

Statement by CAFOD for the Grand Bargain Annual Review 2019

CAFOD dedicates its written statement to sharing observations and recommendations emerging from our collaboration with INGO and local NGO partners in the [Charter4Change coalition](#). The Charter4Change is a coalition of INGOs and local NGOs promoting locally-led humanitarian response. Its charter consists of eight commitments building on, but going beyond, those on localisation in the Grand Bargain itself. Every year Charter4Change publishes an [Annual Report](#) to survey progress on those commitments. The coalition also undertakes surveys of the local NGO endorses to voice their views on progress by INGOs and other actors. This year's Annual Report includes a survey on localisation efforts in the Sulawesi response.

Observations:

- New research by Local2Global suggests that donors in 2018 allocated an estimated only 14.2% of their total funding flows to local and national actors – directly or through intermediaries. Even now, most agencies have no system in place to effectively track how much funding they channel to local groups, let alone to disaggregate if that is investment in covering core costs or sustainable capacity strengthening, rather than short term emergency response projects.
- More encouragingly, some Grand Bargain signatories are taking forward strategic efforts to better partner with local organisations. A case study on localisation in the Sulawesi response for the new Charter4Change 2019 Annual Review found that INGOs who had invested in prior partnership and preparedness work with local actors were much better ready to respond when the earthquake and tsunami struck. Yet this kind of longer term and strategic approach is not the norm. And donors don't do enough to incentivise this.
- Both our C4C Annual Report and wider reporting by Grand Bargain signatories point to the proliferation of increasingly burdensome compliance and due diligence requirements as a major obstacle to localisation. Sometimes confused and contradictory approaches by individual donors, as well as a lack of harmonisation across different donors, further gets in the way of resourcing local groups.

Recommendations:

1: Strengthen principled partnership through multi-year funding, covering overhead costs, and investing in capacity-strengthening Feedback for the 2019 Charter4Change Annual Report from both INGOs and local NGOs affirms that the *quality* of funding and relationships between partners matters as much as the *quantity* of international humanitarian funding which reaches local actors. Grand Bargain signatories should:

- I. Ensure that at least 10% administrative/overhead costs are included in programme budgets for local partners as well as international partners, and find adequate ways of increasing investment in the core institutional capacities of local humanitarian actors between crises.
- II. Adopt localisation as a key selection criterion when reviewing proposals; especially for multi-year funding. All multi-year funding to UN agencies and INGOs should require applicants to define localization milestones; including attention to capacity-strengthening of local partners and aligning agency-specific partnership policy and practice with the Principles of Partnership. Donors should use their influence through multi-year and core funding to require agencies to demonstrate progress on these issues between now and 2021.
- III. Ensure that local actors are equal and full members in consortia and in the lead where appropriate. Joint projects should embody equal decision-making authority with entitlement to appropriate budgets and overhead costs.

#2: Mitigate the impact of proliferating compliance requirements on localisation efforts

The past year has brought increased attention to how donor and aid agency parameters on compliance, due diligence and risk management get in the way of channelling funds to local actors. Grand Bargain commitments 2.2, 4.5 and 9.1 all aim to reduce barriers to partnership with local

responders, reduce individual donor risk management processes, and simplify reporting requirements. Yet current practice often runs contrary to this. Grand Bargain signatories should:

- I. Harmonise and simplify compliance approaches aligned around reasonable common minimum standards. Due diligence and risk management assessments conducted by one donor should be accepted by others towards reducing the burden on frontline responders.
- II. Invest in collaborative learning and piloting of tiered approaches to compliance and due diligence for smaller, local organisations recognising that over time NGOs can build up capacity to meet requirements to access larger funding amounts.

3: Accelerate progress on direct humanitarian funding to national and local actors at global and country levels Grand Bargain signatories should:

- I. Make the shift towards 25% a corporate priority within individual agencies (donor, UN and INGO). Leadership should task relevant parts of their organisation to unlock progress towards this through agency-specific action-plans on localisation, which articulate milestones to achieve the target before or by 2021; in line with the Grand Bargain timeline.
- II. Reaffirm collective commitment and action on tracking the 25% target both through the Grand Bargain Annual Review and other relevant processes. In particular, the IASC Principals, the IASC Results Group 5, and relevant stakeholders such as the IATI secretariat, should make accelerated progress on the 25% target – and effective reporting towards this – a collective priority, and reflect this in their workplans and actions over the coming year.
- III. Expand access of local actors to Country Based Pooled Funds (CBPF) funding including through scaling-up initiatives by OCHA and other actors to support local actors on CBPF applications; involving local actors on the CBPF advisory boards in a systematic fashion; and shifting CBPF funding (and other funding instruments) towards multi-year funding and capacity-strengthening opportunities.

#4: Catalyse a step-change in meaningful participation by local actors across the Grand Bargain and wider decision-making processes at global and field levels

Three years after the World Humanitarian Summit, local civil society is too often invited into processes on a tokenistic or ad-hoc basis. Efforts on participation should be assessed not just on a quantitative basis (“how many NGOs participate in which spaces?”) but also on the basis of local actors’ ability to inform substantive decision-making and priority-setting. Furthermore, for all the momentum on gender and disability over the past year, progress on inclusion in decision-making (as opposed to disaggregation of data on sex, age and disability within programming) is moving too slow. As such, specific steps to address gender equity, diversity and inclusion must be explicitly factored into participation efforts. Grand Bargain signatories should:

- I. Build on the Grand Bargain regional consultations and demonstrator country mission processes to engage local/national NGO participants in the wider global process. Beyond the Localisation Workstream, each workstream should articulate steps to substantively engage local actors and catalyse a wider shift within the sector (eg the Cash workstream works with the Cash Learning Partnership (CaLP), the Collaborative Cash Delivery (CCD) platform and the Cash and Markets working-group of the Food Security Cluster to develop action plans to facilitate systematic and meaningful engagement of local actors in cash policy discussions and system reform). Charter4Change calls for a level of ambition in this – for example doubling the level of engagement with local actors in workstream and related processes over the coming year.
- II. Establish a category of local NGO Grand Bargain ‘endorser’ and learn from Charter4Change’s approach to engaging local actors in this way to hold international signatories accountable.
- III. Establish global cluster ‘localisation baselines’ and, on the basis of these, develop action plans to engage local actors. Efforts on this front under the Child Protection and GBV AoRs could inform a wider approach across clusters at global and field levels.
- IV. Develop field-level inter-agency ‘Localisation Frameworks’ and ‘Action Plans’ building on the pilots for these currently being developed in Nigeria, Myanmar, Nepal and South Sudan. Support from Humanitarian Coordinators, Country Teams and Cluster or Sector Working Group Coordinators will be critical to translate these bottom-up initiatives led by NGOs into changes in policy and practice by the wider response.