

Towards Co-Ownership: The Role of Intermediaries in Supporting Locally-Led Humanitarian Action

1. The Challenge

It is of utmost importance that local/national humanitarian actors lead, participate in and are adequately funded for humanitarian response as they are the ones who know the situation on the ground best and often have better access to people in need than international humanitarian organizations. Given that it is still quite difficult for some funding partners/donors to directly fund local/national actors, intermediaries are instrumental to ensure accountable and equitable partnerships and channel a fair share of funding to relevant local/national organization. The Grand Bargain commitments reiterated the need to reinforce and better support local and national responders.

However studies on localisation have found that the current international humanitarian ecosystem is often perceived as being primarily led by intermediaries and donors, and does not yet sufficiently focus on the operational space, agency and ability of local actors to respond to humanitarian crisis in their own countries. This needs to shift fundamentally in order to address the imbalance of powers and prioritise locally and nationally-led humanitarian action to achieve better humanitarian outcomes for affected populations.

The capacities of local actors need to be better acknowledged and local actors must be given the space to deal with the challenges they face and lead the response to affected people's needs in emergencies and crises. Local actors need to be better supported and resourced, reinforcing (where and when necessary) administrative and technical capacity, and ensuring respect for humanitarian principles.

Local/National actors' capacity and potential is often inadequately leveraged or insufficiently used by funding partners/donors and intermediaries. This has been found in several studies to result in inequitable, imbalanced relationships, and can lead to mutual mistrust. In some cases, civil society organisations may be harmed by the nature of these relationships, despite this not being the intent of any party.

Operational and fiduciary risks are sometimes transferred through the funding chain and held primarily by local and national organisations without sufficient investments to enable local/national organisations to better manage risk. The quality of equitable partnerships between intermediaries and local/national actors, including joint planning and decision-making, needs to be prioritised.

Funding partners/donors work with international organisations because of their intermediary capacity, mandates and scale. Such partnerships are also rooted in legal requirements or restrictions, and the limited capacity of many funding partners/donors to intervene directly in humanitarian crises. Intermediary organisations have greater absorption capacity than local/national organisations, which makes them a viable option for funding partners/donors, especially when funds must be dispersed rapidly or at scale to address humanitarian needs.

Funding partners/donors tend to rely on intermediaries to ensure the delivery of humanitarian assistance without sufficient knowledge about the value, needs and potential of local/national organisations, who are often part of affected communities.

While some **organisations with an intermediary function** have taken steps forward in building equitable partnerships with local/national actors, substantially more needs to be done to achieve the ambitions of the Grand Bargain. Policies towards collaboration and partnership with local/national actors have not changed sufficiently, and intermediary organisations have not yet institutionalised localisation as a critical or essential factor in improving humanitarian assistance, particularly at country level.

The Grand Bargain demands that intermediaries be accountable to their local/national partners and more transparent with regard to funding and funding allocation. Further efforts are needed to reduce/eliminate cases where: intermediaries intervene directly as *de-facto* substitutes for local organisations; local actors are perceived and treated as sub-contractors or as employees of intermediaries; intermediaries act as funding gatekeepers while retaining decision-making powers on funding allocations; and intermediaries exclude local/national partners from engagement with funding partners/donors.

2. Commitments

The Intermediary Caucus was set up to face ongoing challenges within the relationships of donors, intermediaries, and local/national organisations. Recognising the need to build and foster robust relationships, the members of the Caucus have prioritised actions which strengthen principles of equitable partnerships. Other critical issues such as specific funding targets and a comprehensive, standardised and partnership-based approach to risk-sharing will be addressed in other Caucuses or processes of the Grand Bargain, including the Caucus on Funding for Localisation, the Caucus on Quality Funding and the Risk-Sharing Platform initiative.

The proactive involvement and participation of affected communities in planning and decision-making processes is further recognised as a shared responsibility between all constituencies of the Grand Bargain.

The adherence to the humanitarian principles and relevant international standards remains the foundation for all actions and the proposed commitments.

a) Organisations with an intermediary role (INGOs, UN agencies, international organisations, and national organisations based in affected countries)

Organisations that have an intermediary role or function will embark on a review and change process to ensure their policies and procedures are aligned with the HAG study¹ on intermediaries. These include relevant aspects of mission statements, recruitment and staff orientation guidelines, partnership policies, programme design, transparency and feedback mechanisms and reporting protocols.

Commitments:	As evidenced by:
1. Unless there are objective and documented reasons against such an approach, the preferred mode of delivery should be through	Delivery policies, selection procedures, allocation systems and reporting

¹ <https://humanitarianadvisorygroup.org/insight/bridging-the-intention-to-action-gap/>

partnerships with local/national actors, through equitable partnership.	
2. Enculturation of their organisations' commitment to localisation and equitable partnerships with local/national organisations.	<p>Localisation is a standard component of senior leadership recruitment/orientation and performance management process.</p> <p>Recruitment policies, ToRs and staff performance monitoring indicators of relevant operational/programme level and finance staff including Resident and Humanitarian Coordinators, Regional Coordinators, UN Agencies Representatives/Country Directors, RCRC Heads of Delegation, INGO Heads of Office (HQ and in-country leadership and senior management).</p>
3. Increased quality and quantity of funding from intermediaries to local/national actors.	% of funding intermediaries disburse to local actors
4. Allocation to local / national partner overhead cost.	% of funding for local actors' overhead costs/indirect allowances
5. Investment in the organisational development of local/national partners.	<p>% of funding passed on to local organisations for their organisational development.</p> <p>Other actions foreseen to support the organisational development</p>
6. Ensure that local/national actors play a more prominent and more visible/active role in programme/project steering.	Number of local/national actors represented in programme/project steering committees, with demonstrated participation in planning and decision-making.
7. Transparency of funding and budgets.	Disclosure of funding received by the intermediary for programme/operations and the proportion/amount allocated to local, national and international partners.

8. Transparency and accountability about relationships with local/national actors.	360° feedback mechanism in safe space, which ensures that local actors are able to directly communicate with funding partners/donors Regular review and dialogue on programming, partner- and relationship
9. Institutional capacity strengthening of local partners	Investing in institutional strengthening of local partners through policies and procedures
10. Ensure visibility of local partners and donors / funding partners where appropriate and feasible	Public information and communication providing visibility where feasible for local partners and donors / back donors

b) Local/national Actors

Local/national actors will cooperate with intermediaries in quality partnerships, and will be open to changes to their organisations as they evolve.

Commitments:	As evidenced by:
11. Leadership: Proactively propose themselves as partners for in-country coordination leadership roles (National Reference Groups, Humanitarian Country Teams, Clusters/Sectoral Coordination mechanisms etc.) and in global forums and consortia.	The level of increase in cases where local/national actors provide formal leadership functions in humanitarian coordination.
12. Redouble in-country localisation advocacy efforts, both to funding partners/donors and intermediaries for equitable partnership.	The quality of direct contact between local/national actors and funding partner/donor representatives in affected countries and system-wide.
13. Ensure robust stewardship and risk management of funding partner/donor resources.	External audits, internal control systems and reports. Proactive identification and mitigation of risks.

c) Funding Partners/Donors

Funding partners/donors and organisations acting as such will facilitate a shift in their own and intermediary behaviours by adapting policies, guidelines and funding agreements, to hold themselves, intermediaries and local actors accountable. This includes improved transparency, resourcing quality responses, adherence to standards and the implementation of the proposed commitments below and incentivising demonstrated quality partnerships.

Commitments:	As evidenced by:
14. Donors stipulate equitable partnerships through their selection process and/or their contractual provisions. Examples of such drive towards equitable partnerships can include (not exhaustive examples):	Selection guidance templates and documents and/or contractual provisions.

a) Application procedures and documents include a description of the actions that the intermediary will implement, if selected, to ensure an equitable partnership	Application standard documents
b) Increased quality and quantity of funding from intermediaries to local/national actors. To do so, increased quality funding from donor to intermediaries.	% of funding intermediaries disburse to local actors
c) Allocation to local / national partner overhead cost.	% of funding for local actors' overhead costs/indirect allowances
d) Investment in the organisational development of local/national partners.	% of funding passed on to local organisations for their organisational development. Other actions foreseen to support the organisational development
e) Require that local/national actors play a more prominent and more visible/active role in programme/project steering.	Number of local/national actors represented in programme/project steering committees, with demonstrated participation in planning and decision-making.
15. 360° feedback mechanisms with responsibilities as outlined above under 4.	

3. Reporting, Learning and Transparency

The evaluation and verification of evidence that demonstrates change in the quality of partnerships between the three constituencies should be conducted by all concerned parties, and reported internally at individual organisation level, at country level (e.g. through HCT) and within the annual Grand Bargain reporting mechanism.

Given that self-reporting to the Grand Bargain is currently voluntary and the complexity of this issue, the Caucus proposes to align methods to track and gather data with the Localisation Caucus or the Quality Funding Caucus. This will reinforce trust, and will demonstrate that the reporting/verification system is both robust and credible.

The role out of implementation and monitoring of the Caucus outcome should be followed up by the Localisation Workstream and overall GB annual reporting. Relevant reporting should become anchored and integrated into other existing good practice standards and measurement instruments such as MOPAN (Multilateral Organisation Performance Assessment Network), OECD DAC (Development Assistance Committee) criteria, EU ROM (Results Oriented Monitoring), ICVA Principles of Partnership. to ensure sustainability and adaptability to all organisations acting as intermediaries. This will ensure that learning is harvested at both the political and operational level, and that the system itself is undergoing a measurable, cultural and political shift.

4. Appendices

a) Terminology and definitions

- **Localisation as used for the purposes of this Caucus²**

The process by which a measurably equitable and mutually accountable relationship is established between local/national actors and international actors.

- **Local/National actors³**

Local and national non-governmental actors: Organisations that are headquartered and operating in their own aid-recipient country and which are not affiliated to an international NGO.

National and sub-national state actors: State authorities of the affected aid-recipient country whether at local or national level.

- **Funding partners ('Donors'⁴)**

Bilateral and multi-lateral providers of funding. In some cases such organisations may also implement humanitarian actions directly.

- **Intermediaries**

The term 'intermediaries' is commonly understood as referring to international organisations. However the reality is more nuanced. Intermediaries are organisations, networks or mechanisms which act as an intermediary between funding partners/donors and national or local organisations through the provision of funding or other support. This function is carried out by INGOS, UN agencies, private companies/contractors, and some national organisations. This role is neither static nor fixed. Organisations, networks or mechanisms may sometimes act as intermediary, as well as directly implement. Thus the term 'Intermediary' refers more to a function than a predetermined role delivered by predetermined actors.

b) Background documents

'Bridging the Intention to action Gap' carried out by the Humanitarian Advisory Group (HAG), June, 2021.

'The Principles of Partnership: Equality, Transparency, Results-Oriented Approach, Responsibility and Complementarity'

² WHAT IS LOCALISATION OF AID?

'There is no single definition of "localisation". Under the Grand Bargain, the signatories have committed to "making principled humanitarian action as local as possible and as international as necessary," while continuing to recognize the vital role of international actors, in particular in situations of armed conflict.

In a narrow sense, localisation can be seen as strengthening international investment and respect for the role of local actors, with the goal of reducing costs and increasing the reach of humanitarian action. In a broader sense, it can be viewed as a way of re-conceiving of the humanitarian sector from the bottom up. It recognizes that the overwhelming majority of humanitarian assistance is already provided by local actors'.

<https://gblocalisation.ifrc.org/grand-bargain-localisation-workstream-2/>

³ NB 1: 'The Grand Bargain refers to national and local responders, comprising governments, communities, Red Cross and Red Crescent National Societies and local civil society. NB 2. A local actor is not considered to be affiliated merely because it is part of a network, confederation or alliance, wherein it maintains independent fundraising and governance systems'.

⁴ We prefer to use the term Funding Partners, because it acknowledges that donors are not passively 'donating' so much as actively investing themselves in co-designed, co-owned, partnership relationships.

'Localisation: A Landscape Report' Tufts University, Feinstein International Center, December, 2021.

'Towards Risk Sharing – Risk Management and Localisation in the Covid19 response and beyond'. Charter for Change. June, 2020.

Statement (Discussion Paper) on Risk Sharing, Netherland & ICRC, IASC June 2021