

FROM ECO-SYSTEM TO SELF

Support rather than replace: Systems change in the international relief industry

Part I: Why, Why Now and for what Purpose?

Abstract: This is the first in a series of three GMI briefs that, together, provide a comprehensive perspective on the changes required in the interaction between international reliefactors and national and local ones. They are an invitation for joint reflection and offer various questions to that effect. This brief explores why we as the international relief sector needs to change and why now; at what different levels change is required to effect systems change; which interpretations of localisation are in line with the purpose of the successive commitments made by international actors; who needs to change (most); and what four mind shifts are required to make this happen.

I. START WITH WHY

1. 25 years of commitment to support and reinforce

For the past 25 years international relief and development aid actors have been committing to ‘build on

1994 Code of Conduct for Red Cross/Crescent and NGOs
 2003 Principles and Practices of Good Humanitarian Donorship (24)
 2006: Impact of international response on national and local capacities – tsunami evaluation coalition
 2007 Principles of Partnership
 2011 Busan Partnership for Effective Development Cooperation (and the Peacebuilding and Statebuilding Goals)
 Sphere standards
 Core Humanitarian Standard
 2014-2015 Missed Opportunities (for partnerships) review series
 2015 Charter 4 Change
 2016 Grand Bargain
 2017: Open Government Partnership: Participation and co-creation standards
 2020 IASC Interim Guidance – Localisation and the COVID-19 Response

local capacities’, work ‘in complementary with’ national and local actors, and in a spirit of genuine, equitable ‘partnership’. Text box 1 lists some of the various expressions of this, many from the relief sector. The Sphere and Core Humanitarian Standards contain some references in this regard. The Busan Partnership is the culmination of a series of High-Level Meetings on Aid Effectiveness, that

started in 2003. A component of this is the New Deal with its Peacebuilding and Statebuilding Goals for application in conflict-affected and fragile states.

Question: *After 25 years of commitment by international assistance actors: Why are we still talking about this?*

2. What problems is the Grand Bargain supposed to address?



Financing gap: The Grand Bargain came shortly after the publication of the High-Level Panel’s Report on Humanitarian Financing. This rang the alarm bell about a growing global humanitarian financing gap. On a first reading, the Grand Bargain is a set of measures then to make global humanitarian action more cost-effective. It is an agenda for reform of the humanitarian economy. As the Grand Bargain puts it: “*the status quo is not an option.*”



A practical necessity: In an acute crisis, national actors are the first to respond. They will also stay when international relief or other assistance actors have moved elsewhere. Contexts also

vary: operational but also key strategic decisions are better made in proximity to the actual crisis situation, not in faraway, siloed, headquarters.

A closer reading however, not only of the Grand Bargain outcome document of the World Humanitarian Summit, but also of the report of the regional pre-summit consultations, reveals it seeks to address several other problems, summarised in the Diagram 1.



Diagram 1: What 'problem' does 'localisation' address?

 **Political economy of the international relief sector:** The problematic cost-effectiveness of the international relief sector is not only related to a lack of financing. The hierarchical, and fragmented makeup of the sector create great economic inefficiencies because there are too many intermediaries, all with their structural cost. The excessive fragmentation (further added to by narrow 'project funding' leads to excessive competition and increases coordination costs. The international relief sector also shows a political economy of extreme inequality. Much of the approximately US\$ 30 billion/year in recorded humanitarian aid, goes to only a handful of first receivers. In 2015, the then IRIN network (now The New Humanitarian) calculated the Gini Coefficient (a measure of inequality) for the humanitarian sector. If this sector was a country, it would be one of the most unequal in the world.ⁱ Such concentration of power is not enabling for contextual adaptations, mobilising funds and commitments from new sources, innovation or the development of stronger national capacities.

« The Grand Bargain is an agenda for reform of the economy and the political economy of the international relief sector.» GMI

Question: Are international organisations who denounce inequality and promote diversity, inclusion, social justice etc., practicing it in their relief work?

 **A changing world:** Why now? Is international humanitarian aid, as it has run in the past 25 years, financially sustainable? Can the international relief sector, still largely be funded by a limited number of richer economies, provide a global safety net for people in acute distress - and run it mostly by itself with a large number of expensive agencies? In 2016, there was already a growing humanitarian financing gap. Now there is a real risk that the COVID-19 pandemic will cause a general economic depression, with a rapid rise in global poverty and need, while aid declines as traditional donors (public and private) invest in mitigating the impacts for their own citizens.ⁱⁱ

Simultaneously, governments of aid-recipient countries, as well as part of their civil societies, are growing tired of the patronising attitudes and behaviours of international aid-actors. They develop their own national, governmental capacities (e.g. India, Indonesia, Ethiopia, Bangladesh), seek alternatives (e.g. aid and trade with China) or start pushing back for reasons of dignity or for more specific political reasons. Some limit the space for their own civil societies and foreign aid actors (e.g. Pakistan), others circumscribe it more tightly for international aid actors (e.g. Bangladesh, Indonesia, Nepal). Rather ignored at the World Humanitarian Summit, the question of 'decolonising aid' today has come more forcefully on the agenda.ⁱⁱⁱ

« Most leadership failures that I have seen happened because leaders were unable to connect to the changing reality around them.» Otto Scharmer

Question: If the global humanitarian financing gap increases, are international aid agencies going to compete more aggressively for a shrinking pot, or channel more funds and invest more in national and local actors, where the same dollar or euro can go much further?

Question: Will international relief agencies take the growing irritation over their attitudes of superiority seriously and change their ways, or rely on their ability to buy acceptance with the money they bring? What is the future of aid as we have known it over the past 30 years, in a world where financial and geopolitical power are shifting significantly?

II. CHANGE AT SYSTEMS LEVEL

The Grand Bargain, in the combination of its ten commitments, is an agenda for the reform of the economy and the political economy of the international relief sector. Every actor in this sector must make their contribution to the change. Grand Bargain commitments 7, 8, 9 and 10 speak particularly to institutional donors who control this. Institutional donors also have major roles to play and contributions to make to the achievement of commitments 1, 2, 3 and 6.

Supporting and reinforcing national and local actors must translate in how major crises are responded to by the international relief sector. A 2014 report for a donor meeting, identified four major modalities with which it operates.^{iv} These are captured here in Table 1.

Comprehensive	The mainstay of the humanitarian sector and the result of a large-scale international mobilisation. <i>“It is based on the notion of limited or no capacity, and a central role for international agencies in managing, coordination and delivering assistance. There are many issues with this model in terms of its insensitivity to context, the lack of engagement with local and national actors, and a tendency to be supply-driven rather than needs-oriented.”</i>
Constrained	An approach found where humanitarian space is limited by encroaching political interests, which can manifest themselves as legal, procedural but also security challenges. This creates complex, ambiguous and challenging settings
Collaborative	The international response works hand in hand with national and local actors. Domestic response capacities for coordination, management and delivery are of major importance. <i>“This model currently leads to numerous tensions with the international system, because of the strong tendencies and preferences to work in the comprehensive model.”</i>
Consultative	Found in countries where there is considerable domestic capacity to respond to disasters. The international actors are called upon to express specific gaps and niches in domestic capacity and are incorporated into the architecture of domestic response.

Table 1: Four major modalities of humanitarian response

A ‘comprehensive’ response can be justified in times of major and fast onset crisis. The problem lies in how it plays out, and for how long. Rather than also supporting a strong ‘surge’ of national and local actors, the latter tend to be replaced and severely undermined as international agencies built up their own surge capacity at their expense. In the countries heavily hit by the 2004 Indian Ocean tsunami, the impact on local actors of international relief agencies flooding in, was called “*the second tsunami*”. A structural domination and subordination between international and national/local actors is the result. This often lasts far beyond its justification if international actors cling on to the money and power this provides them with. As diagram 2 illustrates, ‘localisation’ then is the process to reduce and reverse a prior phase of intense ‘internationalisation’ where international actors have taken over much of the decision-making, when it becomes less justified and counterproductive.

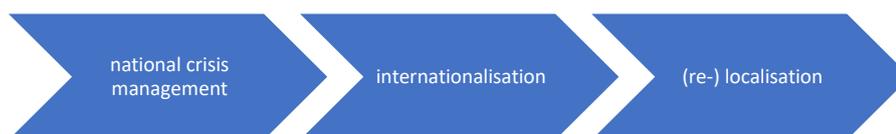


Diagram 2: Process of internationalisation and localisation

In the terms of Table 1, it is the shift from a ‘comprehensive’ response to a ‘collaborative’ and ‘consultative’ interaction.

Localisation is not an ‘anti-international agencies’ agenda. The central issue is that of roles. As a Bangladeshi CSO leader put it succinctly: “We do not want to be put, forever, into the passenger seat in our own country. We want to be in the driving seat and welcome you - in the passenger seat.”

The inward looking and here-and-now perspectives of international relief actors create a distorted picture of reality. International relief actors keep the spotlight on those crises where they are present in big numbers and with significant funds. The thousands of rapid onset and protracted humanitarian crises in the world where they play no or only a modest role, remain in the shadows. The history of modern humanitarian action may have started in Solferino in 1859. But human compassion and solidarity are much older and have been exercised in many societies. Yet that history is still written and taught in Western M.A. programmes as a story whose cast of characters are almost exclusively Western-dominated agencies (which includes the UN).^v If we take a less sector-centric view, we will see that a ‘localised’ response is historically and globally the normal state of affairs.

Sector reform means systems change. This must take place at different levels as visualised in diagram 3. The top row of the quadrant refers to the collective level. The top left quadrant reminds us that the ten commitments of the Grand Bargain constitute an agenda for reform of the international relief sector.



Diagram 3: Quadrants of systems change

Many of them relate to changing practices by donors, others of operational international agencies. The quadrant on the top right-hand side invites us to take a systems-perspective for the collective response in a particular context. The bottom row refers to the individual organisational level. The bottom-right quadrant means that localisation needs to translate into certain operational practices. To explore this, GMI uses its ‘seven dimensions’ diagram which we present in Part 2 of this series. Being ‘fit-for-

partnering’ and able to play a supporting and reinforcing role rather than replacing or instrumentalising national and local actors, requires certain institutional capabilities and competencies. This may require organisational adaptations of an international agency. Real change in the two quadrants to the right may not happen or not in a systemic manner, without change also in the two quadrants to the left.

If we appreciate that the world is changing, geo-politically and financially, and accept the Copernican-style observation that the international relief sector is not the center of our planetary system, but only one modest part of it, then we can pursue ‘localisation-by-design’. So far, the reality is often one of ‘localisation by default’ rather than ‘localisation by design’. ‘Localisation by default’ happens when international actors because of national policy restrictions and/or security reasons cannot operate directly in certain zones, or when international funding declines and organisational expertise and attention shifts to other crises in the world. Localisation by default is a manifestation of ‘as international as possible, as local as necessary’. Localisation by default is not an effective approach to leave behind a legacy of stronger, collective national and local capacities.

III. ONE WORD, DIFFERENT INTERPRETATIONS, DIFFERENT OUTCOMES

Many people use the word ‘localisation’ but with different interpretations, without being conscious of it. This renders a discussion of it very confusing. Different interpretations lead to different outcomes. Not all interpretations and resulting outcomes are in line with the purpose and spirit of the Grand Bargain and the Charter 4 Change. Some lead to the opposite. Table 2 provides a summary overview.

Interpretation not in line with the Grand Bargain and Charter 4 Change	
Decentralised decision-making	May improve the contextual relevance of decisions, but doesn’t change the power dynamics between international and national actors, more between HQ and country office of the international actor; at best improves the cost-effectiveness somewhat

<i>Country office of international agency is fully staffed with nationals</i>	Does not change the power dynamics and has negligible impact on the cost-effectiveness of aid
<i>Register international country office as a national organisation</i>	Increases the number of ‘national’ organisations competing for a limited amount of resources and gives international organisations a justification to capture some of the “25%” by becoming a ‘national’ entity. Goes against intent of Grand Bargain and is vocally opposed by many national actors. ^{vi}
<i>Multi-nationalisation: intentionally create ‘national’ affiliates of an international alliance or federation in many countries</i>	Does not change the power dynamics and inequalities in the system as the national members or affiliates have privileged access to international finance and expertise, including for fundraising in emerging domestic markets; reduces rather than increases the ‘bio-diversity’ in the ‘eco-system’
Vague or de facto misused interpretations	
<i>‘Locally led’</i>	Sounds right, but avoids the question why this would not be the case, or still is not, even after years of international presence in a recurrent or protracted crisis? Also does not distinguish, for national authorities, between political, administrative and substantive response leadership
<i>‘Working with partners’</i>	Meaningless phrase if even a contractor is called a ‘partner’. Does not say anything about the nature and the quality of the collaboration
<i>Complementarity and subsidiarity</i>	Sensible in principle, and neatly expressed in ‘as local as possible, as international as necessary’. In practice, it ignores the power inequalities in who decides this. Research shows that many international relief agencies do not operate from a ‘reinforcing’ starting point, asking how they can complement national actors; often the starting point is their own direct action, that, at best, others may complement, with likely preference for other international actors. ^{vii}
<i>Direct solidarity with affected populations</i>	Argument used in favour of direct implementation by international actors. Valid in the short term but not in the long term. The solidarity is only active when and for as long as there is substantial international funding. It is absent for most international relief agencies in ‘forgotten crises’ and will ‘run out’ when the money dries up, as e.g. Burundian refugees in Tanzania can attest. Ignores the fact that ‘resilience’ cannot exist only at household level but requires also stronger organisational capacities. The argument could have some validity if the practice demonstrates a real ‘participation revolution’.
Interpretations in line with the Grand Bargain	
<i>Led and managed by affected populations</i>	This interpretation puts crisis-affected people in the driving seat, towards both international and local/national assistance actors. It gives primacy to the Grand Bargain commitment to a ‘ <i>participation revolution</i> ’. It goes beyond ‘accountability to affected populations’ or ‘communicating with communities’, but fully respects (or restores) agency to crisis-affected people which, as different listening exercise have repeatedly demonstrated, is a primary objective for those who lost much control over their lives. Requires a radical change in the international sector, as it means much more bottom-up design and adaptive responses.
<i>Support and reinforce home-grown national and local organisational capacities</i>	Localisation success in this interpretation means structurally stronger, collective, national capacities and leadership. A transformative interpretation is not against international humanitarian assistance but wants it to reinforce rather than replace and instrumentalise local and national capacities. As there is a growing number of protracted crises and recurrent disaster areas, this is also more cost-effective in the medium-term and may become inevitable as the international humanitarian safety net becomes even more financially untenable and politically problematic.

Table 2: Different interpretations of localisation

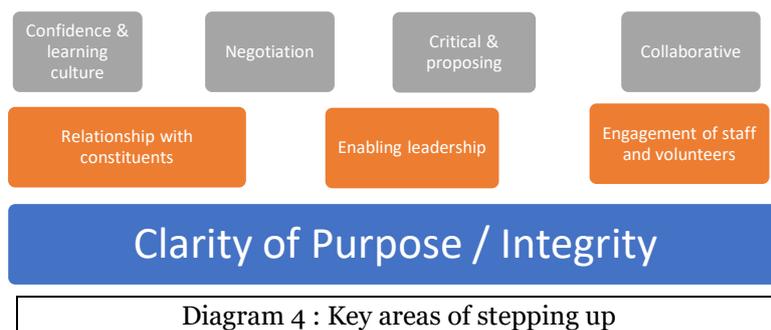
“An understanding inherent to the Grand Bargain is that benefits are for all partners, not just the big organisations.”

IV. WHO NEEDS TO CHANGE?

Implicit in the current global conversations about localisation are two different views about who needs to change most. The second is in line with the purpose and objectives of the Principles of Partnership, the Grand Bargain, the Charter 4 Change and all the other commitments and promises. The first is not.

- a. **Localisation as reinforcement of international authority:** Some internationals adopt the attitude that localisation can happen when national and local actors prove they can meet international requirements and standards. The burden of change is on them. How they are supposed to do that, while largely being kept in subordinate roles and without access to comparable resources, even after years of partnership with and capacity-building by international agencies, is a mystery. Here 'localisation' is actually another form of 'internationalisation': it is used to further enforce international authority and becomes a pretext for yet another round of funding of international organisations for yet more -ineffective- 'capacity-building'.
- b. **Localisation based on international solidarity and an assisting role:** In this view, the purpose is clearly to support and reinforce national and local actors (people but also organisations and collaborative networks), so that they can manage the challenges largely with their own capacities. International solidarity, in the form of financial resources and human expertise remain valid and appreciated, but comes through a supporting not a commanding relationship. The exception is where fundamental norms and rights are violated, and where the rights-protection and norm-promoting responsibilities of a truly 'international' community must be asserted. In combination with and support to national defenders and norm promoters. The international relief sector has not developed itself for this: the bigger change will be required on their side. Localisation, as the reduction and reversal of internationalisation, is first and foremost the responsibility of international actors: they have freely committed to the policy, and they have most resources and power. Systems change starts with international actors: they need to change mindsets and behaviours, adopt broader and deeper perspectives, and become fit-for-equitable partnership and effective capacity-sharing.

That does not mean national and local actors must not change, and can claim international resources as a given 'right'. The responsibility for good stewardship now falls more on them. As they step in, they may have to step up. They will do this better if their good stewardship is grounded in their own convictions, rather than a more superficial imitation of international forms. Diagram 4 visualises some key areas for stepping up. They can develop their own standards of integrity, accountability, quality and



inclusion to bolster their credibility, not just for international actors, but in the first place for the various stakeholders in their context. They can take inspiration from international examples and experiences, but need to own the process and the outcome, not just cut-and-paste.

They can legitimately question whether and when international aid actors are putting their own commitments into practice, and they can demand they walk their talk. But they will be in a stronger position to 'bargain' (sic) when they come up with thoughtful proposals on how to make localisation happen, responsibly and effectively. They too need to seriously reflect on the question of their purpose and roles. They too must address the fragmentation that comes from aggressive competition over resources, where individual gains are offset by collective loss.

Questions for national and local actors

What is our national actors' purpose? What do we need to do to be the best we can be?

What standards of integrity, quality, transparency and accountability do we set for ourselves, in the first place towards our fellow citizens?

Who do we need to collaborate with to produce greater collective outcomes, that represent positive, lasting change?

What drives us in our daily behaviours, from what values and mindsets do we act?

What do we propose to make system change happen?

V. FOUR MIND SHIFTS THAT NEED TO HAPPEN

To begin to contribute to such system change, four key mind shifts need to happen:

- a. **Adopt a comprehensive, ‘systems’ perspective.** That shows us how different factors and actors are interconnected with each other in this ‘international humanitarian sector’ and what the main drivers of behaviours in it are. The current situation will not remain financially sustainable, nor relationally. This is very hard for an international relief sector that is extremely fragmented, with many strategic decision-makers, large numbers of agencies, multiple sectoral clusters and a multitude of projects. Donor shifts, away from programme funding to project funding, have had negative consequences here. Such fragmentation is not cost-effective!
- b. **Take a broader time perspective:** More and more crises become protracted or are recurrent. Yet the international relief sector, even when present since a long time, operates largely in the very narrow here and now: with a three to six months, perhaps a twelve-month time perspective. The longer history is as absent as the medium-term future. This is the opposite of what is required to work with a learning culture and being strategic. Living in the short term may serve us to deliver – but no longer serves us when deeper change is required. Short-term action only leads to short-term and superficial results. Value-for-money in the short term may not be value-for-money anymore in the medium-term.
- c. **Develop a vision of change:** A major weakness of the Grand Bargain, the Principles of Partnership and the Charter 4 Change is that they are insufficiently clear about their reasons (why) and about their purpose: they do not set out a vision of what success would look like. Without such vision, then translated into some more specific objectives and a trajectory to get there with progress markers, individual efforts will be too fragmented to bring about any deeper, more meaningful change. At organisational levels, more longer-term strategic thinking is required, around futures that may be very different from our world today. Prior to 2020 the world was changing fast. The COVID-19 pandemic has brought further, intense, disruption. Trying to continue with the business practices of the past does not prepare us for possible futures that could be radically different.^{viii}
- d. **Interrogate power:** The international relief sector has a self-image of a highly professional force that is deployed around the world to save lives and help people recover from crises. It is unwilling to see that it wields enormous power where international agencies are present in large numbers, and critically reflect on how it uses that power. As a sector, it is very top-down, with strategic decisions about priorities and funding allocations made in capitals remote from the actual crisis situation and with hardly anyone of the affected country involved. Most of the operational organisations are internally also very hierarchical. Accountabilities remain overwhelmingly upwards. Not surprisingly then, it is a sector that practices power as ‘*power over*’, rather than ‘*power with*’, and uses much more ‘*hard power*’ (threat of sanctions) than ‘*soft power*’ (persuasion and attraction).^{ix} The result is a structural situation of dominance of international actors and subordination of national and local ones.^x That is not in line with the fundamental principle of shared *humanity*.

Question: When was the last time that senior management in your agency considered the wider relief sector it is part of, and reflected on its internal workings, shaped not just by resource allocations but also by mind sets, incentives and disincentives and the use of certain types of power?

Question: Where has your agency done a strategic analysis of a protracted or recurrent crisis over a longer historical period and then considered what it can do, to more structurally address the factors and

actors that prevent deeper and more lasting improvements? What collective effort did you mobilise to influence key actors or factors in this?

Question: In this period of disruptive global change, is your agency engaged in foresighting: exploring different possible futures over the next 10-15 years, which ones you are not at all prepared for and what you must do then? If you reduce or give up certain types of work you did the past 20 years, what becomes possible?

Question: Have you had an organisational conversation about how power lives in your organisation, what is responsible use of power and what becomes abuse?

Question: What would you say to the statement: *International solidarity with people in need finances the structural domination of aid providers over these people, and the national and local organisations that also seek to help them.* What would a situation look like if our way of working was more based on ‘power with’, and explicitly intended to leave behind stronger collective capacities - of people at risk and of national and local organisations?

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ⁱ IRIN 2015: *The Humanitarian Economy. Where is all the money going?*
<http://newirin.irinnews.org/the-humanitarian-economy>

ⁱⁱ See e.g. Bishop, M. 2020: *Getting from Crisis to Systems Change. Advice to leaders in the time of COVID*, Catalyst 2030; Tallack, B. 2020: *The Existential Funding Challenge for Future INGOs*. Averthur NGO Consulting; Poole, L., D. Clarke & S. Swithern 2020: *The Future of Crisis Financing. A call to action*. Center for Disaster Protection UK; But also IARAN 2030: *The Future of Aid INGOs in 2030*. Paris, IRIS. For concerns among Bangladeshi CSOs about shrinking income due to the COVID-19 economic impacts see e.g. Islam, J. Sept. 2020: *NGOs in Crisis as Pandemic Shrinks Funds*. The Business Standard <https://tbsnews.net/bangladesh/ngos-crisis-pandemic-shrinks-funds-135976>

ⁱⁱⁱ Listen e.g. to “*The Future of Humanitarian Action Conversation Series: Decolonising humanitarian aid.*” 17 Sept. 2020 <https://www.youtube.com/watch?v=XAf3tHuZdSA>

^{iv} Ramalingam, B & J. Mitchell 2014: *Responding to Changing Needs? Challenges and opportunities for humanitarian action*. Discussion paper for Montreux XIII Donor Meeting:28-35, ALNAP

^v It is hard to avoid the comparison with ‘colonial history’ that was also told from the colonisers’ perspective. For the notion that UN agencies might also be ‘Western dominated’, see which member states fund them. And <https://foreignpolicy.com/2020/10/16/un-diversity-problem-workforce-western-ocha/>

^{vi} Open Letter 2020: *An Open Letter to International NGOs who are Looking to ‘Localise’ Their Operations*
<https://www.opendemocracy.net/en/transformation/an-open-letter-to-international-ngos-who-are-looking-to-localise-their-operations/>

^{vii} Barbelet, V. et al March 2019: *Local Humanitarian Action in the Democratic Republic of Congo. Capacity and complementarity*. London, ODI & Barbelet, V. November 2019: *As Local as Possible, As International as Necessary. Understanding capacity and complementarity in humanitarian action*. London, ODI

^{viii} The business sector talks about a VUCA world: volatile, uncertain, full of complexity and ambiguity. And the better companies are thinking hard about how to adapt and operate in such environment, not only in terms of their operations but also their internal functioning, which needs to be much more agile. That requires less bureaucracy, faster adaptive management and more distributed leadership. For a taster see e.g. <https://businessagility.institute/>

^{ix} For an elaboration on hard and soft power, see e.g. Nye, J. 2008: *The Powers to Lead*. Oxford Univ. Press

^x For the view of one of the co-drivers of Security Council Resolution 1325 on Women, Peace and Security, Maliha Chishti, see her TedX Talk on foreign aid. https://www.youtube.com/watch?v=1xJ6pOB5V_A&t=12s