing humanitarian professionals to feel more integrated and connected to communities from the position of L/NNGO.

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“THERE IS POTENTIAL FOR LOCALIZATION TO BE STRENGTHENED BY BUILDING UP THE CAPACITIES OF LOCAL AND NATIONAL NGOS AND PROMOTING STAFF RETENTION WITHIN THEM.”

INGO, BANGLADESH

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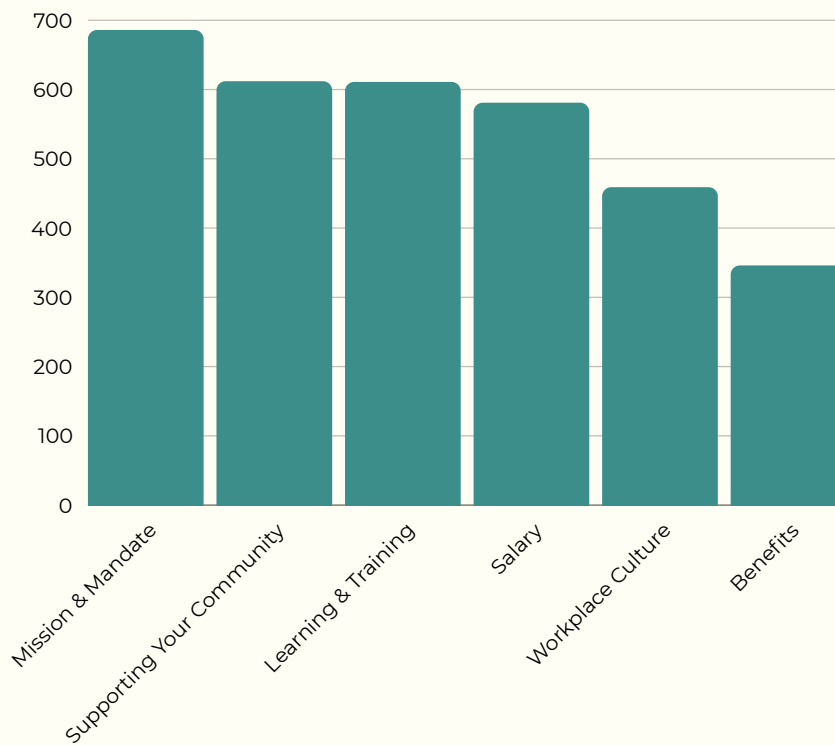


Figure 27: Reasons listed by L/NNGOs to stay at their organization from Global Localization Survey

L/NNGO staff with experience and expertise tend to be recruited by their international partners. In the Global Localization Survey, international organizations had at one time recruited almost 40% of L/NNGO respondents. More and more international organizations are seeking to nationalize posts, particularly at the country level, and meeting potential new hires with vetted experience is too convenient to ignore. But the consequences for L/NNGOs that lose qualified staff are real. They include reduced overall capacity that jeopardizes the organization's sustainability and its activities.

“Whether it is local or international NGOs, we are the ones developing human resources and the UN picks them up...”

INGO, Bangladesh

The signatories to the Charter for Change commit to not recruiting from partner organizations in a humanitarian crisis. There is an annual reporting process where all INGO signatories fill out a self-reporting tool and submit it to the Charter for Change Secretariat. Start Network have also put forward **high-level ethical recruitment guidelines** for the sector. One INGO in NW Syria noted that they make a habit of having a discussion with partners before recruiting from their team and discuss what supports the local partner might need to navigate the loss of a staff member. Mitigating impact on local organizations must be considered, and policies should be in place in a partnership long before recruitment is considered.

CONCLUSION

The commitments to the Grand Bargain in 2016 generated significant discussion and led to many policies and approaches to build a more locally-led response. Rhetoric about localization became the practice when the COVID-19 pandemic halted the world's movements and left international actors solely reliant on L/NNGOs to deliver aid and care to the communities in which they live and serve. However, momentum has lagged, and many stakeholders interviewed for this research shared their fear that "localization" is another trend in the humanitarian sector – just a buzzword thrown around but something that would never result in tangible change.

Eight years after the initial commitment, limited progress has been made, either on the metrics defined by the Grand Bargain or in the lived experiences of practitioners themselves. While several examples of remarkable work and transformation undertaken by individual organizations exist, this progress has not resulted in system-wide movement. The Progress that has been made has focused on structural changes – policies, funding flows, and improved practices at the organizational level.

This research intended to diagnose where progress had stalled and provide operational suggestions and tools to address the barriers to the commitments to shift to a locally-led response. Despite the perceived progress on localization in some of the contexts studied at the onset

of the research, local actors and communities interviewed in all contexts were dissatisfied with their current level of inclusion in humanitarian response decision-making and finances. With its many policies and procedures, the humanitarian system creates insurmountable barriers for local actors, with these bureaucratic challenges only exacerbated by low-risk appetites and burdensome financial requirements.

This research has indicated that while there are clear policies and procedures that must be made and applied technically, the most significant barriers to achieving a more locally-led response are relational in nature—how people work together, perceive each other's capacities and intentions, and trust one another. The breakdown of belief, trust, and communication was evident between stakeholders at every level, and this breakdown is keeping the system from undergoing significant change, even if that change is seen as essential and necessary.

L/NNGOs play a role in expanding their capacities and building trusting relationships. Still, the true onus is on the international community to walk the talk about locally-led responses and make procedural and relational changes in their ways of working. These changes will require difficult conversations, shifting roles, and a willingness to accept risk and invest in a new future. This report intends to serve as a catalyst for those necessary changes in service of a more effective and accountable humanitarian response.



Photo: Hugh Kinsella Cunningham/Concern Worldwide

ANNEX #1

Below is a comprehensive list of the resources developed by the Beyond Barriers Project:

DELIVERABLE TITLE	GEOGRAPHIC FOCUS
Final Report	Global
Malawi Context Report	Malawi
DRC Context Report	DRC
Somalia Context Report	Somalia
Bangladesh Context Report	Bangladesh
Literature Review	Global
Community Report	5 Study Contexts
Workshop Reports	5 Study Contexts
Global Localization Survey Data Dashboard	Global
Case Studies (linked in Annex #2)	5 Study Contexts
Trust in Partnership Tracker Tool Guidance Note	Global
Locally-Led Funding Tool Guidance Note	Global

ANNEX #2

Below is a summary of the case studies developed in this research project. These are examples of good practice, which the researchers believe should be taken as learning cases that could be applied to other contexts.

SECTION	CASE STUDY / TOOL
Trust	<u>Trust in Partnership Tracker</u> <u>L/NGO Coordination Platform – DRC</u>
Destination	<u>Door Beyond War – NW Syria</u> <u>Local Coalition Accelerator – Bangladesh</u> Oxfam DRR-LHL - DRC
Measurement	<u>Locally-Led Funding Tool</u>
Beyond Partnership	<u>The ‘Nexus’ Consortium – Somalia</u> <u>CARE Humanitarian Partnership Platform - Malawi</u> <u>Save the Children Localization Project - Malawi</u>
Pooled Fund	Minority Rights Organizations in Somalia <u>START Fund Bangladesh</u> <u>NEAR SSF – NW Syria</u>
Risk	Emere – Malawi <u>Somalia NGO Consortium Capacity Assessment Harmonization – Somalia</u>
Capacity	Twinning Capacity Development Project – Somalia
Other	<u>Grassroots Response to Earthquake in NW Syria</u> <u>Women Led Emergency Response in Bangladesh</u> Start Hub in DRC

ANNEX #3

The research found numerous recommendations across the five contexts. Below is an aggregate of these recommendations. Further details on each are contained within the country-specific context reports.

Localization is a complex issue that will require a multifaceted approach. Each recommendation should not be read in isolation. Progress requires efforts from all stakeholders across the different areas of the research.

It is recognized that only some recommendations will apply to some contexts. Furthermore, many recommendations have been made previously in other research papers. The research team has chosen the most pertinent in the current environment.

These recommendations do not represent the view of Concern Worldwide or its research partners.

FUNDING

Direct Funding

- Donors
 - Address internal bureaucracies and regulations that impede the direct funding of L/NNGOs.
 - Reevaluate and amend proposal processes to make them accessible to all local NGOs.
 - Increase in-country human resource capacity to manage more numerous and smaller grants instead of depending solely on funneling large grants through intermediaries.
 - Be proactive in seeking out and establishing relationships with L/NNGOs and informing them of funding opportunities.
 - Provide “seed” funding to L/NNGOs to conduct evaluations and prepare proposals.
 - Remove matched funding requirements for L/NNGOs.
- INGOs and UN agencies
 - Facilitate the development of relationships between donor agencies and L/NNGOs.
 - Commit to not competing for funding opportunities when there are L/NNGOs capable of leading the response
 - Advocate for direct funding of L/NNGOs capable of leading responses.
 - Provide technical support to L/NNGOs when requested on proposal design and project implementation.
 - Provide financial assistance to L/NNGOs in accessing direct funding opportunities (example: providing matched funding or advance funding for grants where payment is only received after milestones are reached).
- L/NNGOs Strengthen capacities necessary for direct funding and familiarize themselves with the humanitarian funding landscape.
 - Form consortia and apply collectively for funding to increase the likelihood of direct funding.
- All Stakeholders
 - Collaborate to establish central databases or websites where L/NNGOs can view all available funding opportunities to improve access to direct funding.

Funding through Intermediaries

- Donors
 - Prioritize funding to UN agencies and INGOs who have developed clear policies, strategies, and accountability mechanisms for how they are promoting localization.
 - Incentivize UN agencies and INGOs to work with L/NNGOs by basing the scoring of proposals on components of localization.
 - Increase the quality of funding offered to include the following types of opportunities:
 - multi-year funding;
 - Increased flexibility in the use of funding by local responders;
 - Funding that is planned to be transitioned to L/NNGO ownership over time;
 - Funding for consortium models that give L/NNGOs equal decision-making power;
 - Pre-positioned funds that ensure local actors have access to funds quickly when crisis occurs.
- INGOs and UN agencies
 - Set specific objectives on localization in project proposals and be intentional about utilizing projects to shift power to local partners.

ICR

- Donors
 - Require that prime partners share ICR costs with their partners or that they explain why they are not.
 - INGOs and UN agencies
 - Ensure that ICR is shared proportionally between partners, based on the total budget per partner or the number of deliverables per organization.

Pooled Fund Mechanisms

- Donors
 - Increase funding to CBPFs and invest in alternative mechanisms, such as the Start Fund.
 - Consider establishing pooled funds that provide funding exclusively to L/NNGOs.
- CBPFs
 - Ensure that CBPFs provide L/NNGOs with sufficient overhead costs.
 - Increase flexibility to provide long-term grants.
 - Provide funding for capacity strengthening.
 - Ensure that CBPF advisory boards represent most L/NNGOs, not only large and well-established organizations.
 - Increase the amount of funding going towards women and minority-led organizations.
 - Improve transparency on funding allocation decisions and provide feedback to L/NNGOs deemed ineligible.

HUMAN RESOURCES

Capacity

- International Actors
 - Improve the quality and relevance of capacity-strengthening offerings by:
 - Prioritizing strengthening the organizational capacities of L/NNGOs over individual skills;
 - Anchoring capacity strengthening in long-term partner agreements;
 - Complementing capacity-strengthening activities with mentoring, secondments, and other opportunities to apply learnings in practice;
 - Provide funding for activities to accompany capacity-strengthening activities.
 - Adopt capacity-sharing approaches instead of traditional capacity strengthening or “building” approaches. Recognize the capacities of local actors and promote mutual learning.
 - Increase the use of Organizational Capacity Self-Assessments by L/NNGOs as the starting point of capacity sharing and co-design capacity strengthening initiatives with partners.
- Donors
 - Provide funding with the sole objective of strengthening capacities.
- L/NNGOs
 - Work collectively to strengthen each other’s capacities and identify what organizations can offer expertise to others.
- All stakeholders
 - Collaborate to design a tracking system of capacity strengthening efforts, including who has been trained on what to reduce duplication.

Staffing

- International actors
 - Establish and report against best practices and guidelines on ethical recruitment from local actors.
 - UN agencies and INGOs
 - Ensure staff have adequate skills and training to cultivate equitable relationships with L/NNGOs.
- All stakeholders
 - Collaborate on creating standardized salary ranges in the sector to address the salary imbalance between international and local actors.

POWER IN PARTNERSHIP

Power Dynamics

- All stakeholders
 - Consider power dynamics at the local and national level and ensure that those leading response efforts are as close to affected communities as possible.
- L/NNGOs
 - Create alliances and networks to advocate collectively for real progress on localization.

Role of INGOs

- INGOs
 - Publish localization policies and strategies on how they plan to evolve over the next five to 10 years to further the localization agenda and reimagine the role of an INGO.
 - Continually analyze the value-add in each context.
 - Develop nuanced system metrics on localization and commit to publishing progress annually.

Trust

- All stakeholders
 - Consider the skills required to build trust as fundamental. Commit to investing in the required capacities and track performance. The Beyond Barriers team's Trust Tracker tool can be utilized to measure and improve trust in their relationships.

Equitable Partnership

- International Actors
 - Co-design projects with local actors to have shared ownership over response efforts and to cultivate relationships based on genuine partnership.
 - Invest resources in establishing formal partnerships with L/NNGOs before specific responses or grant opportunities to foster long-term and equitable collaborations.
- Donors
 - Incentivize INGO and UN agencies to enter partnerships equitably by providing dedicated funding and time for co-creation efforts.
 - Include indicators on the components of equitable partnerships in all grants to international actors.
- UN agencies and INGOs
 - Work with partners to develop plans to adjourn partnerships, striving towards assisting the partner in accessing their funds directly in the future.
 - Ensure that partners fully understand all reporting and compliance requirements and agree on reporting and compliance methods, subject to donor requirements.

Risk

- International actors
 - Develop a risk-sharing approach with partners and move away from a risk transfer system.
 - Invest in technologies that can reduce the risk of corruption or financial mismanagement.
 - Agree to the system of due diligence passporting or aim to harmonize compliance requirements.
 - Engage in increased advocacy with donor agencies, governments, and taxpayers of donor countries to convey the benefits of local humanitarian leadership and encourage bilateral doors to become less risk-averse.
- L/NNGOs
 - Develop organizationally and put in place systems to ensure effective risk management.