



Invest in Local Capacities

Analytical Paper on WHS Self-Reporting on Agenda for Humanity Transformation 5A

Executive Summary:

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There are positive examples of Member States, UN agencies, and international NGOs investing in capacity-building of national and local NGOs, Red Cross/Red Crescent National Societies and government actors. Member States are also investing in UN country-based pooled funds. However, much more could be done to develop new approaches and channels that facilitate increased funding for national and local preparedness and response capacities. More funds are needed for capacity-building and for country-based pooled funds. Country-based pooled funds need to continue to take steps to increase the proportion of their income that reaches national and local actors.

The Grand Bargain work-stream on more support to national and local front-line responders is closely aligned with the Agenda for Humanity's transformation 5A – Invest in local capacities – and therefore helps to ensure momentum in moving this work forward. One challenge is that data systems to measure progress on localization are lacking. The IASC Task Team on Humanitarian Financing is developing proposals for a localization marker which will help assess progress going forward.

59 stakeholders reported progress against transformation 5A, including 21 Member States, 19 NGOs, ten UN organisations, five faith-based organisations and four others.² The fundamental proposition of this transformation is that local actors are best placed to know the risks and priorities of communities. While those factors place them in the ideal position to provide humanitarian assistance, local actors may struggle to scale up high-volume delivery and sustain adequate resources to support a lasting presence. Direct and predictable financing should be provided to national and local actors with long-term support to develop their capacity to prevent, respond and recover from crises.

Most significant progress made across reporting on transformation 5A – Invest in local capacities

Member States reported investment in strengthening local capacity. For example, Switzerland reported that it co-leads with IFRC the Grand

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² Stakeholder reporting on transformation 5A partially overlaps with that of transformation 4A – Reinforce, do not replace, national and local systems – and with reporting against the commitments of the Charter for Change initiative.

Bargain localization work-stream and organised workshops to coordinate and progress activity on capacity investment, funding, coordination and measurement. Australia is financing a Humanitarian Leadership Programme to train Pacific humanitarian officials. The European Union used the Enhanced Response Capacity instrument to fund pilot initiatives to reduce barriers to direct funding to local responders, promote partnerships and facilitate their inclusion in the humanitarian system. Japan launched a long-term human resource development programme to foster young leaders in the Pacific Island countries. The United Kingdom supports local and national NGO capacity through the START Network, Humanitarian Leadership Academy and the Disasters and Emergencies Preparedness Programme (DEPP).³

“After more than two decades of humanitarian crises, communities have developed local mechanisms for responses that deserve to be valued, supported and shared.”

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Member States reported funding their Red Cross or Red Crescent National Societies and IFRC to build southern National Society capacities. They also indicated increased investment in UN country-based (and other) pooled funds. For example, Luxembourg is significantly increasing its support for UN country-based pooled funds. Belgium is allocating a high share of its funding to country-based pooled funds, plans to support the Start Fund and is advocating for increased Start Fund access for local actors. OCHA reported that USD 715 million were allocated from country-based pooled funds in 2016, of which USD 128 million were directly allocated to national NGOs – indicating that this was almost double the net amount recorded in the previous two years.

Some stakeholders have embarked on training and communications initiatives to promote the localization agenda. The International Council of Voluntary Agencies (ICVA) has successfully launched its first online Humanitarian Learning Stream, focused on humanitarian financing, reaching over 2000 individuals in its first few months. The International Rescue Committee provided training and technical support on gender-based violence (GBV) emergency preparedness and planning to 47 local organizations. UN Women partnered with over 230 local women's organizations to provide technical and financial support for the implementation of safe spaces, which provide GBV protection and response, livelihood activities, education and other services to over 120,000 women and girls. UNDP is working in 36 countries to strengthen core governance institutions in supporting merit-based and transparent civil service reforms and public administration capacity-building projects to strengthen overall national and sub-national capacity to deliver high quality public services.

Stakeholders reported that a more concerted effort is needed to ensure that partnerships with local and national NGOs are more equal and strategic, with local partners taking a greater lead role and share of the resources. Some actors have changed their procedures to favor local actors. The tools of the ACT Alliance's humanitarian response mechanism were revised to reduce workload on reporting for local and national members, learning from ICVA's Less Paper More Aid initiative. UNICEF, UNHCR and WFP are actively engaged on simplification and harmonization of business processes to increase national actor involvement. Some Member States are starting to apply support to local capacity as a criterion for funding applications. For example, Slovenia is obliging all the humanitarian actors it funds to work with local partners on the ground, while Belgium uses partnerships with local partners as a key criterion to assess humanitarian proposals. Finally, 29 international NGOs have signed up to the Charter for

³ DEPP was launched by the United Kingdom's Department for International Development in response to the 2011 Humanitarian Emergency Response Review.

Change, which consists of eight commitments to improve partnership practice and strengthen the role of national and local actors.

The main barriers/ challenges to progress

There are definitional and measurement challenges to this work which the IASC Task Team on Humanitarian Financing is attempting to tackle through the development of a localisation marker. There is no consensus on what qualifies as local capacity, and many actors report that they do not have systems in place to enable them to readily measure quantitative or qualitative progress in investment in local capacities. For example, CARE finds data challenging to extract as no agency-wide system tracks this type of data.

It is challenging for local actors to obtain strong international financial support. Some centralised and top-down donor procedures and rules do not facilitate efforts to strengthen local capacities. For example, the Belgian law on development cooperation does not allow the Belgian Government to fund local actors directly. Some donors have a low risk appetite to support local actors in fragile contexts. Inflexible donor processes in terms of spending, implementation and reporting pose a challenge in fluid, complex and insecure project locations. More emphasis also is needed on strengthening pooled funds. OCHA advocates for at least 15 percent of humanitarian response plan requirements to be channelled through country-based pooled funds, to increase direct access to funding for "frontline responders".

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CARE International

There is a lack of available finance for capacity-building. More work is needed to invest in the core business functions of local and national NGOs, rather than project-by-project funding. The Netherlands considers that strengthening capacities of local actors requires a long-term and sustained holistic approach that focuses on organization and institutional development. Until now capacity-building has focused on short-term staff training, which is important but just one aspect. France points to the difficulty in reconciling capacity-building which is a long-term process with short-term emergency response.

Measuring progress

Stakeholders reported that they used existing, internal systems or frameworks for monitoring, reporting and evaluation – including annual reports and the Common Performance Framework for country-based pooled funds and the annual report of the START Fund. Signatories to the Grand Bargain and Charter for Change are reporting on their performance through the reporting mechanisms of these two initiatives. As an example, Oxfam is developing a change plan with progress indicators for each of the Charter for Change commitments, while the United Kingdom is setting baselines and establishing markers for Grand Bargain work-streams where there are quantitative targets.

With the development of the localization marker and accompanying definitions by the IASC Task Team on Humanitarian Financing, humanitarian actors will be able to better quantify funding passed to national and local actors and assess progress.

Preparing for PACT reporting has stimulated Ireland to develop a baseline. Action Aid and CARE are undertaking baseline surveys to benchmark where they stand to enable progress to be measured over three years. CARE is adapting its measurement systems to capture spending through local partners. Christian Aid is making modifications to its data tracking systems so that it can routinely monitor its performance.

Gaps between the actions of stakeholders and advancing the transformation

A major challenge to advance this transformation is the reluctance of donors, international NGOs and UN agencies to relinquish decision-making power over programmatic priorities and control over financial resources to locally-led crisis response. Despite rhetorical commitments, donors and international humanitarian actors are reluctant to accept that a more effective, holistic, locally-led crisis response presupposes that international actors reduce their role, size and share in decision-making. Moving from rhetoric to action in terms of strengthening national NGOs means profound changes for international actors, that impact on identity, role, behaviours, and practices. International actors need to embrace these changes.

More effort is needed to properly include local actors in humanitarian coordination mechanisms. In some contexts, local actors are excluded from coordination mechanisms, which are based in capitals. In other contexts, they are beginning to be accepted in clusters but without decision-making power. Southern voices are under-represented in some key processes, such as the IASC.

Highlights of good practice

- WFP has launched a pilot initiative with IFRC to jointly invest in Red Cross/Red Crescent National Societies in four countries.
- The United Kingdom supports the DEPP, which has funded the Action Aid-led Shifting the Power consortium, which has helped to form a new coordination platform for local NGOs in Bangladesh; and the OXFAM-led Financial Enablers programme, which provides flexible grants for Philippine national NGO consortia to develop and lead their own capacity-building initiatives.
- The ACT Alliance revised the rules of its Rapid Response Fund so that only local actors are eligible.

Recommendations

1. Greater investment in national and local capacity will enable national and local actors to play a full role in the humanitarian system. Donors need to establish funding channels to invest in capacity-building of local actors – such as the ECHO Enhanced Response Capacity Humanitarian Implementation Plan (HIP) and the United Kingdom’s DEPP – and need to encourage capacity-building components as part of humanitarian funding proposals.
2. International organisations should include capacity-building components in humanitarian funding proposals, so that available funding streams contribute to building sustainable capacity to tackle future threats as well as deal with current needs.

3. Pooled funds need to set far bolder targets for increasing the proportion of funding to local actors. Donors need to increase multi-year investments in pooled funds such as country-based pooled funds, the IFRC's Disaster Relief Emergency Fund (DREF), the Start Fund and funding streams being developed by NEAR.
4. International NGOs should sign up to and implement the eight commitments of the Charter for Change.

About this paper

All stakeholders who made commitments at the World Humanitarian Summit (WHS) in support of advancing the Agenda for Humanity were invited to self-report on their progress in 2016 through the Platform for Action, Commitments and Transformation (PACT) (agendaforhumanity.org). The information provided through the self-reporting is publicly available and forms the basis, along with other relevant analysis, of the annual synthesis report. The annual synthesis report will be prepared by OCHA and will highlight trends in progress, achievements and gaps that need more attention as stakeholders collectively work toward advancing the 24 transformations in the Agenda for Humanity. In keeping with the multi-stakeholder spirit of the WHS, OCHA invited partners to prepare short analytical papers that analyze and assess self-reporting in the PACT, or provide an update on progress on initiatives launched at the World Humanitarian Summit. The views expressed in this paper are those of the authors and do not necessarily reflect the views of the United Nations Secretariat.

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