



The localisation of aid - debate and challenges

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BRIEF SUMMARY:

The localisation agenda resurfaced with the Covid 19-pandemic among development and humanitarian actors. Aid localisation refers to providing aid through local, grassroots institutions without the use of intermediaries, which involves a shift in power over policy and financial issue to local actors. This agenda is far from new to international aid, as illustrated by previous initiatives to boost local participation and ownership due to concerns over ethics and aid effectiveness. Now, however, localisation gained momentum as a practical and pragmatic solution to overcome the challenges posed by the pandemic situation. Despite its logical justifications, challenges persist in implementing the localisation agenda, such as issues of power, policymaking, and bureaucratic flexibility.

Introduction

The recent Covid19-pandemic became a real stress-test for international humanitarian action and development aid, drawing renewed attention to the so-called localisation agenda among aid practitioners and policymakers. The localisation agenda broadly refers to providing humanitarian and development aid through local, grassroots institutions without the use of intermediaries. Aid localisation implies both a technical and political agenda, where the former refers to aid decentralisation and the latter refers to shifting power over policy and financial issues to local actors. The logical justifications of localisation refer, on the one hand, to increased aid effectiveness through greater local commitment and sensitisation. On the other hand, it refers to moral and ethical concerns, that localisation is simply the right thing to do to mitigate donor paternalism. These concerns are not new. They are intertwined with the formation of aid

partnership and have their parallel in erstwhile processes seeking to enhance local and national participation in and ownership of externally funded aid programmes. Yet, aid asymmetries persist and the localisation debate recurs with regular intervals, with the pandemic providing the most recent momentum.

The original scope of the research was to provide an account of the challenges, responses and lessons emerging in how various actors dealt with the pandemic. Interestingly, just about all drew attention to the localisation agenda and the need to and challenges with entrusting local partners with greater responsibilities. This policy brief draws on 24 focused conversations and informal interviews with representatives of various Norwegian non-governmental organisations (NGOs) and governmental institutions responsible for development policy and aid funding, such as Norad and MFA, as well as review of selected grey literature.

The corona pandemic produced severe challenges to international humanitarian and development assistance. New humanitarian needs and development concerns emerged as a direct result of Covid-19, including traditional developmental concerns morphing into immediate, humanitarian ones. The unfolding situation revealed challenges with the institutional set-up of international aid to respond and adapt to the new, changing circumstances. Lockdowns and curfews affecting project staff saw missing progress and audit reports, and limitations on international travelling created delays and obstacles in evaluating and implementing existing projects and, more critically, in initiating new ones. Certain policy changes were made to Norwegian aid to address these practical concerns:¹ additional funding for the health sector, notably vaccine projects; priority to multilateral channels; and increased flexibility for ongoing NGO-projects to mitigate short- and long-term impacts caused by the pandemic. Norwegian NGOs constitute an important channel in funnelling nearly 25 percent of all Norwegian development aid. Yet, only four percent of the about 700 MNOK made available to respond to the corona situation were disbursed via NGOs, perhaps a token of the challenges facing NGOs. Instead, 77 percent were disbursed to various multilateral actors – notably different UN entities targeting health and vaccination – largely because of their ability to absorb such a sudden influx of new, big monies and because of existing country offices, staff and government relations. Corollary, and especially among NGOs, this reignited the localization agenda.

Localisation in context

The concept of localisation is increasingly used as a catchphrase in debates about international aid and how to reform partnerships to make humanitarian action and development aid more context sensitive, ethical sound and efficient. Yet – and as reflected in the interviews – there exist no shared definition of localisation, nor any

joint notion of what it means and entails, except for general processes aiming to convey local partner institutions more power and to provide aid through local organisations without using intermediators. Many informants, in particular those representing humanitarian actors, drew attention to the Grand Bargain of the 2016 World Humanitarian Summit. The Grand Bargain is an ‘agreement between some of the largest donors and humanitarian organisations who have committed to get more means into the hands of people in need and to improve the effectiveness and efficiency of humanitarian action’.² Drawing on stakeholder consultations also prior to the summit, localisation gradually emerged as a response to aid effectiveness concerns coupled with rising humanitarian needs. Localisation thus became a formal part of the humanitarian reform agenda. The Grand Bargain draws on a notion of localisation that ‘aims to return local actors, whether civil society organisations or local public institutions, to the centre of the humanitarian system’.³ The agreement outlines four areas of reform to promote localisation: 1) increased funding to local humanitarian organisations; 2) investing in local actors’ institutional capacity; 3) the formation of more equitable partnerships; 4) ensure that local humanitarian actors are included in coordination of policies and activities. The formal, international and operational character of the Grand Bargain makes it salient to the current localisation agenda.

These tenets of the localisation agenda are, however, far from new. They extend beyond the humanitarian realm, notably to international development, but also more recently to the so-called ‘triple nexus’ of humanitarianism, development and peace.⁴ In development, localisation issues have previously figured under the concepts of local participation and ownership, which are central to the formation of donor–recipient partnerships. There is a long, ongoing trajectory within the aid community of reform seeking to empower local actors and build local, or national ownership. In the early 1980s, NGO-initiatives aimed to ‘put the last first’ through greater participation of local actors. From 1999, the World Bank aimed to put aid recipients in ‘the driver’s seat’ by replacing its structural adjustment programmes with the poverty reduction strategy papers, meaning that the Bank’s support should now be based on client governments’ own development policy and not that of the Bank, in an attempt to foster ownership and boost aid effectiveness. Similar localisation-related processes ensued with the OECD-DAC aid effectiveness agenda, culminating with the Paris Declaration in 2005, and later reiterated in the declarations of Accra (2008) and Busan (2011). With the Paris Declaration, international aid actors involving the global north and south, donors and recipient, state and non-state actors all agreed to certain partnership principles for making aid more effective. Here, the notions of ownership, alignment and harmonisation are particularly salient and relevant for the localisation agenda: ownership means that developing countries shall define

their own developing strategies and that international efforts should focus on improving institutions to facilitate strategy implementation; alignment means that donor countries shall align behind national strategies and institutions and preferably operate via local institutions and systems; and harmonisation means that donors shall coordinate their policies, strategies and approaches to prevent duplication.

There is a bifurcated rationale driving these localisation initiatives. On the one hand there is the aid effectiveness agenda, which also is the subtitle of the OECD-DAC processes. This holds that aid beneficiaries' and recipient organisations' participation in the overall development process, from planning to implementation and reporting, not only engender local ownership and thus commitment among stakeholders. It also helps sensitise external aid to local contexts. Seen together, both are seen to boost aid effectiveness. On the other hand, there is the ethical and moral reasoning, which hold that localisation is the right thing to do for a diverse set of reasons, such as minimising external trusteeship, donor paternalism, sovereignty concerns and patterns of dependency, and to put the last first as those in need of aid should best know what to prioritise. All these concerns, however, persist in international aid, despite the many localisation-alike reform attempts over the last decades. This critique was also reflected in early 2020 in 'an open letter to international NGOs who are looking to "localise" their operations'⁵. Under the hashtag #shiftthepower, more than 200 civil society organisations, mostly from the global south, signed onto the letter calling for INGOs to 'work with us, not against us'. While the letter supports the principle of localisation in theory, it holds that 'what happens in practice is that these efforts only serve to reinforce the power dynamic at place, and ultimately close the space for domestic civil society', since the decentralisation of INGOs or their franchised local actors not only have external budgets but also compete over the same local resources. Instead, the appeal maintains, if localisation really means to shift power over policy and funding, external actors should not only step back and let go, but also 'help grassroots organisations create the structures to fundraise for themselves and sustain their work'. But altering established aid structures and practices are easier said than done.

Localisation – promises and perils

It appears it is more the localisation term than what it refers to that is new. The recurrence of localisation concerns suggests that erstwhile attempts seeking to shift the power and alter aid practice have been largely futile.

The interviews underpin the challenge in that there exist no shared notion of what localisation means and entails in practice. To most, the localisation agenda is equated with discussions about the formation of partnership, including local participation and ownership of externally

funded projects. Many interviewees thus hold that their NGO is already localising in the sense of working with a local partner implementing their projects. Others claim that bureaucracy, reporting systems and accountability measures limit the flexibility needed for real localisation. Others regret it needed a crisis – i.e. the Covid19 pandemic – to reignite the localisation agenda. Interestingly, in this context, none alluded to the bifurcated rationales for localising. Instead, localisation was now seen as the solution to overcome the predicaments caused by travel bans, curfews and societal lockdowns preventing travels to follow-up existing and start new projects. Localisation was thus instrumentalised and seen as critical to maintain operational activity, and not as part of the moral or aid effectiveness rationales. Norad, the funding agency, allowed for some provisional flexibility in terms of deadlines and budget reallocations, which was seen as decisive to localisation, though temporary.

In synthesising the various interviewees' perspectives from past and current experience, there are some issues that need to be addressed to sustain a localisation agenda beyond the pandemic situations. First, a critical challenge for localisation lies at the conceptual level, that aid actors need to know what 'localisation' means and entails in practice. This should not come in the form of a rigid definition, a blueprint model or template for localisation – simply because one size does not fit all and suggesting otherwise would be counterproductive to the very idea of localisation itself. Second, there is a need for greater red tape flexibility, as the bureaucratic requirements permeating the aid chain present a challenge for NGOs in shifting the power to local actors: donors' legal, financial and administrative accountability systems hamper decentralisation efforts, with the consequence that donors flock around their 'trusted' partners who already hold these capacities. Third, localisation should include a critical discussion about agenda setting. Too often donors 'follow the money', but equally important is it to follow policy and policymaking processes: who decides, who are invited to the table, what are being discussed and who and what are excluded from the agenda? Fourth, localisation requires capacity building. This should not be limited to local actors being formed to fit their donors' standards. It should also include donor NGOs themselves, so that they have the capacity to accommodate diverse partners and to empower local partners in their own specificity. Fifth, localisation needs to honour NGOs' own standards, mandate and priorities, including the distinctions between humanitarian action and development aid, despite the discourse of aid decolonialisation.

There are pros and cons to localisation. Among the advantages is, first, that the removal of intermediary actors will translate into more funding going directly to local actors and target groups. Second, and interlinked, this will engender greater empowerment of local systems and structures. Third, it would boost bottom-up planning,

local participation and ownership, and the sensitisation of aid. Fourth, it would diversify the actors on both the donor and recipient sides, making aid less dependent on western actors, and widening the scope for other actors (private sector, philanthropies, non-traditional/ emerging donors) to engage with local actors under the auspices of aid. The drawbacks are linked to each of the advantages. First, more and decentralised funding are likely to cause more corruption, power struggles and distorted, local economies. Second, empowering local actors and their systems can undermine or displace established aid actors' own oversight and checks and balances systems. Third, turning the whole policy process upside-down would undermine funding NGOs' own interests, comparative advantage, mandate and relations to their donor and member base. Finally, with more actors operating under the auspices of aid, the western aid hegemony diminishes – for what it counts as an instrument of foreign policy. More critically, however, is that established principles and governance structures are likely to vane as new actors with their own interests and priorities enter the domain and opens the black box of alternative aid.

Conclusion

The localization agenda draws largely on presumably logical justifications among aid practitioners, both in the global North and South, arguing that localization would make aid more timely, cost-effective, and appropriate;

that it would increase access and legitimacy; and make development aid and humanitarian action more context sensitive and thus sustainable in the long run. And then there is the moral, ethical justification, that it is simply the right thing to do. This reasoning is, however, at best backed up with anecdotal evidence, meaning that more research is crucial. Notwithstanding the reasoning and despite all the efforts over the last decades invested in refining localisation-relevant policy, substantial headway beyond the policy level is still scarce. One reason may be the intrinsic structures and relations of power, accountability and oversight systems, permeating international aid, which are too hard to alter and thus prevent the radical change implied by localisation. Another reason may be the improbability that one concept should guide diverse set of actors, practices and relations. Recall, that the resurgence of the localisation agenda among Norwegian NGOs came not as due to moral or effectiveness concerns, but rather as an instrumental response to the operational challenges caused by the pandemic situation. As the pandemic situation again nears normal, the push for localisation become less relevant. Recognising this and the challenge in revamping international aid, one way forward may thus be to foster a localisation culture rather than seeking to radically change international aid in line with an abstract and perhaps utopian notion of localisation.

Endnotes

- 1 [Norad. 2020. "Responding to the Covid-19 pandemic – early Norwegian development aid support". Evaluation department, background study 1/20](#)
- 2 [About the Grand Bargain | IASC \(interagencystandingcommittee.org\)](#)
- 3 [More than the money – localisation in practice \(trocaire.org\)](#) page 4
- 4 [OECD-DAC Recommendation on the Humanitarian-Development-Peace Nexus](#)
- 5 [An open letter to International NGOs who are looking to 'localise' their operations - GFCF : GFCF \(globalfundcommunityfoundations.org\)](#)

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