

WHY LOCALISATION? 1 February 2020

1. A HISTORICAL COMMITMENT

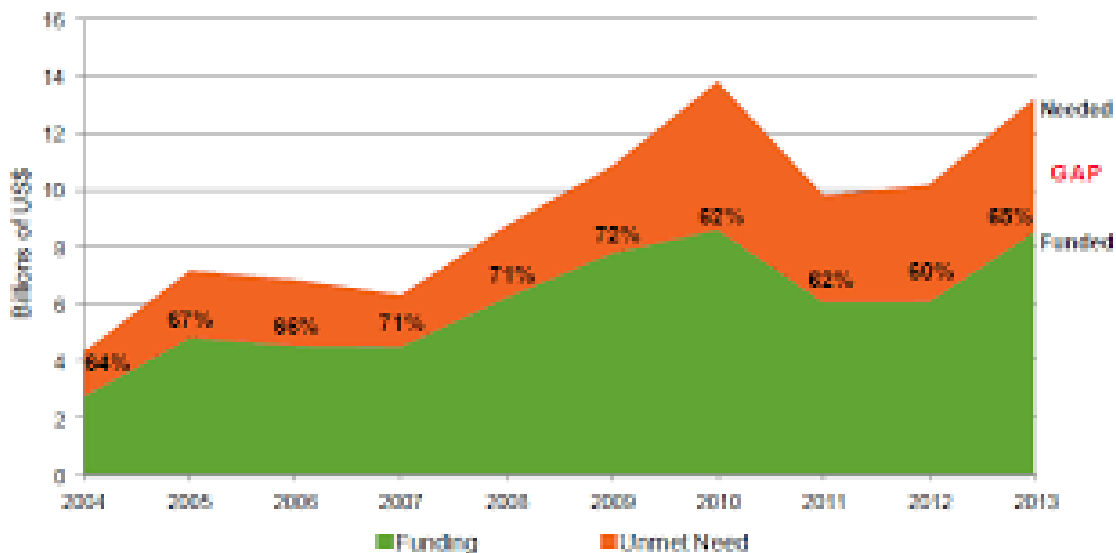
‘Localisation’ is the common name for the second commitment of the Grand Bargain, the outcome document of the 2016 World Humanitarian Summit (WHS). It promises “*more support and funding tools for local and national responders. ... (We) engage with local and national responders in a spirit of partnership and aim to reinforce rather than replace local and national capacities*”.

But ‘localisation’ is an older commitment, going back to at least the 1994 Code of Conduct for the Red Cross and INGOs. We used to call it e.g. ‘*strengthening local capacities*’; ‘*working in solidarity*’, ‘*partnership with local organisations*’. Typically articulated by international agencies, similar sentiments were found to live among those at the receiving end of aid. After several years of listening to people on that receiving end, CDA’s Listening Project concluded:

“*What people want is an international assistance system that integrates the resources and experiences of outsiders with the assets and capacities of insiders to develop contextually appropriate strategies for pursuing positive change. (...) Real help (as opposed to the delivery of resources) would involve mutual insider/outsider analysis of the context, generation of options, and shared decisions about the best strategy for pursuing the desired changes.*” (Anderson et alii 2012:137).

2. HUMANITARIAN FINANCING GAP

The particular WHS call for ‘localisation’ emerged from a concern over the ‘financing gap’ between rapidly growing humanitarian needs and a slower increase in available humanitarian funding. Indeed, the Grand Bargain is strongly connected to the report of the High-Level Panel on Humanitarian Financing, published a few months before the Summit.



A primary purpose of the 10 commitments of the Grand Bargain therefore is to make global humanitarian action more cost-effective. It looks at the economics of humanitarian response. Yet the regional consultations prior to the World Summit, had signalled a deeper critique of how the ‘international humanitarian system’ or ‘the relief industry’ is structured and operates. It considers the political economy of the relief industry.

“Today’s international humanitarian response apparatus...was not designed for the challenges of the modern 21st century. The existing humanitarian system is too centralised, top-down and UN focused...is not effective enough, particularly in conflict settings.” (Restoring Humanity 2015:100)

The international relief system has failed “to connect meaningfully with national and local institutions and groups. As currently structured, the incentives for such engagement do not exist: the sector’s power dynamics, culture, financing and incentives structures create compelling reasons to remain closed and centralised and averse to innovation, learning and transformation. This creates unhelpful rivalries and inefficiencies with the formal sector and erects high barriers to fruitful engagement between those within and outside the formal system.” (Bennett 2016: 5)

“The current humanitarian system was...inadequate in the face of the changing humanitarian landscape in the region. There were consistent calls for real reform; change that better engages and promotes the efforts of numerous regional and national institutions and organisations.” (Restoring Humanity 2015: 110)

3. WHAT PROBLEM DOES LOCALISATION SEEK TO ADDRESS?

GMI’s scan of the literature and debates on localisation revealed seven problem statements.

What ‘problem’ does ‘localisation’ address?						
Excessive centralisation	Financially overstretched	International responders: Not the first nor the last	Hierarchy and fragmentation	Oligopoly of first receivers	Financially unsustainable over time	Polically unsustainable in changing world

- **Excessive centralisation:** The international relief system is too centralised and remote from the actual situation when it comes to making key strategic, financial and operational decisions. The solution then is to bring the strategic decision making closer to the crisis zone.
- **Financially overstretched:** Global humanitarian needs are rising faster than humanitarian funding. By capitalising on generally cheaper local resources, and by reducing the role of ‘fundermediaries’ localisation can increase the cost-effectiveness of relief action. (e.g. High-Level Panel 2016:19; Grand Bargain 2016:2-3),
- **International surge machinery is generally slower to respond and does not stay with at risk communities as long as local and national actors:** The solution then is greater investment in the capacities and preparedness of populations-at-risk and of local ‘first responders’, together with a strengthening of their institutional sustainability to assist over the long run (High Level Panel 2016:20; Grand Bargain 2016:5).
- **Excessive hierarchy and fragmentation:** The control over the flow of financial resources in the relief sector gives international agencies a structural dominance over national actors. The resulting inequality means that national actors often become contractors for international ones. Additionally, fierce competition for financial resources encourages fragmentation among international and national actors alike. A solution or mitigating measure, is to provide national actors with more direct and better-quality financing, and to create incentives for collaborative action. (Bennett 2016: 5-6)
- **Too few first receivers:** The first receivers of institutional humanitarian aid, currently a multi-billion-dollar industry, are only a handful of UN agencies and INGOs, and the Red Cross & Red Crescent Movement.¹ In effect, this creates what has been referred to as an ‘oligopoly’

¹ The Gini coefficient is a widely-used measure of inequality, which ranges from 0 (every person/organisation has the same amount of money) to 100 (one person/organisation got everything, the others nothing). The Gini

(Parker 2016). These few actors have extraordinary control over international relief action, which consequently restricts the space for national leadership, may limit the appetite for reform and the scope for innovation. The solution is to diversify the number of ‘first receivers’, including more direct funding to national actors in particular.

- **Financially not sustainable:** For several decades, the machinery of international relief has been largely funded by Western citizens, yet, in the medium-term at least, this state of affairs may not be financially sustainable. Although individual generosity and solidarity remain strong, people in Western societies may not remain willing or able to fund a global humanitarian welfare system. Localisation will create more space for other relief providers which may be more appealing to non-Western donors. More strategic investment is needed in national capacities for crisis-management, whose financial sustainability must rely more on domestic funding.
- **Politically not sustainable:** Frequently viewed as overly paternalistic, the structural dominance of the international relief industry may not remain palatable for national governments and civil societies.² In contrast, with national actors in the driving seat, localisation will help ensure the continued legitimacy of internationally supported crisis-preparedness and response, even in a changing world order.

4. PURPOSE OF YOUR ORGANISATION?

The ‘why’ question should refer us back to the ultimate motivations why international agencies are present and seek to exercise influence in other countries. What is, ultimately, our goal:

- **Work ourselves out of a job** i.e. to support local and national capacities to the point they can face most challenges by themselves, which is when we exit;
- **Stand in solidarity with people suffering**, in which case our continued presence is an expression of that solidarity: but there is no room for superiority and inferiority, or growing dependency, in a relationship of solidarity;
- **Create a global movement for global change:** in that case why do we create and prioritise national affiliates of ourselves, while we advocate for diversity – why not a global movement made up of diverse actors that have the same goal?
- **Expand our business** into old and emerging markets?

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coefficient for the humanitarian “economy” is about 95, showing a very high degree of market concentration. IRIN 2015

² Philippine government officials for example, expressed strong frustration and anger over how Philippine actors were pushed aside by the collective of international responders to Typhoon Haiyan/Yolanda in 2013. Following the massive earthquake in Nepal in 2015, the Government restricted the ability of international agencies to remain directly operational, by ordering them to work with Nepali partners. Although this definitely has caused significant delays, including in the speed of housing reconstruction, one recent report finds that international agencies did find ways to mitigate several of the challenges mentioned. (Featherstone 2016)