

The banner features a background image of hands reaching out. On the left, a hand is being held up. On the right, another hand is reaching out towards it. The text is centered and reads: "EUROPEAN HUMANITARIAN FORUM 2023" in large blue letters, "Brussels, 20-21 March" in smaller blue letters, "#EHF2023" in grey, and "NEW GLOBAL REALITIES | Shaping humanitarian action together" in small grey letters at the bottom. On the right side of the banner, there are logos for the European Commission and "sweden 2023.eu".

EUROPEAN HUMANITARIAN FORUM 2023

Brussels, 20-21 March

#EHF2023

NEW GLOBAL REALITIES | Shaping humanitarian action together



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European Humanitarian Forum (EHF) 2023 – Nairobi Regional Consultation Warm-up Session Report

Localisation: enabling equitable partnerships with local responders

I. Background

While the Grand Bargain commitment of ‘making principled humanitarian action as local as possible and as international as necessary’¹ has made noticeable progress and efforts over the past years in bringing forward the localisation agenda, more remains to be done in the pursuit of a meaningful and equitable partnership.

Over 40 representatives from local and international humanitarian organisations, UN agencies, and local, regional, and global networks operating across the continent participated in a consultation hosted by DG ECHO Regional Office in Nairobi on 24 February 2023 and representing 9 countries of the continent.

II. Key Asks to the EHF

- **Donors should provide funding as direct as possible as well as support the active participation of local and national actors (L/NAs) in consortia-type models**, through the inclusion of all members in projects design and in steering committees, the swift and direct transfer of funds from international actors (IAs) to L/NAs, and the earmarking of envelopes dedicated to core institutional and structural capacity of L/NAs (incl. for coordination and advocacy functions).
- **Donors should promote the design of pooled funds that would enable L/NAs to access donor funds more directly** and reduce transactional costs and delays. This would also promote unmediated dialogue between donors and L/NAs, including on the prioritisation of funding allocations.
- **Donors should further develop clear guidelines and targets** with regards to the inclusion of local actors in the projects they fund and to promote and monitor the diversification of local subgrantees in order to avoid the risk of concentration within only a few strong local and national actors.
- **Donors/international agencies should support the simplification and harmonisation of due diligence processes for local actors**, via the establishment of a “clearing house” or a due diligence passporting.
- **Donors/international agencies should enforce a fair practice of indirect cost allocation** between the intermediary and the implementing partner as key to channel unearmarked funding which is essential for the proper functioning of the organisation as well as for meaningful capacity investments into L/NAs.
- **Donors/international agencies should support the implementation of a risk-sharing framework – including towards security risks** – between international and local actors and incentivise international and national actors to develop mutually fair mitigation measures at all stages of the programming cycle.
- **Donors/international actors should support the establishment of digital regional platforms** for coordination and information sharing between L/NAs and IAs, aiming at facilitating capacity building, learning, and exchanging on coordination and support the interaction with L/NAs at international level.
- **Donors/international actors should demand for a more systematic inclusion and participation of L/NAs in coordination structures** by advocating strongly for revisiting current power dynamics in the humanitarian coordination architecture and by ensuring that L/NAs receive the necessary support (capacity building, financial) to meaningfully contribute to them, as part of the capacity investment plan.

¹ Grand Bargain Signatories Commitments, 2016: <https://interagencystandingcommittee.org/more-support-and-funding-tools-for-local-and-national-responders>

III. Other conclusions

Indirect cost recovery (ICR) and overheads: supporting and building on IASC recommendations

- Start to informally provide overheads and/or sharing ICR with partners
- Prioritise generating organisational buy-in to the issue
- Publicise widely the issue of providing overheads to L/NAs
- Create opportunities for local and national actors to advocate donors and advocate alongside them.
- Develop organisational policies on overheads for local partners. The starting point for these policies should be a commitment to cover all of the costs incurred by partners.

Consortia models: shaping a strong local response ecosystem

- **IAs must have multi-year strategies for capacity investment / mentoring of LNAs** based on the capacity & gap assessment. These must be budgeted and translated into capacity building plan.
- **Clarity on the added value of each consortium member should be ensured:** consortiums must build on the added value of each member and work as a mutually accountable partnership. The contributions of local actors should be clearly highlighted in the MoU.
- **Advisory groups are a relevant step to ensure decision-making is equitably shared**
- There is a demonstrated added-value of **envelops dedicated to strengthening systems**, processes, trainings, security management and core capacities.

Shifting from a risk transfer to a risk sharing mindset

- **Risk transfer analyses and mitigation strategies** should be part of international organisations' programming cycle and they should be jointly designed with local partners while covering all aspects of risk management (fiduciary, operational, principled action, mental health burden, etc.).
- IAs must **be increasingly held accountable for risks related to bureaucratic and financial transfer delays that are then transferred to L/NAs.**
- **L/NAs must be involved throughout the project cycle** and not only at implementation stage. Notably, they must also **contribute to the risk assessment and mitigation measures plan** as those might differ from the IAs. Risk management frameworks need to encompass the differential risks faced by both international and local actors.
- Switching from a mindset focused on controlling to one concerned with building trust could be facilitated by the establishment of a partnership under common minimum requirements

Due diligence and passporting: harmonisation and reality check

- Due diligence processes need to acknowledge the **heterogeneity in institutional and organisational skillsets** from local partners and must adapt accordingly to avoid unnecessary bureaucratic impediments.
- Reflect on options to harmonise due diligence so that the burden of this process is not the heaviest on L/NAs
- Due diligence assessments need to improve on their intentionality and capture different added values of local organisations, with a view to invest in the capacity of the local actor (that needs to be budgeted).

Coordination mechanisms: accelerating the power shift

- While witnessing improvements, the **under-representation of local actors in coordination bodies** remains a significant challenge and is associated with multi-layered hindrances such as the lack of resources, language barriers, an unbalanced information sharing (on funding opportunities...), legal limitations and a general tendency to consider local actors' contributions as non-strategic.
- Donors and international actors should allow for a **paradigm change** which alters the current power dynamic. Donors/international actors should adapt to local capacity and context and avoid leading an action from their standpoint.