



## Accountability of ‘intermediaries’ for localisation *Perspectives from the Charter4Change*

In June 2021, the Grand Bargain process launched a [Caucus](#) on the role of intermediaries. Charter4Change (C4C) members welcomed this; having advocated for more robust and systematic accountability of humanitarian agencies on their approach to localisation. Since then, C4C members have gathered more perspectives on the role of intermediaries through an online workshop in December 2021<sup>1</sup>, and a survey of INGO members of C4C in spring 2022, which gathered responses from 18 INGO global headquarters and their 135 country offices around the world.

Key over-arching findings include the following:

1. There remains a **significant gap between intermediaries’ endorsement of localisation commitments at global level, and implementation or accountability for these in practice.** For example, less than 40% of the C4C survey respondents had yet established a systematic or clear approach to performance management of their Country Programme Managers for their contribution to localisation. Over 50 percent of surveyed C4C signatory country offices, believe that donors and inter-agency processes, such as aid coordination structures in their context, are weak or absent, therefore not effective in holding international agencies systematically accountable for localisation commitments
2. The **most important and effective means of influence on the accountability of intermediaries is the role played by donors.** A more aligned and harmonised approach to the accountability of intermediaries by institutional back donors would help greatly. Several INGO members of C4C who had weaker or no global Key Performance Indicators or systematic policies on issues like provision of overheads to local partners pointed to how greater clarity and incentives from their institutional back donors, would help them to make progress.
3. **Accountability mechanisms are ad-hoc and unsystematic.** The willingness and interest from donors to hold their international intermediaries accountable for localizing their response is ad-hoc and limited, particularly in emergencies. International agencies are allowed to make vague statements about their commitment to localization, and they are not held accountable for quality of their partnerships with local actors or their overall percentage of funding going to local actors. Furthermore, most of the intermediaries/UN agencies do not have local partnership selection criteria/policy or do not follow those guidelines.
5. **Lack of recognition of local responders’ capacities and risks impedes accountability.** Accountability by donors and international agencies remains skewed towards managing their compliance and risk management imperatives in ways that are not proportionate and run contrary to accountability for localization. In some contexts, local NGOs are expected to deliver the vast majority of programming – including in areas out of reach to international agencies – and yet they remain trapped in a ‘high risk’ category. Recognition of the importance of ‘risk sharing’ and the importance of having organizational capacity development plans, based on findings from due diligence and organisational capacity assessments is yet to translate into practice e.g., most NNGOs have no budget for insurance policy, and few NNGOs receive admin fee/overhead to support their institutional capacity strengthening, including security management.



6. The past two years has seen exciting and encouraging new developments in terms of both **donors and intermediaries themselves adopting new measures and processes to promote accountability** for localisation. The USA, Denmark, the Netherlands, the UK, the EU are amongst the donors who have either adopted new requirements over the past two years or are developing new ones. Those donors and intermediaries who have not started to go on this journey should do so.

Feedback through the survey identified the following good practices, challenges, and obstacles:

1. **UN led coordination structures and NGO forums are often dominated by international actors.** Meetings are conducted in English by international staff and the invitees are in some areas only to INGOs and UN. Outside the forum setting, when national actors do speak up, their needs and concerns are disregarded. However, in some contexts, **strong and effective national NGO platforms have been able to hold international agencies accountable** to some extent against their localisation commitments; and to voice national NGO perspectives. In Bangladesh, a large amount of power has traditionally been held with the INGO pre-existing consortiums. In recent years, NAHAB, a national level network, and other local networks have managed to counter-balance and challenge this. Consequently, local partners are playing a more active role in the inter-agency networks (such as the HCT and Start Network) as seen in recent Typhoon Rai response.
2. Several respondents to the survey also highlighted how **direct dialogue between donors with local NGO partners of intermediaries can play an important role** in shifting the power dynamics. Some donors have established clear processes to gather feedback from local NGOs on their experience of partnerships with intermediaries. For these to work in practice, it is important to communicate opportunities for feedback to local partners, and to emphasise (and demonstrate) a willingness to act in a fair way on feedback. In some cases, whilst the opportunity to feedback to donors exists in theory or is not prohibited, in practice local NGO partners remain unaware of this or fear negative consequences for providing negative feedback on intermediaries, which have longer-term and deeper relationships with the back-donor. A good practice would be to make agreements tripartite, including both NNGO, intermediary and donor, including a clear process for local partners to communicate directly with donors.
3. A number of donors are **adopting explicit requirements of their intermediary partners on the provision of overheads** costs to local actors. Other donors have established clear expectations of intermediaries in terms of their investment in the organisational development of their local partners so that the local partner can transition to directly accessing funding, rather than remaining a sub-grantee via the intermediary. Aligning approaches to this and holding intermediaries accountable for such basic aspects of quality partnership, rather than leaving this to the discretion of the intermediary, would help.
4. In some contexts, UN OCHA has **established criteria that for INGOs to be selected** by the Humanitarian Fund, they **must design an accompaniment plan to strengthen the local partner** involved in project implementation.
5. **A number of INGOs are establishing global, cross departmental Key Performance Indicators (KPIs) on localisation and partnership quality**, which are reviewed both by management and the agency's board of trustees. These can help to generate important momentum for change



and improve accountability; as progress on localisation is not just about individual project outcomes, but about the overall strategy, organisational culture, and attitudes and behaviours of staff in intermediaries. Donors that provide multi-year core funding to intermediaries should make such organisational frameworks and metrics mandatory. Examples of such KPIs include:

- a. Aggregate scoring of the agency's performance against Core Humanitarian Standards indicators of relevance to localisation and partnership, which are audited by an independent actor (HQAI)
- b. Growth in number of partnerships, including women's rights organisations
- c. Self-assessment of relationships on a spectrum of transactional to strategic.
- d. Amount and % of humanitarian spend transferred to local and national NGOs on an annual basis, and in larger responses.
- e. Number of documented examples where local partner capacity was strengthened as a result of significant contributions by the agency
- f. Total value (USD) directly secured from donors/government by local partners as a result of significant contributions by the agency
- g. Number of documented examples where the agency contributed significantly to government decisions to adopt or revise public policies, methodologies and tools that positively impact the poor and marginalized.
- h. Percentage of new projects secured in which the local partners are contract holders and the INGO plays a supportive role

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<sup>i</sup> In the December 2021 online Charter4Change workshop on the role of intermediaries in localisation attended by over 80 participants, the following priorities were identified:

National NGO break-out group: Foster more context-specific partnerships and more locally-led consortia at the country-level; Establish more proportionate approaches to due diligence; Establish funding and partnership models which promote a "locals choose the international" partner, rather than the reverse; Identify local capacity to support contextualized local-to-local capacity-sharing; Mandate that intermediaries should establish capacity-strengthening with their local partners which explicitly plan for transition to local leadership of future funding and programme proposals; Establish quality funding metrics including attention to support for overheads costs, flexibility, multi-year funding and quality partnership; beyond tracking of the 25%.

INGO break-out group: More comprehensive and partnership based approaches to risk management ('risk sharing') should be clearly articulated as a priority in donor-funded partnerships, Donors clarifying and harmonising their approach to overheads cost coverage so that it does not become a 'zero sum game' between the intermediary and the local partner; Recognising the importance of and tracking progress on organizational culture change & institutional auditing to address attitudes and practices that enable better partnerships with local organisations and localisation outcomes, not just tracking of localisation within individual projects or emergency responses; Each intermediary agency should transparently articulate its role and contribution to localisation in each context and be held accountable to this by their donors.