



Towards Risk Sharing – Risk Management and Localisation in the Covid19 response and beyond

Summary of issues raised at meeting between national NGOs, INGOs and donors, 11th June 2016

On June 11th 20120, Charter4Change, KUNO, Dutch Relief Alliance, Global Interagency Security Forum, CAFOD and CORDAID co-hosted a webinar to explore localisation perspectives on risk management in humanitarian action. The webinar consisted of a discussion between three national NGO representatives, three donor policy-makers, an international NGO network representative and contributions in the Q&A from over one hundred participants.

A full report will be made available on the KUNO website; including more details on how risk management is experienced during the Covid19 response. In summary, some international agencies and funding instruments have engaged with local actors to extend flexibility in their funding and partnerships in the Covid19 response. Models of country-level funds outside of the UN system, which enable direct engagement between donors and local actors, were cited as especially fast and effective in engaging with local actors and negotiating risk management issues. However, the majority of the humanitarian system remains predicated on a disempowering approach to local actors; treating them as sub-contractors to deliver on priorities set by international agencies. Local NGOs do not yet feel engaged as equal partners or lead actors, despite their frontline, first response role. Risk-sharing remains largely an aspiration, rather than a reality in the response so far. This paper summarises ten specific areas for action in policy and practice emerging from the discussions:

1. Donors and international agencies should shift from the 'zero tolerance for incidents' towards a 'zero tolerance for inaction' approach to incidents of wrong-doing. This should be accompanied by wider proactive strategic communications to build understanding that humanitarian action cannot be 'risk free' and highlighting the courage of humanitarian workers, in particular LNNGOs, and the risks they face in their work.
2. Donors, UN agencies, INGOs should adopt a comprehensive approach to risk management, and a partnership-based approach to addressing this with LNNGOs. The current approach is focused overwhelmingly on fiduciary risk and increasingly on the safeguarding aspect of ethical risks. This, combined with the lack of sustained investment in capacity-strengthening or core organisational costs, means LNNGOs are not provided with the support required to address either safeguarding risks, or wider risk management priorities.
3. International agencies – donors, UN agencies, INGOs – should systematically review how their own organisational profile and programme in a given context, as well as the parameters and requirements of their programming, funding and partnership approach, generate risks for LNNGOs. They should also systematically consult at the national level with their local partners to identify ways to prevent or mitigate such risks.

4. Establish multi-year, locally-led platforms to invest in capacity-strengthening, with particular support for local-to-local capacity-sharing approaches, to enable LNNGOs to build their core institutional capacities to manage risk effectively, to demonstrate this and to gain the required trust and confidence of international and national funders. Review development and disaster risk management funding to increase support for such efforts; framed as the localisation contribution to Nexus and resilience objectives.
5. Explore means to make CHS certification accessible to LNNGOs; for example through scoping the potential to support decentralised, regionally or locally-led CHS certification entities linked to the above-mentioned locally-led capacity-strengthening platforms.
6. The corporate strategy and methods used by international agencies to support capacity-strengthening and work with local partners on compliance and due diligence should be explicitly framed towards enabling LNNGO partners to directly access funding and lead on programmes and consortia; rather than entrenching the international intermediary role.
7. International agencies should also establish a consistent and fair approach to support for overheads costs for LNNGOs; without which effective risk management is impossible. Good practice examples, like DFID's new requirement of NGOs funded for Covid19 response (ie passing equal or greater level of ICR to LNNGO second or third tier partners), should be adopted by other donors and also applied by UN agencies. Linked to this, donors should also clearly communicate that including explicit and adequate inclusion of risk management into budgets by LNNGOs is expected and will result in proposals being seen as more, not less, competitive.
8. Direct country-level dialogue between donors and LNNGOs is key to ensure a more informed and timely approach to understanding and addressing risks faced by frontline local responders. Good practice examples of country-level funding instruments, which enable such direct donor-LNNGO dialogue – such as the examples of the LIFT fund in Myanmar and the EU funding to a national NGO-led civil society funding mechanisms in Syria – should be scaled-up.
9. To have a stronger voice with both international actors and host government on risk management issues, LNNGOs committed to principled humanitarian action should come together and establish effective national NGO platforms to facilitate collective action and positioning. To have credibility in humanitarian action and effectively address risk, these must be convened in ways that avoid dominance or cooption to political agendas by GONGOs.
10. A shift from 'risk transfer' to a 'risk sharing' requires a wider shift of power in the humanitarian system. Looking beyond the current timeframe of the Grand Bargain, despite some examples of good practices, there is a need for a more transformative approach to localisation in future. That new approach needs to be much more politically astute. Within international agencies, this will require localisation, including risk-sharing, being championed, owned and actioned by senior leadership across relevant departments (ie audit and finance leadership being as engaged as partnership managers or policy staff). Other political agendas which compromise efforts to empower local actors, such as heavy-handed counter-terror vetting processes, should also be tackled. At country level, this will require addressing and mitigating the assertion of sovereignty by autocratic governments in conflict-affected and fragile states, who are squeezing the space for independent civil society and principled humanitarian action.