



## IASC Definition of ‘Local’ and ‘National Actors’ – a barrier to achieving Grand Bargain localisation commitments

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“Grand Bargain Signatories engage with local and national responders in a spirit of partnership and aim to reinforce rather than replace local and national capacities”. The intent of the Grand Bargain was transformational, not decentralisation or multi-nationalisation of International Organisations. However, the loophole in the IASC definition of local and national actors is diverting from the true intent of the GB localisation commitments.

The Grand Bargain Work Stream 7&8 Progress Acceleration Workshop was held on 19 September in Brussels as a follow up to the Grand Bargain Annual Meeting held in Geneva in June 2019. This was yet another meeting where most of the focus was on direct response by international actors, with little to no attention on local and national actors and how multiyear funding can benefit and build capacity at local level to increase resilience.

### **1. Background:**

At the World Humanitarian Summit, donors, UN agencies and international NGOs came together to sign the Grand Bargain (GB) to improve the efficiency and effectiveness of humanitarian financing, by changing and adapting working practices to deliver better outcomes for crisis-affected people. Out of the ten Work Streams (WS), WS 2, ‘more tools and funding to national and local responders’ has been getting the maximum traction since then. This WS has six commitments including for the Inter-Agency Standing Committee (IASC) to develop and apply a "localization marker", to track progress on achieving ‘a global target of at least 25% of humanitarian funding to local and national responders as directly as possible by 2020’.

The assumption was that the marker would enable monitoring of funding against the 25% as directly as possible commitment. The IASC was charged with the responsibility of developing the marker. In July 2016, the IASC humanitarian financing task team (HFTT) agreed to develop a localization marker as an activity under its work plan. An informal sub-working group called ‘Localisation Marker Working Group’ (LMWG), co-convened by CAFOD, OCHA and Development Initiatives, was convened. Participation in the group was open to HFTT and non-HFTT members including the Network for Empowered Aid Response (NEAR), national NGOs, donors and independent experts.

The LMWG quickly established that in order to design an effective localisation marker, the following questions needed to be resolved first:

- ‘What is a local or national responder’ – to whom does the 25% target apply?
- What does the term ‘as directly as possible’ mean in practice?

The LMWG initiated a process to discuss and agree on a set of definitions that would answer the above questions. Following a mapping of the various definitions of local and national responders being used by different actors, and an assessment of the feasibility of tracking direct and indirect funding to local and national organisations, an initial set of definitions was circulated for comment in November 2016. The group discussed the definitions paper on several occasions; it was revised and discussed again at an expanded session at the IASC HFTT retreat in January 2017; and at a meeting of the Good Humanitarian Donorship work stream on localisation in February 2017.

### **Definitions suggested by Localisation Marker Working Group (LMWG):**

To keep the process consultative and inclusive of local and national actors, the LMWG designed, tested and disseminated an online survey on the draft definitions in English, French and Arabic. More than 380 individuals responded to the survey from 71 different countries during March 2017, approximately two thirds of whom categorized themselves as working with national or local organisations. Over 81% respondents had agreed to the following definitions<sup>1</sup>:

### **Definition of local and national actors:**

**National NGOs/civil society organisations (CSOs):** National NGOs/CSOs operating in the aid recipient country in which they are headquartered, working in multiple subnational regions, and not affiliated to an international NGO. This category can also include national faith-based organisations.

**Local NGOs/CSOs:** Local NGOs/CSOs operating in a specific, geographically defined, subnational area of an aid recipient country, without affiliation to an international NGO/CSO. This category can also include community-based organisations and local faith-based organisations.

### **Definition of ‘as directly as possible’:**

**‘As directly as possible’ funding:** Funding channelled through a pooled fund that is directly accessed by national and local responders.

### **Final definitions adopted by the IASC??**

Once the definitions were submitted to the signatories through the co-conveners, efforts ensued to dilute the definitions as many international confederations, who have country offices and INGOs with national offices in the global South, wanted their national offices to qualify for the 25% funding committed for the local/national actors. Consequently, the definitions were significantly altered, violating the democratic pattern followed thus far, to suit the interest of such global actors. The finally approved definitions of ‘local and national actors’ and ‘as directly as possible’ is presented below<sup>2</sup>:

**Local and national non-state actors** are “Organizations engaged in relief that are headquartered and operating in their own aid recipient country and which are not affiliated

<sup>1</sup> For the sake of brevity, this paper is not covering definitions of Red Cross/Crescent National Societies, local and national government and private sector.

<sup>2</sup>[https://fts.unocha.org/sites/default/files/hftt\\_localisation\\_marker\\_definitions\\_paper\\_24\\_january\\_2018\\_-\\_final.pdf](https://fts.unocha.org/sites/default/files/hftt_localisation_marker_definitions_paper_24_january_2018_-_final.pdf)

to an international NGO". Note: "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"

**'As directly as possible' funding:**

- Funding channelled through a pooled fund that is directly accessed by national and local actors.
- Funding to a single international aid organisation (including a federated/membership organisation) that reaches a local/national actor directly from that one intermediary.

**Consequences of violation of the consultative process:**

A localisation marker, which was the original task of the HFTT, has not yet been established. Reporting to IATI is still insufficient and there is hardly any evidence of using the available data for making funding decisions. The altered definition continues to benefit the southern offices of confederations and other INGOs. Country Based Pooled Funds (CBPFs) exist only in 17 countries, which are largely accessed by UN agencies, INGOs and to some extent National Societies<sup>3</sup>. The direct and as directly as possible access to funding by home-grown local and national actors remains insignificant, less than 0.2% according to the Local to Global report. There is no disaggregated data available to indicate access of funding to them. The access to other pooled funds such as Start Fund is also dominated by international agencies, their affiliates and national offices.

The home-grown local and national organisations do not have comparable access to funding from international donors like the international organisation and their affiliates and national offices. Moreover, there are increasing efforts by international actors to raise funds, using their sophisticated fundraising techniques, in the Global South, which further shrinks the space for local actors to access funds. This is contrary to the purpose of the Grand Bargain which was created to improve the efficiency and effectiveness of humanitarian financing by changing and adapting working practices to deliver better outcomes for crisis-affected people. This is also contrary to the Agenda for Humanity commitment of 'reinforcing instead of replacing local and national actors.

**What does A4EP ask for:**

- Immediate restoration of the original definition of local and national actors produced by the LMWG
- To respect the spirit of commitment 2.4 of the Grand Bargain, only home-grown organisations, with no direct or indirect affiliations with international affiliations, should be considered local and national actors
- Establishment of more Country-based Pooled Funds (CBPFs) with focus on the countries facing protracted crises and extremely vulnerable to natural disasters
- At least 75% access of CBPFs reserved for local and national actors
- Establishment of a localisation marker providing disaggregated data on the funding being accessed by home-grown local and national actors, National Societies and country offices of confederations and other INGOs

- The funds raised in the Global South should be available to local and national home-grown organisations.
- The benefits of multi-year funding must be passed down to national and local actors to increase resilience and increased capacity to respond.

An accountability mechanism ought to be established to prevent the misuse of definitions and the localisation framework from international actors. It should be underlined that the localisation process ensures more effective and efficient humanitarian response for the people affected by crisis and has strong ethical basis.

## Alliance 4 Empowering Partnerships



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