Briefing to the H&O SLT: Direction of travel on Partnership/Localization & Engagement of H&O SLT

I. Background

- Locally-led humanitarian action (that advances gender equality and strengthens local systems and capacities) is emerging as the new direction of travel for the organization's humanitarian work. This vision for the future has been recently presented and endorsed by the NDC at its November 2018 meeting.
- Local leadership of humanitarian action will require profound changes to our current business model[1].
- The organization is already engaged on the path to transformation; this meeting is an opportunity to brief the H&O SLT on where we are and what engagement is sought from the group.

II. Issues for Consideration and Decision

For Consideration	The H&O SLT, given its mandate, is uniquely placed to:
	(1) Drive the Localizing Aid agenda within CARE
	(2) Fix systems heavily focused on compliance and control of partners. These systems are seen as the biggest barrier to more equitable and empowering partnerships and to locally-led humanitarian response.
	(3) Facilitate tracking of CARE-wide Localization KPIs[2]. Our inability to report progress internally and externally on Partnership and Localization – due to inadequate and differing monitoring systems – is a risk to the organization.
For Decision	▪ Agreement to drive the Localizing Aid agenda with a focus on most relevant issues
	▪ Agreement to address blockages in our systems
	▪ Agreement to facilitate CARE-wide tracking on critical Localization KPIs.

III. Taking the pulse of the organization on Partnership and Localization: Where are we today and how far have we come?[3]

- CARE has long recognized that partnerships are essential to delivering its humanitarian mandate and this modality is increasingly used wherever we operate.
- The external environment is pushing us to move away from direct implementation; this is particularly felt in contexts where civil society and government in the Global South are increasingly capable and assertive (e.g. Philippines, Latin America), where INGOs presence is restricted for political reasons or insecurity (e.g. Indonesia, Syria), and in non-presence contexts (e.g. South Pacific).
- In 2016, CARE made the bold move to sign the Charter for Change and the Grand Bargain, cementing its commitment to humanitarian reforms and locally-led response.
- In May 2017, following the recommendations of the CARE-wide Humanitarian Partnership Reference Group, the NDC endorsed a clear intent for CARE on Localization (along with a value proposition for the organization, and an agreed focus for Localization work). It also took note of the profound changes required to deliver this vision.

---

[1] See Annex 1 for an overview. A more detailed change map – as endorsed by the NDC – can be found here.

[2] The inability to track and report progress on Localization had been identified as a risk to the Confederation. Externally, commitments made through the Grand Bargain and the Charter for Change require annual reporting on specific KPIs such as the amount of funding transferred to local actors. Lack of transparency and accountability will increasingly become an issue. This also has internal implications as lack of data impedes proper analysis and decision-making for the Confederation. See Annex 2 for a list of Localization KPIs.

[3] A timeline of key events pertaining to Localization can be accessed here.

- Upon NDC request, an [implementation plan](#) was developed to articulate priority actions for the organization to deliver the Localization agenda; it became increasingly clear that this shift will require organization wide change (including culture change) which goes beyond the realm of humanitarian work. This is intimately linked to the changes required by the Diversification agenda.
- **Externally** – CARE has positioned itself as **a thought leader on locally-led response** (that delivers for women and girls) by leading and joining forces with others on research, advocacy, piloting new approaches and influencing the humanitarian system.
- **Internally** – CARE has made **progress** in several areas: (1) Revamping tools and guidance with a stronger partnership and localization focus[4]; (2) providing partnership support to emergencies, and to preparedness and resilience work; (3) increasing staff capacity[5] to partner more equitably and to work in ways that support existing local capacities, (4) supporting the piloting and scale up of localized approaches to response, preparedness and resilience, (5) strategically documenting and elevating learning on locally-led approaches for internal and external influencing, and (6) being open and transparent on its ability to progress Localization through annual Charter for Change and Grand Bargain reporting.
- **However, resources and capacities to progress the Localization agenda remain scarce in the organization and we risk falling behind**. Others[6] have recognized the urgency of adjusting outdated humanitarian business models to new dynamics and are investing deliberately and strategically in Localization.

IV. Engagement of the H&O SLT in the Localization agenda & Key Priorities for Action

Given its mandate, the H&O SLT is uniquely placed to drive the Localization agenda. In red are the priorities proposed for the H&O SLT.

		Localization Elements	
H&O SLT Areas of Responsibility	Humanitarian Leadership	▪ Driving CARE-wide and CMP engagement and investment in the Localization agenda	◀ 1
	Interdependent humanitarian operations	▪ Forward thinking on funding models allowing investment in local partners' humanitarian capacity and institutional sustainability ▪ Forward thinking on approaches to assessing local capacity and partnering in more equitable ways ▪ Coordinating piloting and scale up of locally-led humanitarian approaches (prep, response, resilience) ▪ Forward thinking on localized surge models and their implications for current surge capacity and investments	
	Harmonization of systems/policies & risk management	▪ Systems simplification including removing blockages to partnering in more strategic & equitable ways (moving away from subgranting) ▪ Adjusting the risk management framework to encourage collaborative (vs. risk-averse) approaches ▪ Adapting HR policies to ensure they foster an enabling culture and environment for partnering[7]	◀ 2

---

[4] See Partnership and Localization sections in the revised [EPP Guidelines](#) and [CET](#). Additional [guidance](#) on partnership and localization has also been developed. A [CARE Partnership wiki](#) has been created.

[5] Starting with deployable staff from the RRT.

[6] Oxfam has 10 positions dedicated to Localization and is currently hiring 2 additional experts, including roving Partnership and Localization support personnel.

[7] In close collaboration with the Human Resources Working Group.

| H&O SLT Areas of Responsibility | Operational excellence & accountability | Strategic guidance and support for:
▪ Monitoring & reporting progress on Localization [agreement on Localization KPIs, data collection and global collation)
▪ Measuring and reporting the impact of locally-driven humanitarian approaches CARE-wide
▪ Appropriate approaches to staff capacity building in partnership and localization | 3 |

V. Suggestions for tackling key priorities

1. Driving CARE-wide engagement and investment in the Localization agenda	▪ As the ultimate governance body on Humanitarian work, **take ownership, leadership and oversight of CARE's Localization efforts** ▪ As Localization requires change beyond the realm of humanitarian work, for the H&O SLT to **institutionalize and track progress across relevant governance bodies**[8] (SLTs, working groups etc)– ensuring overall coherence ▪ For H&O SLT members to **act as champions of the Localization agenda** in their respective CMPs and spheres of influence.
2. Simplifying systems so they support (not hinder) locally-driven and partnership approaches[9]	▪ Building on the inventory of policies conducted in 2017, and emerging research and evidence across CARE[10], **identify critical systemic blockages** (what requirements, systems and processes[11] are most disabling to partnerships) and **propose ways forward** (which ones should be reformed as a matter of priority)**.** This work is to build on emerging good practice across (and beyond) CARE such as simplified procedures for Syria, light processes and tools under the CARE Philippines' Partnership Platform, and flexible arrangements for joint response in the South Pacific (non-presence context).
3. Tracking and reporting progress on Localization	▪ **Facilitate the supply of critical Localization KPIs[12]** with a focus on CMP reporting consolidated data. The Secretariat is proposing to collate data at Confederation level. This will require CMPs adapting their tracking and reporting systems to deliver timely data to the Secretariat, without which we can't report against our Localization commitments externally.

---

[8] Find here an indicative map of where Localization elements fall within the mandate of respective SLTs.

[9] In essence, systems should be viewed as safe containers in which partnership can flourish and all parties can focus on solutions and quick action rather than get embroiled in red tape.

[10] Some examples of blockages: (1) The *2016 Gender and Localizing Aid report* found that our systems compel us to select partners for their compliance capacity and past emergency response experience, rather than their potential and expertise on women's empowerment, protection or gender equality. This hampers our ability to partner strategically with women's organizations for gender-transformative response; (2) CARE Nepal reports that the 40 projects implemented by the CO with 6 local partners require 40 individual grant agreements, and that a partner organization receiving several grants has to meet different conditionalities and reporting requirements; and (3) Based on *CARE Jordan's 2016 Partnership Review*: 'Staff report that getting a sub-agreement organized within the CARE system was a hugely burdensome and complicated process… with… longer processes [than one month] at times. Program staff liaising with partners continually have to go back and ask for [more] which causes confusion… and lack of trust in the process both for partners and staff. Staff reported being embarrassed to go back again to partners … and unable to explain … why the process was so difficult. Partners indicated that CARE was their most difficult donor in terms of documentation and compliance.'

[11] This requires looking at several aspects: (1) requirements and processes across the lifecycle of the partnership: are blockages at contractual, fund releasing, monitoring or reporting stages, (2) our internal decision-making processes: where are they stalling, (3) requirements and conditionalities including due diligence, financial compliance, anti-terror. Overall, the analysis should go beyond subcontracting and encompass security and risk management, procurement/supply management, human resource management.

[12] While this sits with the H&O SLT on the systems side, we recognize that responsibility also rests with Finance Directors (who run the finance systems) and with NDs (as it requires political willingness to supply the needed data). Data will also be of interest those responsible for institutional funding.

Annex 1: Overview of changes implied by a locally-led humanitarian approach

Before	After
▪ CARE delivers aid	▪ Local actors deliver aid, supported by CARE – with CARE playing more value-add roles (e.g. linking local to global, advocate, platform convener, donor, technical expert)
▪ We are in the lead	▪ We lead from behind – we support and enable local delivery and we surge when necessary
▪ Sub-grants where CARE decides and local partners implement	▪ Strategic, long-term partnerships where partners have decision-making power and (fair) share of the budget
▪ Focus on *how* funding is spent by partners, with control & compliance as driving force	▪ Expanding to a focus on *purpose & impact* of partner/joint work
▪ Short-term, project-based institutional funding for prep and response	▪ Multi-year, flexible funding for investments in building partners' institutional and humanitarian capacity
▪ Transferring risk downward to partners	▪ Sharing risk among the collective incl. with donors
▪ Low investments in preparedness	▪ Strong linkages between preparedness, response, GiE and DRR/resilience led by local partners in their context
▪ Partners seen as a threat to our brand & market space	▪ Partners seen as allies, we all take pride in collective success (=more impactful, relevant solutions)
▪ Dinosaur: slow, heavy bureaucracy, cumbersome systems	▪ Chameleon: Agile, nimble, adapting to needs and contexts
▪ Workforce focused on technical skills and frontline delivery	▪ Fit-for-partnering workforce that enables, supports, transfers expertise
▪ Humanitarian system that favors international actors	▪ Equitable and more efficient humanitarian system that (1) places people and local actors (government, civil society) at the center, (2) uses all assets, including local ones
▪ North to South	▪ South to South – supported by North

Annex 2: Localization KPIs[13]

- ✓ **% of funding allocated to local actors** against CARE's yearly humanitarian income/revenue, disaggregated by: type of funding (private vs. institutional donors, multiyear vs. short-term project based; earmarked vs. flexible), recipient type (government vs. civil society organizations, national vs. local, share for women's led/women's rights organizations) and intermediary mechanisms (direct delivery of CARE's private funding vs. indirect, e.g. donor funding passed on via CARE to local actors)
- ✓ **% of funding allocated to capacity strengthening, to overhead costs of local partners**
- ✓ **Number and types of humanitarian partners** (incl. women's organizations)
- ✓ **Quality of relationship:** sub-granting vs. equitable/power-sharing.

---

[13] Tracking of Localization KPIs is linked to CARE's efforts to report against the Grand Bargain and Charter for Change as well as against IATI (the latter being critical to maintaining credibility and access to institutional donor funding). Find here the complete list of new data required to meet humanitarian reporting norms.