LOCALIZATION STRATEGY STICHTING VLUCHTELING 2022 – 2024

6th January 2022

Anne Souwman & Kees Ton

Table of contents

1. Background and relevance

1.1 What is localization?

National and local responders are often the first to respond to crises, remaining in the communities they serve before, after and during emergencies. However, the role of local partners has long not be recognized. It was at the World Humanitarian Summit (WHS) in 2016 that the debate on localization of humanitarian response has gained momentum. The WHS resulted in a set of commitments, known as the Grand Bargain. One of the key commitments of the Grand Bargain is that humanitarian action should be '*as local as possible and as international as necessary*'.

SV adopts the following definition of localization developed by the International Council of Voluntary Agencies (ICVA):

Definition of localization

Localization is the process through which a diverse range of humanitarian actors are attempting, each in their own way, to ensure local and national actors are better engaged in the planning, delivery, and accountability of humanitarian action, while still ensuring humanitarian needs can be met swiftly, effectively, and in a principled manner.

Although local and national civil society organizations are among the first responders to disasters and outbreaks of violence, the recent Global Humanitarian Assistance report states that a mere 0.4% of humanitarian aid is channeled directly to national NGOs and Civil Society organizations.

To implement the localization commitments of the Grand Bargain, several initiatives have been taken. One of the most important ones is the *Charter for Change*, an initiative that aims to transform the way the humanitarian system operates to enable local and national actors to play an increased and more prominent role in humanitarian response. The Charter for Change, launched in July 2015, has now been signed by 35 INGOs and endorsed by more than 300 local and national organizations and networks from across the globe.

Another important initiative is *NEAR*, a movement of local and national civil society organizations from the Global South with a bold ambition – to reshape the top-down humanitarian and development aid system to one that is locally driven and owned. The NEAR Localization Performance Measurement Framework is widely acknowledged as a relevant framework to evidence progress towards achieving localization commitments.

1.2 Why localization and why now?

Localization is not something new – it has been discussed in the humanitarian sector for decades. But it gained momentum at the 2016 World Humanitarian Summit (WHS), resulting in the Grand Bargain commitments. Despite the many efforts since then, the process to really advance on the localization agenda has been slow. This is mainly due to preserving organizational interests of international humanitarian organizations; humanitarian aid is a heritage of a broader colonial structure where unjust power dynamics and racism exist. In 2020, the murder of several unarmed black people by US police officers sparked a global conversation about racism, the Black Lives Matter (BLM) movement. It is a wake-up call to diversity and inclusion, including in the humanitarian aid sector; to embark on a journey to make Localization happen.

'Localization' has become an objective only because there has been a process of 'internationalization', with international actors taking over or having significant influence over policy choices, operational priorities and modalities, of even replacing national actors by implementing directly. This is not to say that international organizations should not intervene at all – millions of lives have been saved by international humanitarian actions. From a social justice perspective however, the 'normal' should be

that countries handle challenging situations with their own capacities and leadership. Only where local capacities are overwhelmed or need support, international actors can step in to support local organizations and work in partnerships. Localization is a process of recognizing and respecting that decision-making on aid and its implementation should ultimately rest with the affected communities to better address needs.

Localization is also important from a humanitarian and operational perspective, because of different reasons:

- **Speed and timeliness of humanitarian responses:** Local and national actors are often the first to respond to crises. Engaging with local and national responders therefore improves the speed and timeliness of humanitarian responses. They are already present and can mobilize quickly. Their efforts are however often poorly understood, inadequately supported, and often undermined by the arrival of international NGOs.
- **Greater alignment between humanitarian needs and response:** Local and national actors have a far better understanding of the local context and communities than international actors which helps in designing responses that better align with the needs of affected populations.
- **Cost effectiveness:** The costs of local and national actors are considerably lower than the costs of international actors, resulting in more cost-effective responses. With the growing financing gap between global humanitarian needs and available humanitarian funding, the cost effectiveness of local and national actors is a strong argument for localization.
- **Partnership leads to stronger humanitarian responses:** Humanitarian responses are strengthened when international actors work in partnership with local and national actors, when compared to international actors responding directly. This is a strong argument for more equitable partnerships.
- **Sustainability:** Engaging local and national actors in longer term planning and exit strategies is a key means to encouraging sustainability. This must however be combined with investments in capacity strengthening of local and national actors to contribute to more sustainable organizations who can better prepare for and respond to future crises.

Considering the above, for SV, we see localization as both a means to an end (humanitarian operational perspective) as well as an end in itself (social justice perspective). We are committed to working towards better sharing of power and resources and more inclusion. This requires critical reflection to see where we can improve and work towards more equitable partnerships and address injustices, white saviorism, and power imbalances. We need to be humble and modest and listen to our partners. Recognize their capacities and jointly look for ways to strengthen each other. We recognize that we're not there yet and that it might be a long process. But we must start somewhere. As such, the forthcoming SV Localization strategy provides guidance on this process for the next three years (2022-2024).

1.3 Relevance and scope of the SV localization strategy

Localization is one of SV's strategic priorities. In the SV Strategy 2020-2024, two strategic objectives have been formulated with regards to localization:

Strategic objective 3.a. SV stimulates further development of a substantive, qualitative and sustainable relationship with a number of local partners. SV and partners jointly aim to protect displaced persons and refugees and strengthen operational capacity.

Strategic objective 3.b. SV has relationships with local partners based on equality; SV takes a modest approach and is curious about the possible contributions of the partner.

In line with the evidence and international commitments, the *Dutch Relief Alliance* (DRA) also believes that localization is key to improving effectiveness and increasing the sustainability of humanitarian response – for example, by leveraging local knowledge, context awareness and links to communities. In the 2022-2026 Strategy, the DRA strives for equitable partnerships in humanitarian aid with an emphasis on complementarity, mutual respect, sharing of risks and benefits, and brokering collaborations between diverse actors and networks. Over the past years the DRA has already been working to localize programming. For the upcoming period localized leadership, equitable partnership

and vertical-horizontal complementarity will be further 'unpacked' and operationalized. Complex issues, such as risk management/sharing, resourcing and INGO re-positioning are to be defined and addressed.

SV has set itself the objective in the annual plan 2021 to formulate a strategy for localization. The present document is the product of literature review on localization developments in the humanitarian sector, consultations with SV's local partners, and discussions within SV. It has resulted in several ambitions and commitments that SV wants to commit to in the next three years (2022-2024).

For the definition of a 'local partner', we follow the internationally accepted [IASC definition](#):

> **Local partners** are national or local NGOs/CSOs operating in an aid recipient country without affiliation to an international NGO/CSO. This category can also include community-based organizations and national/local faith-based organizations. A local actor is not considered to be affiliated merely because it is part of a network, confederation, or alliance wherein it maintains independent fundraising and governance systems.

Although SV encourages working with a broad range of local and national actors, both state and non-state, the SV localization strategy only applies to national and local non-state actors (NGOs, FBOs, and CSOs) with whom SV entered or will enter in a direct partnership.

2. Where do we come from?

Over the last couple of years, we have…

- Invested the bulk of our funding through a primary international partner (IRC, INTERSOS), however, we have also been supporting 13 local partners:
  - BPHWT (Myanmar)
  - SSDF (Myanmar)
  - CHDN (Myanmar)
  - Mae Tao Clinic (Thailand)
  - WASDA (Kenya / Somalia)
  - RACIDA (Kenya / Ethiopia)
  - CAJED (DR Congo)
  - CDJP Kalemie (DR Congo)
  - Panzi Foundation (DR Congo)
  - Salù pa Tur (Curaçao)
  - Yazda (Iraq)
  - Help Tchad (Chad)
  - ADIL (Chad)

- Had a *strategic partner relationship* with four of these local partners (CAJED, Panzi, RACIDA, and Yazda) in which we expressed the intention of multi-annual partnership and funding and invest in organizational development and supported these partners with a budget of approx. €250.000 per year. We have had a *project relationship* with five of the local partners (BPHWT, CHDN, WASDA, CDJP, and Salù pa Tur) in which we reviewed on an annual basis whether to continue to support the partner, offered relevant capacity strengthening on a project-by-project basis, and supported these partners with a budget of approx. €100.000 - €150.000 per year. In the new localization strategy, we will no longer make this distinction between strategic and project partners.

- Started to phase out the partnership with two local partners (SSDF and MTC). With SSDF, the partnership will end by the end of 2021, and with MTC by the end of 2022.

- Made localization a strategic priority in the SV Strategy 2020-2024. More specifically, the following objectives and indicators have been set:

Strategic objectives 2020-2024	Indicators
Strategic objective 3.a. SV stimulates further development of a substantive, qualitative and sustainable relationship with	1. The portion of the aid budget that SV spends directly via local partners will

a number of local partners. SV and partners jointly aim to protect displaced persons and refugees and strengthen operational capacity.	increase from 19% of the unearmarked aid funds in 2019 to 25% in 2024. 2. SV will increase its support for capacity building of its local partners in the period 2020-2024.
Strategic objective 3.b. SV has relationships with local partners based on equality; SV takes a modest approach and is curious about the possible contributions of the partner.	A biennial partner survey provides SV with insight into the strengths and opportunities for improvement of SV in relation to the partners.

- Already increased the portion of the unearmarked aid funds that we spent directly via local partners from 19% in 2019 to 27% excluding emergency response funding (ERF) and 31% including ERF in 2021.

- Supported our three local partners in the DRC in 2021 to respond to acute crises through our emergency response fund, which has been a new way of working for SV that we intend to continue in the future.

- Started a strategic initiative on localization with our primary international partner INTERSOS with the aim to select new local partners in Chad, South Sudan, and Lebanon. SV is currently in the process of follow-up to develop a partnership with two local partners in Chad who have been selected through this joint initiative with INTERSOS.

3. Where do we want to go: strategic priorities

The majority of the current local partners have been involved in the development of the localization strategy through extensive consultations on how they value the partnership with SV and where they perceive room for improvement, and their recommendations for SV in enhancing localization. In general, local partners appreciate the partnership with SV because of flexibility in funding, short communication lines and regular SV field visits. Partners experience the current relationship with SV as open, respectful and with transparent communication. It shows mutual trust. Local partners insisted on the need for multi-annual / strategic partnerships, which has consequences for funding and capacity strengthening.

In terms of funding, the consultations raised questions like:
- How can SV evolve towards multi-annual programming and funding?
- How can SV make its funding / disbursement schedules more flexible?
- How can SV systematically integrate Indirect Cost Recovery in the budgets?

In terms of capacity strengthening, some of the challenges are:
- How can SV avoid that Due Diligence / PAA is perceived only as a risk assessment?
- How can SV link Organizational Development with Due Diligence / PAA / OCA?
- Which technical expertise can SV realistically offer to local partners?
- How to make good and systematic use of Local consultants?

Building on where we come from, on the consultations with local partners, and on current developments in the humanitarian sector with regards to localization, SV is committed to enhance localization through commitments in the following domains:

1. Partnerships
2. Funding
3. Capacity strengthening
4. Emergency Preparedness & Response
5. Safety, Security, and Risk sharing
6. Visibility and communication
7. Internal organization

3.1. Partnerships

Stichting Vluchteling stimulates further development of a substantive, qualitative, and sustainable relationship with a number of local partners which is based on equality. The sections below describe how SV brings Localization into practice through partnerships.

3.1.1 Principles of Partnership

To create a shared understanding of how effective partnership could contribute to more effective humanitarian response, the Global Humanitarian Platform (GHP) adopted in 2007 the following Principles of Partnership (PoP):

- **Equality:** Equality requires mutual respect between members of the partnership irrespective of size and power. The participants must respect each other's mandates, obligations and independence and recognize each other's constraints and commitments. Mutual respect must not preclude organizations from engaging in constructive dissent.
- **Transparency:** Transparency is achieved through dialogue (on equal footing), with an emphasis on early consultations and early sharing of information. Communications and transparency, including financial transparency, increase the level of trust among organizations.
- **Results-Oriented Approach:** Effective humanitarian action must be reality-based and action-oriented. This requires result-oriented coordination based on effective capabilities and concrete operational capacities.
- **Responsibility:** Humanitarian organizations have an ethical obligation to each other to accomplish their tasks responsibly, with integrity and in a relevant and appropriate way. They must make sure they commit to activities only when they have the means, competencies, skills, and capacity to deliver on their commitments. Decisive and robust prevention of abuses committed by humanitarians must also be a constant effort.
- **Complementarity:** The diversity of the humanitarian community is an asset if we build on our comparative advantages and complement each other's contributions. Local capacity is one of the main assets to enhance and on which to build. Whenever possible, humanitarian organizations should strive to make it an integral part in emergency response. Language and cultural barriers must be overcome.

SV is committed to work with its local partners under the above Principles of Partnership and to operationalize the PoP through this localization strategy.

SV commitments
Commitment 1. SV includes the Principles of Partnership in the grant agreement with its local partners.
Commitment 2. SV conducts a biennial partner survey with its local partners to get insight into the strengths and opportunities for improvement of SV in relation to its partners, including adherence to the PoP.

3.1.2 Selecting new local partners

SV is open to building new long-term local partnerships in protracted crisis contexts, especially where INTERSOS or other SV partners are not yet active. Based on SV's former selection criteria and the mapping tool that has been developed in the Strategic Initiative between SV and INTERSOS on localization (GLOB-21.2), SV will use the following guidelines for the selection of new local partners:

1. **Emergency aid:** preference for local partners who, based on humanitarian principles, invest in life-saving aid in protracted crises.
2. **Target group:** preference for local partners targeting refugees, IDPs, returnees, and host communities.

3. **Sectors of intervention:** preference for local partners who intervene in one or more of SV priority sectors (Shelter, NFI, Health, Nutrition, WASH, Protection, Education in Emergencies).
4. **Geographical areas of intervention:** preference for local partners who work in one or more of SV's focus countries with protracted humanitarian needs.
5. **Added value:** preference for local partners with which strategic added value can be created (special way of working, specific humanitarian access, shared strategic interests (e.g., NCD and/or MH in PHC), advocacy theme, etc.).
6. **Forgotten crises:** preference for local partners who pay attention to refugees and IDPs who receive no or insufficient aid and little political and (international) media attention.
7. **Community acceptance and embeddedness:** preference for local partners who have gained or work to gain community acceptance and/or are well embedded within the communities they work.
8. **Constructive relations with relevant actors:** preference for local partners who engage with relevant actors and adopt principled engagement strategies for positive perception and acceptance.
9. **Fundraising & communication:** preference for local partners with whom funds can be raised from institutional or private donors and/or can be used in information and communication.
10. **Learning attitude:** preference for local partners who have a learning attitude, are open to critical self-reflection around humanitarian principles, are willing to invest in organizational development, and/or are open to innovative approaches and solutions.

In the process of identifying potential partners and the subsequent vetting process and PAA, SV will not only focus on potential risks for SV, but also on the strengths of the local partner and on developing a relationship with mutual interest. If requested, SV will openly share any relevant information that can help the potential partner reflect on their interest in the partnership.

SV aims to identify new local partners with possible growth to a maximum of 20 local partners. The growth depends on SV capacity and available resources.

SV commitments

Commitment 3. SV selects new local partners based on the above guidelines for selection, with possible growth to a maximum of 20 local partners (end of 2024).

3.1.3 Multi-annual partnerships

Given the urgent and acute nature of humanitarian work, humanitarian partnerships between international NGOs/donors and local NGOs are often short-term. However, as humanitarian crises have become more complex and long-term, there is need for longer-term responses and partnerships. In the consultations with SV's local partners, several difficulties related to short-term projects and partnerships in protracted crises were mentioned, such as: difficulties in anticipating and mitigating longer-term challenges; stress among staff because of uncertainty about contract renewal (which often results in the most competent staff leaving for a more secure job elsewhere); the difficulty to plan on outcome and impact level; and the fact that building relationships based on mutual trust takes time.

In its current local partner portfolio, SV makes the distinction between strategic local partners and project partners. However, to promote equal partnerships across all its partnerships with local partners, SV will let go of this distinction and have strategic multi-annual partnerships with all its local partners, except the ones already phasing out.

SV commitments

Commitment 4. SV invests in multi-annual and preferably three-year partnerships with all its local partners in protracted crises, which are formalized in multi-annual grant agreements. Grant agreements include jointly agreed roles and responsibilities and are written in the language that is used in the daily communication between SV and the local partner.

This has implications for funding (section 3.2) and capacity strengthening (section 3.3).

3.1.4 Localization in partnerships with INTERSOS and IRC

Stichting Vluchteling commits to enhance localization not only in its direct partnerships with local partners, but also through the relations with its international partners. In the collaboration with IRC and INTERSOS, SV recognizes and highlights the role local humanitarian responders play in joint humanitarian response and promote the active participation of local partners and other local actors. Both IRC and INTERSOS agree that enhancing the partnership and collaboration between international and local humanitarian organizations is critical to improve protection and assistance to affected populations.

In this regard, both SV and INTERSOS have adopted internal policies to enhance their localization strategy and the Senior Management Team of both organizations is committed to strengthen their localization agenda by investing in a joint INTERSOS-SV strategic initiative. The purpose of this strategic initiative is to strengthen humanitarian action in jointly selected countries through increasing the role of local actors.

This initiative will aim at identifying new potential national and local partners with whom both INTERSOS and SV might enter in programmatic partnerships, meanwhile including them in country strategies and in new project proposals. MoUs between INTERSOS and local partners and between SV and local partners will be signed as well to confirm the commitment.

In the collaboration with IRC, Stichting Vluchteling will continue to make use of the valuable resources developed within the IRC's Partnership Excellent for Equality and Results System (PEERS). PEERS is designed to promote the principles of Equality, Transparency, Result-Oriented Approach, Responsibility and Complementarity in partnership relationships in practice.

Both IRC and INTERSOS will be requested to promote Localization, including the role of local actors (governmental or local NGO partners) in all stages of program design and implementation as well as reporting and evaluation, and to include partner feedback mechanisms. SV will be keen in the relationship with IRC and INTERSOS if there is recognition, respect and strengthening of leadership and decision making by local/national actors to better address the needs of affected populations.

SV commitments

Commitment 5. In the collaboration with INTERSOS and IRC, SV structurally stimulates INTERSOS and IRC to invest in localization and makes use of relevant resources developed by INTERSOS and IRC on localization.

Commitment 6. SV assesses systematically to what extent strengthening of local capacities is included in new project proposals and what the quality of this Localization component is.

3.2 Funding

SV wants to improve the quantity and quality of funding for Local Partners as such funding environment promotes, incentivizes, and supports localization and will enable a more relevant, timely and effective humanitarian response.

3.2.1 Quantity of funding

The amount of humanitarian funding to LPs increases in line with Grand Bargain and Charter for Change commitments. This should be verified through a year-on-year increase in the proportion of total humanitarian funding awarded to LPs. In our Strategy 2020 -2024 we defined that the portion of the aid budget that SV spends directly via local partners will increase from 19% of the unearmarked aid funds in 2019 to 25% in 2024. Given the importance of the Localization agenda both internationally as well as in the Netherlands (DRA), SV spent in 2021 already 27% of its unearmarked finding to LPs. SV commits

itself to spend at least 30% of its unearmarked aid funds through local partners from 2022 onwards and to gradually increase this percentage throughout the strategic period of this localization strategy.

<div style="background:black;color:#F5A623;padding:4px">

SV commitments

</div>

Commitment 7. From 2022 onwards, SV spends at least 30% of its unearmarked aid funds through local partners. SV gradually increases the portion of the unearmarked aid budget spent directly via local partners throughout the 2022-2024 period of the current localization strategy.

3.2.2 Quality of funding

SV recognizes that many local partners are working within a context of protracted crisis. Also, SV recognizes the need to incentivize LPs to retain staff, and ensure greater program, and organizational preparedness, stability, and quality. Therefore, SV wants to move beyond short-term project funding for local partners towards longer-term arrangements. Local partners will be encouraged to develop multi-year funding plans. Consequently, SV will seek to pass along **multi-year funding arrangements** to its local partners. This intention will be embedded in a multi-annual grant agreement with the local partner, with a disclaimer that funding is subject to SV's income.

Furthermore, SV will ensure that adequate **indirect/overhead costs** is provided to local partners receiving funding for humanitarian project delivery. This overhead/ICR should adequately cover the costs of risk management and compliance requirements for local partners. Within the DRA, an ICR percentage of 8% is maintained. With INTERSOS, we agreed on 10% ICR to support the organization's sustainability. For this same reason, we will also provide preferably 10% but minimum 8% ICR to local partners. Coverage of overhead costs should go without reporting conditions, provided that the local partner has a sound ICR policy in place (to be confirmed through PAA). If such a policy is not in place, the local partner should budget and report on specific overhead costs. SV will in this case encourage and support the local partner in developing an ICR policy, because this will give the partner more freedom and flexibility to use overhead costs to invest in their organization.

Project budgets of local partners should also include **assets vital for project implementation** (office, warehousing, transport, communications, computing, printing), safety and/or organizational financial sustainability (e.g., laptops, vehicles, salaries for interim periods, insurance for staff and volunteers) and organizational strengthening (e.g., staff training, development of policies). Provided funding should be adequate to deliver a response that meets quality standards.

While funding staff costs, SV will respect **Local Partner's salary scales and financial procedures**. Where it is necessary to strengthen financial procedures, efforts will be focused on strengthening local systems overall rather than imposing project-based systems.

To enable an agile response to external factors (e.g., COVID-19), there may be need to permit reprogramming to entirely new areas, with different outputs as required, but with the same outcome of protection and support to the most vulnerable communities. Reasonable adjustments required during implementation can be quickly and effectively discussed with SV on equal terms. Funding contracts will include provision for **reasonable adjustments** to be made during implementation. In consultation between SV and the LP, and with mutual agreement, SV provides room to activate or increase budget category flexibility from 15% by up to 30%.

Delays in **funding disbursement** can create liquidity problems for Local Partners. The bank transfer schedule as part of the Grant Agreement will enable to release funding to the LP for a minimum period of three months but may cover longer periods. The amount of the first remittance will be based on a signed copy of the Grant Agreement and a spending plan for the full grant period. Follow-on remittances will be on a liquidity request. This request can be presented after 75% of the previous amount has been spent. The acceptance of a liquidity request will also depend on the reception and approval of quarterly and annual reports. To avoid liquidity problems for LPs, the final remittance of any project period should not exceed 5% of the total grant amount.

Local actors should be more strongly supported through capacity strengthening mechanisms allowing for effective and accountable humanitarian action (chapter 3.3). Our multi-annual strategy states that SV will increase its **support for capacity strengthening** of its local partners in the period 2020-2024. From 2022 onwards, 5% of the Local Partner budget will be reserved and spend on capacity strengthening of local partners incl. support of capacity strengthening through local consultants. This 5% will not be included in individual project budgets but serve as a separate pool of funds.

SV commitments

Commitment 8. SV encourages local partners to develop multi-year funding plans. Consequently, SV seeks to pass along multi-year funding arrangements to its local partners, which is embedded in a multi-annual grant agreement with the local partner, with a disclaimer that funding is subject to SV's income.

Commitment 9. SV ensures that adequate indirect/overhead costs (preferably 10% but minimum 8%) is provided to local partners receiving funding for humanitarian project delivery. Coverage of overhead costs goes without reporting conditions, provided that the LP has developed a sound ICR policy (to be confirmed through PAA). In case such a policy is not yet in place, SV will support the LP in developing one.

Commitment 10. Project budgets of local partners include assets vital for project implementation (office, warehousing, transport, communications, computing, printing), safety and/or organizational financial sustainability (e.g., laptops, vehicles, salaries for interim periods, insurance for staff and volunteers) and organizational strengthening (e.g., staff training, development of policies).

Commitment 11. While funding staff costs, SV respects Local Partner's salary scales and financial procedures. Where it is necessary to strengthen financial procedures, efforts are focused on strengthening local systems overall rather than imposing project-based systems.

Commitment 12. In consultation between SV and the LP, and with mutual agreement, SV provides room to activate or increase budget category flexibility from 15% by up to 30%.

Commitment 13. SV ensures that bank transfer schedules within grant agreement do not cause liquidity problems for local partners. Local partners can submit liquidity requests after 75% of the previous amount has been spent and the final remittance of any project period does not exceed 5% of the total amount.

Commitment 14. SV reserves and spends 5% of the total SV local partner budget on capacity strengthening of local partners.

3.3 Capacity strengthening

In line with the SV Strategy 2020-2024, SV commits to increase its support for capacity strengthening of local partners. Capacity strengthening is a two-way commitment from SV and the partner's side built on trust, readiness, mutuality, and accountability, and grounded in the globally recognized Principles of Partnership to which SV has committed. This partnership commitment enables to jointly assess and identify areas for growth, according to organizational and professional standards, as well as partner needs and context.

SV provides two types of capacity strengthening:
- **Partner project support:** support to a local partner to implement SV-funded project in a technically strong, programmatically effective, and compliant way. Partner project support is implemented through day-to-day contact, coaching, and monitoring and/or through technical staff training.
- **Organizational development support:** support to a local partner's long-term organizational improvement and change. Such support could englobe:

1. Resource mapping / fundraising / resource mobilization – incl. proposal writing.
2. MEAL – including establishing and developing systems.
3. Standard Operating Procedures.
4. Project Cycle Management.
5. Financial management – including support with financial systems and policies.
6. Policy and advocacy – including influencing skills.
7. Organizational development / institutional sustainability.
8. Technical / sector-related expertise

The below sections focus on capacity strengthening related to organizational development support. It's important to note from the outset that the proposed Localization Advisor (LA) in paragraph 3.7.1 will provide Technical Support to the Program Officers on many of the elements listed below and related to Partnership and Capacity Strengthening (multi-annual grant agreement, OCRA).

3.3.1 Organizational Capacity and Risk Assessment (OCRA)

Organizational development support starts with identifying the areas that need to be strengthened. This is generally done through capacity assessments, which are often designed and conducted by international organizations for the purpose of funding and partnerships, as opposed to understanding what capacity exists in a particular context and how best to support it. Research has shown that capacity strengthening is more successful when it is based on local actors' own assessment of what capacity needs support and how. An organizational capacity self-assessment (OCA) tool can be a useful instrument in this regard. In 2020, SV developed a capacity strengthening policy that describes a capacity strengthening trajectory for local partners which starts with an organizational capacity self-assessment.

However, capacity assessments are time consuming, and it can be overwhelming for a local partner to do another assessment. Local partners often know already which areas they would like to strengthen within their organization, because they have already done an OCA self-assessment facilitated by a different donor, or because areas for improvement arose in due diligence processes, or from internal reflections. They might even already have an organizational development plan in place.

Also, within SV there are critical reflections about organizational capacity assessments. SV currently conducts a Pre-Award Assessment (PAA, ISO C-005) prior to signing an agreement with an implementing partner. Although the PAA is not a self-assessment, but conducted by SV, and serves as a risk assessment for SV, it covers practically the same domains as an organizational capacity assessment. Replicating such an assessment (content-wise) in the form of an OCA self-assessment is not desirable for both the local partner and SV, because it adds up to an already high workload of both parties.

This poses a dilemma. On the one hand, we are committed to letting local partners set the priorities for their organizational development. On the other hand, we do not want to put a burden on them by requiring another OCA-assessment after an already extensive PAA process.

Within the Strategic Initiative on Localization between SV and INTERSOS we experimented with a tool which combines PAA and OCA and which resulted in an organizational Capacity and Risk Assessment, jointly done by the local partner and SV/INTERSOS. The results were quite encouraging.

Therefore, SV commits to revise its PAA/OCA policy and tools in the first half of 2022 through the commitments below:

SV commitments

Commitment 15. SV revises the PAA-tool to make it an Organizational Capacity and Risk Assessment (OCRA) tool. Strengths and areas for improvement will be identified jointly between SV and the Local Partner and form the basis of an organizational development plan.

> **Commitment 16.** The OCRA is conducted once per multi-annual partnership and included as an annex to the grant agreement between SV and the local partner.

> **Commitment 17.** If a local partner already has an organizational development plan in place, or has clear ideas on organizational development priorities, SV will discuss with the partner how best to support the respective partner in their organizational development.

3.3.2 Capacity strengthening through SV

SV can support local partners' organizational development in different ways. One way is to provide the support ourselves. Over the years, SV has developed strong capacities in different domains, including but not limited to: NCD-MH, humanitarian access, financial management, PMEAL, communications, and resource mobilization. SV has shared part of these capacities with its local partners in formal and less formal ways. Some examples include a planned communication training with one of the local partners and remote financial capacity strengthening between SV's former project controller and local partners. Furthermore, the Frontline initiative is currently exploring the possibility to directly collaborate with one or more of SV's local partners. Since capacity strengthening by SV is currently done on a more random basis and local partners might also not be aware of SV's expertise on the above-mentioned topics, it is relevant to create an overview of SV's capacity and expertise and reflect on how SV could formalize capacity strengthening on these domains.

Capacity strengthening of local partners should not be supply-driven but needs-driven and based on assessment of capacity needs by local partners themselves. SV is only best placed to strengthen local partners' capacities where the partners' needs match with the capacity or expertise of SV. In other cases, capacity strengthening should be done in a different way, e.g., through engaging a local consultant, or facilitate exchange and learning between different local partners, or between the local partner and one of SV's international partners.

Apart from a more formal and structural way of capacity strengthening, SV can contribute to capacity strengthening of local partners through sharing relevant resources and opportunities, including inviting local partners to relevant events (e.g., from KUNO).

SV commitments

> **Commitment 18.** SV develops a 'capacity strengthening menu' for partners to get insight in the topics and methods of capacity strengthening that SV can offer.

> **Commitment 19.** SV actively shares relevant resources, (funding) opportunities, and events with local partners.

3.3.3 Capacity strengthening through local consultants

Another way to support local partners' organizational development is to work with local consultants. SV stimulates working with local consultants for monitoring or capacity strengthening purposes, to further harness local capacities. SV has worked with a local consultant in the DRC for several years, who has conducted Pre-Award Assessments, monitoring missions and evaluations with several local partners. These experiences have shown a great added value of working with local consultants, for the following reasons:

- **Knowledge and understanding of local context:** The consultant speaks the same language, knows cultural habits, understands local problems/realities, and can better identify local solutions.
- **Information gathering:** A local consultant can visit more often than SV and gather more information in a shorter period.

- **Proximity:** The consultant is present in the field to accompany local partners and help them improve their work (e.g., through talking with key informants or needs assessments).
- **Follow-up:** Working with a local consultant for a longer period allows them to give and monitor follow-up on recommendations identified before.
- **Security/accessibility:** Local consultants can reach out to more locations than SV staff can considering safety and security measures.
- **Flexibility:** Local consultants are more flexible where security or other issues require a (quick) change of plans.

Notwithstanding the above advantages of local consultants over expatriate consultants, it should be noted that consultants in general are not necessarily bound to the organization, its principles/values and mandate. Also, transparency and accountability is something to consider. We also need to make sure that from a technical point of view the consultant (either national or international) is reliable and technically competent. The quality of the consultant can be assessed based on his/her CV, the letter of interest and the inception report. Furthermore, defining clear Terms of Reference also contributes to the quality of the work of the consultant.

SV commitments

Commitment 20. SV stimulates the involvement of local consultants for capacity strengthening of local partners and for design, monitoring, evaluation and learning of humanitarian responses.

3.3.4 Capacity sharing between partners

A third way to support local partners' organizational development is through capacity sharing between partners. SV works with strong and capable local partner organizations, each with their own strengths and expertise. In consultations that SV facilitated in the development of this localization strategy, local partners expressed their need and interest to connect with and learn from other local partners who face similar challenges. SV commits to being a connector between partners to stimulate local partners strengthening and developing each other capacities. This can be realized in different ways, e.g., through facilitating a linking & learning workshop where SV brings together all or part of its (local) partners, through giving a training to partner A by partner B, or through mentoring.

SV commitments

Commitment 21. SV facilitates in 2023 a Linking & Learning workshop with its local partners in which the focus will be on exchange of learnings between the partner organizations.

Commitment 22. SV pro-actively facilitates linking partners to one another for appropriate capacity strengthening activities including financial and/or technical support.

3.4 Emergency Preparedness and Response

Currently, Stichting Vluchteling is mostly partnering with local organizations in *protracted* crises situations. However, we would like to respond equally in the early stages of an *acute* crisis. How can we better connect local partners to 'emergency response' as this is an important part of the SV mandate? What are the possibilities for SV and local partners in terms of emergency response and preparedness? How can SV prepare/support local partners for acute emergency response?

SV should develop and/or expand rapid response fund facilities for local partners, that allow humanitarian partners to respond in a timely and agile fashion to the rapidly evolving needs of affected people. Therefore, funding and support for emergency response made available to Local Partners, needs to be provided quickly and include funding to hire additional qualified staff.

Partnering with local organizations increases reach and access, including to the most difficult to reach areas where needs can be most acute, by leveraging local actor presence and community acceptance. Analysis indicates that we can often deliver more cost-efficient outcomes (thereby also increasing scale) by building on existing local systems, capacities, and resources, rather than duplicating. Therefore, apart from direct partnerships with local organizations, we will encourage INTERSOS and IRC to work with local partners in any acute crisis response.

Where SV enters a context for the first time, we may face challenges in establishing partnerships in the first days of a response. However, those challenges can be mitigated. For emergency funding, not exceeding EUR 25.000 we can initiate a collaboration with a new local organization that we have not previously worked with, and start to channel funding, based on an Anti-Terrorism Check, an internet search, and a simple pre-award letter. This can generally be completed in several hours, and we could set out a maximum of two days for SV headquarter reviews.

The quick turn-around times needed in acute emergencies highlights the importance of building strategic partnerships in advance of an emergency. As set out previously, SV will engage with partners to explore longer term vision and shared strategies, with dedicated Program Officer engagement. We will identify 5 current local partner organizations in protracted crises contexts where conflict or disaster may well result in new, sudden displacement. They will be our partners of choice for local implementation of emergency response. SV will invest with these partners in emergency management training and coaching for preparedness and response delivery. Funding and support made available to local partners for early emergency response, needs to be provided quickly and include funding to hire additional qualified staff. SV will make funding available to LPs either through crisis-modifiers, built in multi-annual budgets of LPs or within 2-weeks of a sudden-onset crisis for mobilization of staff, procurement of humanitarian assistance and delivery of response.

SV commitments

Commitment 23. SV makes emergency funding available to local partners either through crisis-modifiers or within two weeks of a sudden-onset crisis for mobilization of staff, procurement of humanitarian assistance, and delivery of response.

Commitment 24. SV is open to allocate in sudden acute emergencies funding of EUR 25.000 maximum to a new local partner organization, based on a light Anti-Terrorism Check and internet search.

Commitment 25. SV identifies five current local partners, working in protracted crisis contexts, to support them in Emergency Preparedness and Response, either through dedicated SV staff support or through external support.

3.5 Safety, Security, and Risk sharing

While risk is inherent to humanitarian action given the environments in which it is carried out, in recent years, donors and INGOs in the humanitarian sector have become more risk averse, while in many contexts local and national actors seem to take on more risk. One reason is the increased reliance on local actors implementing responses as sub-contractors in contexts with high security risks in which the security policies of international actors will not allow Internationals to implement.

To achieve more equitable partnerships, it is important to move from risk transfer to risk sharing:
- **Risk transfer** refers to how donors and international humanitarian agencies contractually expect local partners to manage risk without adequately supporting them to do so.
- **Risk sharing** refers shifting towards a more partnership-based approach to understanding, managing, and mitigating risk.

SV is committed to move from risk transfer to risk sharing. A first step in this is to discuss and analyze possible risks jointly with the local partners. In the design phase of a project, SV and the local partner

will therefore engage in a dialogue to do a joint risk analysis (using a likelihood-impact matrix). To guide this dialogue, the following key risk areas should be addressed:

1. **Safety risks** refer to accidents (car accidents causing physical harm and material damage) and illness of staff (this concerns exceptional risk like epidemics) and to burglary of staff houses.
2. **Security risk:** physical risk to individuals and assets from acts of war violence and crime.
3. **Fiduciary risk:** the risk that money or materials are not used for intended purposes (fraud, theft, corruption).
4. **Legal/compliance risk:** the risk that laws and relevant regulations are violated by the organization or associated personnel (e.g., counter-terrorism legislation).
5. **Operational risk:** the risk of technical or human error, or capacity deficits leading to operational failure/inability to achieve objectives. Includes financial risk (the risk of unexpected fiscal outcomes or being unable to finance activities) as distinct from fiduciary risk.
6. **Information risk:** the risk of confidentiality breaches or data loss/theft.
7. **Reputational risk:** damage to the organization's image and reputation that results in future harm or losses.
8. **Ethical risk:** the risk of harm caused by unethical behaviors including sexual misconduct and exploitation, inadequate duty of care, or insufficient consideration of humanitarian principles.

After the risk analysis is completed, priority risks will be selected jointly. For each of the priority risks, SV and the local partner will discuss possible mitigation measures. SV is committed to support local partners in risk management. What this support looks like will be discussed on a case-by-case basis. Examples include support in developing a PSEA policy, capacity strengthening on security risk management, or a flexible budget line on risk management in projects' budgets.

To adequately support local partners in risk management and to move to risk sharing, SV needs to define first its own risk appetite. Risk appetite is the level of risk that an organization is willing to accept while pursuing its objectives, and before any action is determined to be necessary to reduce the risk. From 2022 onwards, SV will reflect on its own risk appetite and review and adjust its processes on proposal development, monitoring, reporting and evaluation accordingly.

SV commitments

Commitment 26. In the design phase of a project, SV and the local partner jointly analyze risks and mitigation measures. The risk analysis (partly overlapping with the OCRA) is included as an annex to the grant agreement and signed by both organizations.

Commitment 27. SV supports local partners in risk management using a likelihood-impact matrix. What this support looks like, will be discussed on a case-by-case basis.

Commitment 28. SV reflects on its risk appetite and reviews and adjusts its processes on proposals, reporting, monitoring and evaluation accordingly.

3.6 Visibility & communication

Enhancing localization is an effort that goes beyond the internal organizational or operational level but should also be considered in external communication and taken to the system-wide level. SV is committed to enhance localization through visibility and communication.

3.6.1 SV communication

When it comes to visibility through communication, local and national organizations experience several frustrations:

- In communications by international agencies, local/national actors are often nameless with no logo; they become a generic 'local partner'.

- Many international agencies' reports to donors or the wider public do not give due credit to the work, roles played, and contribution of local/national actors, even where these have done most or all the actual work.
- Innovations by local/national actors are sometimes taken-up and scaled by international actors, who pretend it is their innovation and do not credit the actual source.
- International agencies may put out analyses or stories about a country that can put local/national actors at risk, without having given them a chance to vet the proposed communication.

SV commits to use its communication in a respectful way to enhance the visibility of local partners.

SV commitments

Commitment 29. SV shows local partners' organization names and logos on the partner page of the SV website, including a short description of their work. The different projects are also mentioned on the SV website and describe the partners' work and risks taken.

Commitment 30. SV mentions all its local partners in its annual reports. At least 30% of the highlighted projects in the annual reports are from local partners.

Commitment 31. SV follows the internal 'moral compass' in all communication about its local partners. Where external communications can put a local partner at risk, SV will ask local partner consent beforehand on content, timing, and on the decision to communicate publicly.

Commitment 32. SV publicly acknowledges and disseminates innovative ideas and practices developed by local partners.

3.6.2 Visibility in coordination mechanisms

The Grand Bargain includes a commitment to *"support and complement national coordination mechanisms where they exist and include local and national responders in international coordination mechanisms as appropriate and in keeping with humanitarian principles"* (GB commitment 2.3). SV is not active in national or international coordination mechanisms but is committed to explore possibilities to support local partners in participating in coordination mechanisms where they do not yet have access to but would like to participate in. SV can leverage on their international partners and network in the humanitarian sector to help local partners access coordination mechanisms.

SV will equally encourage local partners to be involved in the humanitarian cluster approach to make the humanitarian response better organized and more accountable to crisis-affected people. Participation in the cluster system can enable Local Partners to better serve affected people through:
- Increased influence, visibility, and understanding of procedures.
- Funding opportunities.
- Access to technical guidance and support.
- Access to information about what others are doing and any gaps.
- Partnership opportunities with other organizations.

SV commitments

Commitment 33. SV actively explores possibilities to support local partners' participation in coordination and cluster mechanisms.

3.7 Internal Organization

3.7.1 Localization Advisor

Within Stichting Vluchteling we need to have a clear task division on how we can best organize the work with local partners internally? How can we give sufficient attention to local partners' capacity strengthening? And how can we relate our local partner policy to the other two strategic objectives: humanitarian access and NCD-MH?

SV Regional Program Officers will be the primary focal point for the partnership between SV and its Local Partner organization. They will formalize contractual agreements with the Local partners, ensure proper monitoring of programs, as well as coordinate and consolidate staff support to Local partners given by other SV colleagues.

As discussed previously, the **Project Controller, the SV Medical staff and the Frontline Humanitarian Access specialist** can play a valuable role in review and assessment of proposals of Local Partner organizations, and in providing advice and capacity strengthening of local partners. This contributes to improving financial management, improving humanitarian access, and strengthening the quality of health interventions.

In addition to the above and given the increasing Local Partner portfolio and the strategic ambitions laid down in the SV Strategic Multi-annual plan and in this Localization Strategy, we propose to strengthen the current team with a **Localization Advisor (LA)**. This new role will provide strategic and technical support on rolling out the Localization strategy, on capacity strengthening, both internally and externally, working across all country programs, and will engage with local partners' leadership, with IRC and INTERSOS, and with SV Program Officers that have partner capacity strengthening as part of their duties.

Key Duties & Responsibilities
- Development and delivery of Capacity Strengthening Resources
- Technical Support on Partnership and Capacity Strengthening (multi-annual grant agreement, OCRA)
- Monitoring, knowledge management and learning on the SV Localization strategy
- Networking and advocacy on Capacity Strengthening incl. DRA Localization WG

The LA should have work experience with local NGOs, Church, and CSOs. And should have experience with design, development and implementation of organizational capacity strengthening of local NGOs/CSOs. It's important to have experience with development of training materials, eLearning modules, and learning programs. And to have experience in monitoring and evaluation of partnership capacity strengthening programs. This asks for a strong understanding of the Localization agenda and ability to travel internationally. Given the current portfolio fluency in at least English and French (and preferably Arabic) is required.

SV commitments

Commitment 34. SV strengthens the current program team with a Localization Advisor.

3.7.2 Shift of mindset and culture

As indicated before, SV sees localization both as both a means to an end (humanitarian operational perspective) as well as an end in itself (social justice perspective). Through this multi-annual Localization Strategy 2022-2024 we commit ourselves to working towards better sharing of power and resources and more inclusion. This requires critical reflection to see where we can continuously improve.

The strategic priorities and commitments described in this strategy are based on extensive consultations with most of SV's current local partners. We need to continue to humbly listen to our partners, value their capacities and jointly look for ways to strengthen each other. It's a long process indeed, but it's worthwhile.

We recognize that working towards more equitable partnerships and addressing injustices, white saviorism, and power imbalances requires a shift of mindset and culture. We therefore commit to organizing critical reflections and discussions about where we are now and how we can improve. It is not just talking about shifting power, but also to setting meaningful targets linked to this shift. We cannot do this alone as northern-based NGO, but we need the voices of people from the 'global South' to be able to advance on this. We will therefore invite our local partners to meaningfully participate in these discussions.

SV commitments

Commitment 35. SV works on a shift of mindset and culture for more equitable partnerships by organizing internal discussions with regular participation from local partners to critically reflect on issues like power imbalances, injustices, and white saviorism, and to set concrete targets linked to this shift.

3.7.3 MEAL

Planning, monitoring, evaluation, accountability and learning of the implementation of this localization strategy is essential in measuring how we perform in advancing the localization agenda. We need to plan, monitor, evaluate the localization strategy internally and reflect on lessons learned. We also need our local partners' feedback on how SV is progressing on localization. In our annual plan for 2021 we already included to invite our four strategic local partners to have discussions at MT level.

SV commitments

Commitment 36. The LA each year develops a Localization action plan with annual objectives, activities, and indicators for implementation of the SV Localization Strategy.

Commitment 37. SV monitors and reports on the Localization Strategy through the monthly sitreps of the SV Programs & Advocacy team and through quarterly reviews.

Commitment 38. In the final quarter of 2024, the LA will conduct an evaluation of the Localization Strategy through reflections within SV, with local partners and other relevant stakeholders. Lessons learned will be documented and integrated in the Localization Strategy 2.0 from 2025 onwards.

Commitment 39. The LA will plan exchanges (at least once a year) between five selected local partners and the SV Management Team to discuss localization progress and specific issues that are prioritized by or of interest at that time for the local partners and/or SV MT.