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ANNEX 1

- Country Context for Each Project Location

AFGHANISTAN

COUNTRY CONTEXT: Access to funding opportunities, particularly emergency relief funds, are continually diminishing for L/NNGOs in Afghanistan; in the most recent round of OCHA's Afghanistan Humanitarian Fund (AHF) funding pool only 4 of 30 funded actors were from L/NNGOs. L/NNGOs frequently play the role as implementing partner to INGO/UN Agency funders, with limited direct funds to L/NNGOs only for short-term emergency programmes. Given the security and access constraints in Afghanistan due to persistent insurgent violence, L/NNGOs (as first responders) are frequently unable to respond effectively due to limited operational and organisational capacity and limited access to unrestricted funds. Main barriers to unrestricted funding include the insecure context that: enforces the likelihood that L/NNGOs function primarily as regional implementing partners for INGO/UN agency-held restricted grants in insecure regions the L/NNGO has access; and dissuades donors from providing unrestricted grants due to difficulties of monitoring partners in remote/insecure areas.

BANGLADESH

COUNTRY CONTEXT: L/NNGOs are at the forefront of the Rohingya refugee response in Bangladesh as frontline responders. Yet L/NNGOs are bound by a restrictive funding model of the international donor system that deprives actors of voice and agency in application of funds; one study found 93% of INGO/UN Agencies admitted that they treat their L/NNGO partners as "implementing partner." Some of the key barriers to an improved balance of power and direct access to funding include perceived capacity, compliance and language barriers.

CAMEROON

COUNTRY CONTEXT: The humanitarian crisis in Cameroon is severely underfunded; in 2020, Cameroon topped the list of the world's most neglected crisis for the second year running. Many L/NNGOs in the northwest-southwest region report struggling to find the funds to continue their operations. Donors are hesitant to fund local actors directly because of a perceived lack of capacity of local organisations, meaning that funding is almost always channelled through UN agencies or INGOs with L/NNGOs only considered implementing agencies. Where funding is provided directly, L/NNGOs are usually not eligible for unrestricted funding in their donor grants, with unrestricted core cost contributions reserved for INGO applicants.

DEMOCRATIC REPUBLIC OF THE CONGO

COUNTRY CONTEXT: Much of the funding available to L/NNGOs in DRC comes for very defined projects and is often short-term. L/NNGOs are frequently considered as “implementing agencies” and are regarded as having limited capacity to orient project activities towards identified priorities. Very little institutional funding is available to L/NNGOs. While most projects contribute to the administrative costs of implementing a project, either through a set percentage or in a negotiated itemised manner, expenses are generally expected to be directly in support of the project implementation. Little to no funds are available for more general staff training, strategic-level work, organisational governance etc. Moreover, most L/NNGOs find it challenging to deal with funding gaps between projects - especially covering their staff or office costs - and often do not have reserve or unrestricted funds to cover these. This is often a cause of bad practices such as misrepresenting or overcharging of core costs when split between donors, unwillingness to sign clear contracts with staff or systems where staff are forced to contribute back a share of their salary to the organisation.

MOZAMBIQUE

COUNTRY CONTEXT: In Mozambique, humanitarian response is relatively new and there are a handful of larger L/NNGO with the capacity to respond in an emergency. Such larger L/NNGOs can successfully secure partnerships with UN agencies/INGOs while smaller local actors are often overlooked due to perceived associated risks or low capacity. This is represented at national and provincial cluster level where there are a limited number of local actors that participate in coordination meetings and many who are totally unaware of the cluster system in general, its purpose and objectives. Response to Cyclone Kenneth in the Northern Province had been characterised as poorly funded by international donors, with the responsibility to respond falling to L/NNGOs. This situation has recently shifted as the province of Cabo Delgado, affected by Kenneth, is now facing an additional emergency with conflict and insurgent activity and is the focus of humanitarian funding. However, there is still an issue with this funding reaching L/NNGOs and with the number of available L/NNGOs who have the capacity to respond effectively.

NIGERIA

COUNTRY CONTEXT: In Nigeria, the humanitarian context in the Northeast of the country has been protracted and has lasted for over a decade. Although this conflict has been heavily funded across the last 3 years, humanitarian donors are starting to move to new crises, and it is a competitive funding environment for organisations. Very little institutional funding is available for local and national NGOs and there are only a few mechanisms that make access to funding possible to these agencies, such as the Country Based Pooled Funding mechanism. However, new NNGOs struggle to become registered with this mechanism based on the high number of applicants. In general, many donors will not accept the ‘risks’ associated with funding NNGO partners directly so those with a priority for funding local actors will do so when an INGO is the prime grant recipient and can absorb the risk for the donor.

ANNEX 2

- Google Form for Applications

SELECTION OF EiE GRANT RECIPIENTS

Street Child seeks to identify EiE agencies to receive an unrestricted grant of \$15,000USD. This is part of the implementation of the localisation project called Innovation in Localisation, implemented by Street Child with funding from Save the Children Denmark. In order to select suitable EiE agencies to receive this unrestricted grant, EiE Local and National NGOs (L/NNGOs) that meet the criteria below are invited to submit an application by completing this questionnaire.

Organisations applying must at a minimum meet the following criteria which will be crosschecked with sub-sector records where applicable:

1. An independent national NGO that has implemented education activities at some stage in the last five years
2. An annual budget of no less than \$150,000 USD
3. Not a previous or present partner for Street Child or Save the Children

If your organisation meets the above criteria, please complete the following application questionnaire.

***Required**

1. Organisation Name*

2. What is your organisations' country of operation?*

Mark only one oval.

- Afghanistan
- Bangladesh
- Cameroon
- Democratic Republic of the Congo
- Mozambique
- Nigeria

3. Name of contact person (please note that this is the person who will receive all communications related to this selection process)*

4. Role or title of contact person*

5. Email of contact person*

6. Phone number of contact person*

7. Has your organisation implemented education activities at some point in the last five years?
(Please note that if YES, you will be asked to provide evidence at the selection stage)*

Yes

No

8. What is your organisations' annual turnover in dollars (USD)? This should be based on the turnover in 2019 (Please note that if Yes, you will be asked to provide evidence at the selection stage)*

Between \$0 and \$50,000 per year

Between \$50,000 and \$100,000 per year

Between \$100,000 and \$150,000 per year

Between \$150,000 and \$200,000 per year

Between \$200,000 and \$250,000 per year

More than \$250,000 per year

9. Does your organisation have an active or previous partnership with Street Child?
Mark only one oval.

Yes

No

10. Does your organisation have an active or previous partnership with Save the Children?*

Mark only one oval.

- Yes
- No

11. Does your organisation hold legal registration with the relevant authorities? (Please note that if YES, you will be asked to provide evidence at the selection stage)*

Mark only one oval.

- Yes
- No

12. Does your organisation have audited accounts or financial reports? (Please note that if YES, you will be asked to provide evidence at the selection stage)*

Mark only one oval.

- Yes
- No

Thank you for taking time to submit your application. Only organisations shortlisted for the selection process will be contacted.

ANNEX 3

- Guidance Questionnaire for IFL Post Project Interviews

1. Guidance Questionnaire for NNGO Receiving the Unrestricted Fund

Expenditure Process of the grant

1. What internal factors within your NNGO affected how the funds were planned? **(REALLY GET TO THE BOTTOM OF THIS QUESTION AS IT IS ONE OF THE MAIN AREAS OF INTEREST- ALSO EXPLORE FURTHER WITH THESE FOLLOW-UP BULLET POINTS):**
 - Did who the grant was given by make a difference to the spending plan?
 - Did when the grant was given make a difference to the spending plan?
 - Did what the grant amount was & what it was for make a difference to the spending plan?
 - What alternative spending did you consider and why didn't you use it for this? **(E.G. WHY ON PROJECT FUNDING AND NOT STAFF SALARIES ETC.)**
2. What external factors affected how the funds were planned?
3. Were there significant differences in the way that the funds were spent versus the planned and if so, why? **(IF NO, THEN IGNORE QUESTIONS, 4 AND 5)**
4. What internal factors affected how the funds were spent?
5. What external factors affected how the funds were spent?
6. What was the process for allocating the funds? Who is involved in this process for your organisation?
7. What was the process for spending the funds your organisation received? Were there any issues that required re-planning?

Expenditure Impact of the grant

8. What are the most significant changes that have occurred because of this institutional funding? Why did the funding cause these changes? **(BOTH INTERNALLY AND EXTERNALLY)**

9. To what extent has institutional funding allowed your organisation (local partner) to do some thing they may not have been able to do before? (**WHY WERE THEY NOT ABLE TO DO THIS PREVIOUSLY**)
10. How have the funds influenced the partner to access further funding, if at all?
11. What feedback does the partner have on the modality of transferring unrestricted funding, specifically relating to:
 - The transfer value
 - The transfer frequency (should the fund have been split into multiple tranches?)
 - The grant duration (timeframe the partners have to spend the funding)
 - The initiative as a whole? (unrestricted funding to NNGOs)
12. How is the institutional funding perceived by relevant stakeholders? How do they understand its use or value? (**HAS THE PARTNER RECEIVED ANY FEEDBACK FROM OTHER STAKE HOLDERS**).

2. Guidance Questionnaire for a Stakeholder aware of this Unrestricted Fund (e.g. EiE Coordinator)

EiE Coordinator and other Stakeholders (in person interview)

1. What do you think NNGOs (**IN GENERAL- NOT THIS SPECIFIC NNGO**) would spend unrestricted funding on.
2. What are the internal factors within an NNGO that impact the way that local organisation spends the funding?
3. What are the external factors within an NNGO that impact the way that local organisation spends the funding?
4. What feedback do you have on the modality of transferring unrestricted funding to local partners, specifically relating to:
 - The transfer value
 - The transfer frequency (should the fund have been split into multiple tranches?)
 - The grant duration (time-frame the partners have to spend the funding)
 - The initiative as a whole? (unrestricted funding to NNGOs)

ANNEX 4

- Street Child Innovation for Localisation Landscape Analysis



INNOVATION FOR LOCALISATION

Putting the Grand Bargain Localisation Commitments into Practice:
Institutional funding for Local Partners



LITERATURE REVIEW
FEBRUARY 2020

1. Introduction

Street Child, in partnership with Save the Children Denmark, is implementing an 8.5-month project focused on advancing localisation efforts in humanitarian settings and specifically, increasing and improving knowledge of how local level actors utilise unrestricted institutional funding when deployed to them as part of the localisation agenda.

Localisation has been present for a number of decades under such terms as ‘building on local capacities’ (Van Brabant, K and Patel, S 2018) and the critical role of local and national actors in humanitarian responses long been outlined in a number of key standards and codes within the humanitarian sector.¹ Indeed local level actors are instrumental in ensuring the effectiveness, efficiency, relevance and sustainability of humanitarian response and results. They are often the first responders to crisis or conflict, the frontline responders in the humanitarian response, and are then expected to lead and embed recovery and post-crisis/post-conflict phases utilising their cultural and historical knowledge, credibility and access to local networks.

The World Humanitarian Summit in 2016 was a seminal moment that recognised this critical role and produced a global and more explicit commitment to localisation. This came in the form of the Grand Bargain and an explicit commitment to, in short, ‘more support and funding tools for local and national responders’ and ‘making principled humanitarian action as local as possible and as international as necessary’ (Inter-Agency Standing Committee 2019a), across four broad areas – partnership, capacity strengthening, coordination and financing. In regards to the latter more specifically, international actors committed to channel 25% of their funding to local and national responders as directly as possible. However, the current reality is that localisation at the global level is off-track. Studies suggest disappointing figures of both direct and indirect funding; with one study suggesting direct funding to Southern actors stands at 0.2% of overall funding, and another study suggesting that only 14.2% of humanitarian funding flows either directly, or indirectly through other channels including through International Non-Governmental Organisations (INGO) and pooled funds (Local to Global 2019).

Yet within humanitarian and large-scale crisis situations, local actors are expected to rapidly-scale up. This can often include expansion of all elements of the organisation, from organisational systems, absorption of increased funding and staff having to take on increased responsibility in adapted and expanded roles. In this regard it is easy to see how local actors take the majority of risk in terms of implementation in difficult contexts by virtue of being the first and frontline responders to humanitarian crises yet do not benefit from the safeguard of access to unrestricted and unearmarked institutional funding that international organisations do to help build and develop such capacities ahead of time.

¹ These include the Code of Conduct for International Red Cross and Red Crescent Movement, Sphere standards and the Core Humanitarian Standards on Quality and Accountability.

For example, the Global Protection Cluster notes that without this type of core funding, local actors experience high staff turnover and are unable to develop the capacities of their staff to position strategically in the cluster system putting them at risk of not being able to fully engage and influence the strategies, decisions and processes of the cluster systems (Global Protection Cluster n.d.). More generally local actors have reported that lack of such funds negatively impacts their capacity development and organisational sustainability, the latter of which is incredibly concerning given the well-respected and understood position that local actors are often best placed to respond to humanitarian crises (Rana, R 2017). The lack of access to such funding can also mean local actors resort to negative coping practices to cover gaps in their unrestricted funding while implementing projects in such difficult contexts. This can include accepting funding for activities and projects that fall outside of their areas of expertise, which of course has potential implications for the success, quality and impact of such activities and/or projects (Global Protection Cluster n.d.). As the NEAR Network notes “unrestricted financing allocations are critical for an organisation’s development” (NEAR 2017). Without core funding, local organisations will continue to be trapped in a cycle of project-based approaches and will suffer from the consequent staff turnover, loss of institutional knowledge and inability to build the capacity of both their staff and their organisation as a whole for example.

The impetus for advancing solutions towards localisation and helping local actors increase their access to unrestricted institutional funding has never been greater. Indeed without this it is possible to argue that the very existence of local actors, actors that are maintained to be the best actors to respond to humanitarian crises, could be in jeopardy not to mention the quality, impact and sustainability of their programmatic efforts. In direct response Street Child, in partnership with Save the Children Denmark, is piloting a study aimed at helping increase and improve knowledge of how local actors use unrestricted institutional funds and the factors that influence the use of such funds. This study will focus on three key outputs:

- To improve knowledge and understanding of what local partners spend institutional funding on;
- To explore in what ways institutional funding influences access to further funding through other means;
- To draw on the findings to generate recommendations for institutional funding to local partners to share within relevant circles, including the Global Grand Bargain Workstream on Localisation and the Global Education Cluster.

The study is being piloted in six contexts, of all of which focus on protracted crises²: Afghanistan, Bangladesh, Cambodia, North-East Nigeria, Mozambique and South Kivu – a province of the Democratic Republic of Congo (DRC), with one local actor being chosen in each context to receive unrestricted funding.

² It must be noted that as the contexts within which the study is being piloted involve protracted crises the findings of the pilot may differ as compared to implementation in rapid onset crises.

Street Child and Save the Children Denmark recognise that there have been relevant initiatives that can help inform the methodologies employed for this study, including sampling and selection process of local actors, and monitoring and evaluation processes. To help identify these Street Child has conducted desk-based research into the existing or historical initiatives whereby unrestricted or flexible funding has been deployed for the purposes of institutional strengthening and as part of the localisation agenda.

The following report summarises the available literature. The report begins with an overview of initiatives that have provided unrestricted institutional funding to local actors before considering the methodologies they have utilised for the purposes of selection of local actors to receive such funding and monitoring and evaluation approaches. It concludes with the learnings from these initiatives and implications for the proposed pilot.

2. Overview of initiatives

deploying flexible institutional funding to local actors

Despite the humanitarian sector as a whole agreeing with the need for increased localisation, the lack of definition on what localisation is³ means actors have been engaging in localisation efforts in different ways. Within the research that has been conducted to date for this review from open source materials, current localisation efforts, initiatives and approaches focus to a large extent on the development of research and conceptual frameworks. Projects that provide actual solutions to barriers to increased localisation are scarcer, although notably this is beginning to change. Where such solution orientated projects or investment do exist, the literature shows a clear distinction between funding restricted to and focused on the specific output of capacity and institutional strengthening and predominantly via specific project budgets although some programmes do have a high degree of flexibility to tailor the activities implemented under such projects or grants, and flexible core funds or deployment of unrestricted funds that permit local actors to engage in autonomous decision-making regarding utilisation of such funds, which is being widely regarded as good practice within the localisation space (Carter, B 2018).

One such example of funds focused on the specific output of capacity and institutional strengthening was the 'Financial Enablers Project' (FE) (START Network 2019a; Pham, P et al 2018), one of the 14 separate humanitarian capacity building projects funded by the Department for International Development (DFID) through the UK Aid's Disasters and Emergency Preparedness Programme (DEPP) (Pham, P et al 2018; START Network 2019b). The FE project was initially meant to be multi-country, however resource constraints restricted it to one country only and the Philippines was selected by the project Steering Committee (comprised of representatives from Christian Aid, Oxfam and Tearfund) as the most conducive to this experimental approach owing to it being one of the most disaster affected countries. This project took place over three years and centred on encouraging the formation of national partnerships in seven different consortia, who were then provided flexible grants to determine what capacity development to invest in. There were few, if any, guidelines for what the consortia's should consider in terms of strengthening actions (START Network 2019a; Pham, P et al 2018). This meant there were a myriad of pathways chosen although the dominant themes included staff training, putting an approach or model into practice such as delivery of a Rights Based Approach for Humanitarian Action and Protection package, contextualised preparedness and response and emergency capability development such as warehousing and prepositioning stocks (Plastow, J and Pagsanghan, J 2018).

³ Inherent within the localisation agenda is the lack of an agreed definition of what exactly localisation is. Although there are similarities across many definitions of localisation, in actuality the term localisation is used within the sector as an umbrella term that can: 'refer from everything to the practice of increasing the numbers of local staff in international organisations, to the outsourcing of aid delivery to local partners, to the development of locally specific response models. The term often also encompasses work that originates with local groups or is in support of local initiatives' (Wall, I. and Hedlund, K 2016), and as summarised by a Humanitarian Policy Group working paper localisation in practice refers to 'the need to recognise, respect, strengthen, rebalance, recalibrate, reinforce or return some type of ownership or place to local and national actors' and is therefore 'a process that requires a conscious and deliberate shift to allow for more local humanitarian action' (Barbelet, V 2018).

The final evaluation for the FE project remarks that ‘evaluators found clear evidence that the investment in self-determined capacity development has reaped dividends’, (Plastow, J and Pagsanghan, J 2018). Examples of such dividends included development of external relationships including fostering new and strengthened linkages to local government actors and one consortia raising new funds for its emergency preparedness and response work from established donors including UNICEF and Oxfam. Yet as mentioned in the following section on methodologies, measurement of such dividends was not systematic and robust owing to the lack of agreed logframe and monitoring approaches at the project outset. Instead monitoring relied on quarterly reports and key informant interviews and focus group discussions as part of the endline evaluation. However the evaluation report also notes that it cannot be said that investment in more conventional methods would not have produced similarly positive and perhaps more consistent results, although the report does not elaborate on what conventional methods it is referring to (Ibid).

Other examples of focused capacity and institutional strengthening funding include Oxfam Novib and Oxfam Great Britain’s ‘Empowering Local and National Humanitarian Actors’ (ELNHA) programme, which was implemented in Uganda and Bangladesh, which comprises of the Humanitarian Response Grant Facility. This is a pooled fund that local actors can access to strengthen their capacity to design and implement humanitarian responses, including conducting needs assessments, design project proposals and M&E and demonstrate their capacity to independently design and manage quality responses (Oxfam Novib, 2018; Tusiimire, M 2019). A third example of such focused funding is Save The Children’s Rise programme. This programme focused on building the organisational capacity of Save the Children’s partners in Syria via capacity strengthening, learning grants and small grants. This IKEA funded capacity-building grant programme permitted each partner organisation the flexibility to tailor the activities implemented under the grant depending on the internal weaknesses and gaps that the organisations have identified themselves.

In terms of flexible unrestricted funding that is not tied to the specific output of capacity strengthening, a number of INGOs have made commitments to make flexible core funding or contributions to overheads available to their partners and local actors. Historically Christian Aid made flexible core funding available on a continued basis for a number of years to ensure that their Non-Governmental Organisation (NGO) partners can ensure their survival and grow their own capabilities, however this has been much more difficult to continue since the make-up of Christian Aid’s funding has shifted significantly from unrestricted to restricted funding (Groenewegen, I 2019; Mosellmans, M 2017). In some regions and countries, such as Latin America, where it is hard to obtain restricted funding, Christian Aid’s partners and local actors retain access to unrestricted funding, yet the use of such funds largely focuses on risk mitigation and ensuring excellent project delivery rather than specific capacity building or autonomous decision making by partners over how these funds are utilised (Groenewegen, I 2019). In a similar approach Street Child Nigeria have recently begun to provide their national NGO partners with a separate unrestricted budget line specifically within donor funded projects. As this unrestricted funding is provided on a project by project basis the percentage

deployed depends to a large extent on the donor concerned but to date the percentage of unrestricted funding provided to local actors has ranged from 2 – 5%. This is an approach being echoed by Saferworld who, in cases where they are co-delivering restricted projects with donors, have begun to challenge themselves to include flexible income lines for their partners, including sharing the donor contribution to overheads. This approach provides partners with a level of core funding that is flexible and for them to decide how best to utilise, whether this is to fill gaps in programme costs, support personnel or invest in their organisation's own development and capacity building (Christian Aid, CARE, Tearfund, ActionAid, CAFOD and Oxfam, 2019).

Utilising insights generated from two USAID-funded research projects on responsible aid and financial sustainability, Peace Direct have developed a new strategy that aims to work with their partners to support their financial resilience, utilising a mixture of flexible funding with focused outputs and more completely unrestricted funding. As part of this Peace Direct has introduced funding to allow their partners to identify and develop options that strengthen their financial resilience as organisations and therefore their sustainability (Peace Direct, 2018). Peace Direct also have flexible funding that partners can apply for in emergency situations such as emergency security situations. In addition to this they also strive to support their partners and local actors with their core costs, such as salaries and operational costs, where partners need this temporary support. Both of these approaches are funded from Peace Direct's core funds as opposed to funders themselves, as Peace Direct does not have a significant amount of unrestricted or flexible funding and opportunities to obtain flexible funding within restricted projects has been limited despite ongoing advocacy efforts with a number of donors. Notably this difficulty is not new within the localisation sphere and it is well understood that there is a continued need to engage and advocate donors to reconsider the flexibility of their funding mechanisms. Peace Direct also run Tomorrow's Peacebuilder Awards, where via a strict application and assessment process, their partners and local actors can be awarded an unrestricted grant of approximately £10,000 to use as they wish (Melly, C 2019).

Moving away from the efforts of INGOs, it is notable that a number of funders have also made a drive towards making flexible core funds or contributions to overheads available to their grantees and local actors. Indeed Country-Based Pooled Funds are an important and critical instrument for quick response to fast changing humanitarian needs and context and although UN agencies, Red Cross/Red Crescent Societies and INGOs are all typically eligible to apply for these funds increasing amounts of funding are going directly to national NGOs. For example, 60% of funding from the Turkey Humanitarian Fund went to local groups (Grigaber, D 2017) and the Myanmar Humanitarian Fund deployed 23% of funding to national NGOs (UNOCHA 2017). Indeed, UNOCHA praised the Myanmar Humanitarian Funding as being extremely useful for providing flexible funding in a strategic manner to address specific humanitarian needs in the country. This approach permits local actors to use a percentage of the allocation for their overheads and capacity strengthening needs allowing

them the ability to plan longer-term projects they can implement on their own and more predictability in their work. UNHCR also announced at the IVCA Conference in March 2019 that they would be providing an overhead allowance of 4% to national NGO partners. This funding was aimed at helping to cover operational costs, including mitigating the risks associated with direct financial transfers to NGOs, especially local and national actors. As a significant grant funder, The Ford Foundation's Building Institutions and Networks, or BUILD, initiative represents one of the largest ever that supports non-profits through the provision of large, long-term and flexible grants that seek to offer considerable operational support as well as support focused on institutional strengthening (Reich, K n.d.). More specifically, each programme at the Ford Foundation 'allocates 40 percent of its total grant making for five-year BUILD grants, and nominates key grantee partners to join the program' (ibid). The 40 percent funding must be used for core support and institutional strengthening and can include activities that address such things as strategic clarity, leadership and governance, safety and security, true costs recovery as well as predictable and flexible funding, operating reserves and growth.

3. Methodological Approaches Utilised

3.1 Selection Process

In terms of the application and selection process, the START members responsible for overseeing the FE project did reach out to their established partners but participation was not limited to them. Owing to the perceived risk of transferring substantial amounts of flexible funding to local actors a robust due diligence mechanism was put in place, however the selection process was open to any entity that passed these requirements. These requirements focused on key areas including income streams, governance structures and organisational policies, technical and project management competencies, financial performance and identified risks with agreed mitigation measures (Financial Enablers 2016). However some consortia members felt this level of due diligence was cumbersome and time consuming, although the requirement of such due diligence was set by the donor as opposed to the steering committee or project management team (Oxfam, Tearfund and Christian Aid 2018). The evaluation report notes that for some smaller organisations within the consortia found the due diligence process demanding in terms of developing the necessary systems and policies to be in compliance, although it does not make clear whether applicants felt this was a barrier to applying to participate (Financial Enablers, 2016). A consortia approach was taken by the FE project because it was felt this allowed economy of scale in terms of rolling out of capacity needs shared by multiple local actors. Additionally this approach permitted actors to draw upon complementary capacities from their other consortia members, including community organisation and management system development, which made for a more effective whole. The consortium participants chosen were predominantly comprised of national CSOs, including several FBOs and as a consequence of the openness of selection criterion meant that the participating consortia had different levels of experience in regards to emergency preparedness and response, which meant they chose diverse approaches to utilising the flexible capacity development funds.

Oxfam's Humanitarian Response Grant Facility, under the ELNHA programme, initially prioritised proposals from local actors who had been part of the other strands of the ELNHA programme,⁴ before extending this to wider applicants. Oxfam utilised an expression of interest for local actors to apply for pre-qualification whereby actors would be selected on the basis of contributing to preparedness and response in the concerned districts, working towards humanitarian principles and standards, commitment to humanitarian work and ambition and potential to play a greater role, they do not have significant amounts of unrestricted funding available and provide a demonstrable statement of humanitarian commitment, track record and current capacity, ambition and measures to mitigate risks (Oxfam n.d.).

⁴ This included (2) encouraging coordination and collaboration among local and national actors to establish collective influence; and (3) influencing and engagement of international actors at the global level and active support of LNHA's to access these global spaces whenever opportunity arises (Oxfam 2018).

All organisations that met the criteria were then subject to further due diligence in terms of legal and registration information, financial and procurement systems, procedures and controls, budget management and technical capacity. Once the grant facility was activated following a humanitarian crisis in the areas covered by the ELNHA project, pre-approved applicants were able to apply. Final decisions on funding were made by a committee comprising of a minimum of 5 ELNHA staff and were based on the applicant's proposed interventions meeting a number of conditions including responding to humanitarian needs of the people most affected, strong intervention logic, time assistance, ensuring alignment and coordination with other humanitarian responders.

With Street Child Nigeria, Peace Direct, Christian Aid and Saferworld, local actors were not selected for the purposes of deploying such flexible core funding but rather those local actors in receipt of any of the unrestricted or flexible core funding were existing partners of the INGOs, selected for the purposes of being the most suitable organisation to implement the project in question via general partnership due diligence and capacity assessments. Similarly the partners that the Ford Foundation provides BUILD grants to must be existing core partners of the foundation and are nominated by the Ford Foundation to receive a BUILD grant specifically. Grantees must also be welcoming of working on their institutional capacity and willing to put time and money into strengthening this capacity in the long-term. Following this nomination, the Ford Foundation designed and utilised a multilingual organisational assessment for all BUILD grantees, which assesses 15 key domains of the organisation in question including mission and strategy, programming, network leadership, administration and organisational culture.⁵ Notably this is an in-person qualitative collective self-assessment tool.

Under the RISE programme, Save the Children had a number of criteria with which it approached partners. This included the partner organising being able to access children and their communities where the needs for Child Protection were crucial, the willingness and potential ability of the organisations to work on Child Protection and the willingness to develop their own organisations. Moreover, Save the Children were keen to ensure diversity of organisations in receipt of such grants and had an ambition to work with a number of different organisations from grass roots and not registered to more professionalised organisations that had a wider and greater reach. To formalise the selection Save the Children conducted a partnership assessment of the potential organisations, alongside with consultation with INGOs to learn more about actors in the sector. Following this the organisations completed an organisational capacity assessment in collaboration with Save the Children followed by capacity strengthening plans. This information was used within a concept note developed by the organisations and agreed with Save the Children to formally get a grant award. Regardless of the type of grant award received by partners, Save the Children provided additional coaching, mentoring, training tailored to specific interventions and more standardised training.

⁵ The 15 key domains are as follows: mission and strategy, programming, learning and evaluation, advocacy, field engagement, network leadership, external communications, governance, financial management, fundraising and donor relations, administration, human resources, safety and security, organisational culture and executive leadership (Reich, K n.d.).

3.2 Monitoring and Evaluation Approaches

Information on the monitoring and evaluation approaches of the aforementioned initiatives was particularly difficult to obtain and was exacerbated by the apparent lack of attention paid to the development of monitoring and evaluation frameworks at the design or onset of deployment of such unrestricted or flexible core fund initiatives and approaches. Within the FE project an agreed overarching M&E framework was lacking, as an early logframe was never accepted and therefore the resultant learnings were not as great as had been hoped. The absence of formal MEL meant that national partners were provided with more autonomy over their decisions on how to utilise the capacity building funds and this non-interventionist approach was appreciated by a number of partners and the consortia did deliver a learning hub and some promising learning products towards the end of the project. Despite this however, it was felt that the consortia needed to develop more resources that captured the learnings of the project (Plastow, J and Pagsanghan, J 2018). Although not the specific focus of this review, there was an additional lack of mechanisms to assess the quality of capacity building support that the actors utilised their flexible funding for, meaning there was a lack of information to assess the performance of key elements and outputs of the project. The main monitoring mechanisms were therefore cross-cutting consortia quarterly reports but these listed achievements for individual consortia, not aggregated owing to the lack of agreed logframe. Other sources of data produced by external resource were an output data set produced for the HHI evaluation of the entire DEPP portfolio of programmes but the research was unable to obtain this information. Moreover, there is qualitative data from an Oxfam GB led report, 'The View from Our Partners', compiled in January 2018 but again not obtainable during the research.

Similarly, to the FE project Street Child Nigeria did not establish a monitoring framework at the outset of providing unrestricted funds to their partners as part of restricted programmes. However there are clear plans to measure the utilisation and impact of such funds at the endline of the projects via which this funding is deployed and this will focus primarily on qualitative data, utilising focus group discussions and key informant interviews with the local actors to determine how they spent these funds and the impact this has had on their organisation and its capacity and capability. However with the flexible funding initiatives that Peace Direct implement, such as temporary contribution to salaries and operational costs, it is much clearer what the funds are being used for and as such Peace Direct do not engage in any further monitoring of this. However, with their Tomorrow's Peacebuilders Awards Peace Direct do not track how these unrestricted funds are utilised at this time as this has not been a focus of the initiative. Saferworld capture any developments in their partner's institutional capacity via annual reviews of the organisational capacity assessments, alongside utilising outcome harvesting bi-annually that reflect on partner's progress to date.

On the contrary, an MEL plan was a key component and responsibility of the applicants when they put forward their proposed intervention. Local actors were asked to ensure their plans referred to humanitarian quality standards and requirements. Monitoring of the interventions was done through reporting by the grantee and field visits as relevant and needed and a Real Time Review (RTR) of the quality of the intervention response was scheduled to be undertaken within 6 weeks from the start of the implementation, coordinated by Oxfam and led by local actors. At the end of the grant facility funded response, Oxfam planned to organise a learning review where grantees and grant facility staff discussed the learnings and identified steps for improvement. Similarly, the Ford Foundation considered the evaluation of the BUILD model as fundamental to the programme. An evaluation was designed that combined assessment and learning with research questions that included ‘[I]n what ways are organizations stronger and more resilient, more networked and more impactful?’ and ‘[H]ow does this model of multi-year general support, together with institutional strengthening, contribute to amplifying and accelerating programmatic impact?’. Their learning questions were ‘[W]hat is the relationship between institutional strengthening and programmatic impact?’ and ‘[W]hat are the essential ingredients for success? What approaches to institutional strengthening yield the most growth? Is there optimal timing, or an ideal organizational stage, for the BUILD approach?’ (Ford Foundation 2019a). The evaluation itself is driven by a developmental approach, as opposed to measuring pre-determined and static goals and outcomes and each phase of the evaluation will build on each other, continuing in cycles in subsequent years. Early data suggests that a combination of flexible funding and technical assistance has remarkable potential as a transformative approach to both grant-making and grantees, however the next stage of the evaluation is to closely examine seven intensive case studies (Ford Foundation 2019b).⁶

Save the Children also approached M&E of the RISE programme as very important and although the MEAL approach employed under the RISE programme was initially quite rigid, this led them to explore additional approaches including outcome harvesting as well as currently exploring progress journals. It was felt that capacity strengthening in itself was and is quite difficult to capture within the realms of traditional indicators and as well as flexibility over M&E approaches continual dialogue with the partners was crucial. This dialogue was formalised in the form of a comprehensive partner satisfaction survey aimed to allow partners to provide more formal feedback on the programme and its processes.

Within the literature and information on monitoring and evaluation processes within the aforementioned initiatives it appears that despite efforts to assess and evaluate how flexible funding has had an impact on organisations, there has been much less effort to understand the factors that influence organisations and their decisions on how they utilise such flexible funding opportunities.

⁶ The Ford Foundation anticipate that the first evaluative phase report and case studies will be completed in Spring 2020.

4. Lessons Learned

The FE project was praised as representing and facilitating a double shift in power, transferring significant funds to local actors and providing them with space to make autonomous decisions about its utilisation. This change of behaviour was highly appreciated and even described as “refreshing”, ‘empowering’ or even ‘transformative’ (Plastow, J and Pagsanghan, J 2018). However, the same evaluation concluded that a more defined process would have generated a stronger set of outcomes. It is clear that this was significantly impacted by the lack of an agreed logframe or monitoring and evaluation framework from the outset. Indeed the lack of such logframes and M&E approaches was common among all other initiatives referenced above. In this regard to effectively measure the impact of the deployment of such unrestricted or flexible core funding initiatives, it appears focus and attention needs to be paid to the development of an agreed logframe or M&E approach as early as possible. Moreover, it is important to consider at the outset of the proposed study exactly what we are interested in measuring and tracking over the course and completion of the study. For example, as mentioned in the preceding section the available literature appears to demonstrate a lack of effort to understand the factors that influence organisations and their decisions on how they utilise flexible funding. This is an important component of the proposed study and therefore any measurement and tracking of this component must be included in the M&E design from the outset.

The use of consortia partnerships in the FE project demonstrated a number of efficiencies, including economies of scale and tapping collective competencies, however the evaluation also discussed how the impact of this approach would have been strengthened where partners had worked collectively and collaboratively together previously rather than being forced into a hybrid working arrangement. The evaluation notes that where two of the consortia partners had worked closely together they were higher performing. Due diligence requirements for the FE project did not focus on an analysis of factors underpinning effective collaboration, instead focusing on standard management and governance systems. There were also concerns and consensus among stakeholders that the consortia themselves would not be sustained and were likely to break up due to factors including compatibility, lack of political will to prioritise collective action and being donor-driven, competing allegiances and lacking ambition of the consortia. Although consortia is not a planned feature of the proposed study, if utilised it would be important to consider the factors that may make this approach successful.

The hand-off nature of project management in the FE project, driven by a desire to move away from the directive style associated with INGO and northern NGO relations with their southern counterparts, was both commended as providing space for autonomous decision making and criticised for being so hands off that it failed to ensure accountability of project performance. In this regard there were missed opportunities to find a balance and alternative models for providing support that remained consistent with the vision of the project. It will therefore be important in the forthcoming study to determine the most suitable project management approach and reconcile the opportunity cost of said project management approach clearly at the outset of the study.

Save the Children report some impressive statistics in regard to the achievements of their partners under the Ikea-capacity building grants.⁷ Although some grants were small in value, they provided, and not unrestricted funds, they provided rare flexible funds that were used to good effect allowing some organisations to make step changes in their organisational development. Internal reports report that the mix of grants, coaching and training, can not only fill small gaps, providing advice and resources but can contribute to the longer-term sustainability of the initiatives being implemented by the partners concerned. It was also reported that sharing of capacity strengthening plans and learnings between partners was found help to reducing transaction costs for partners. However there needs to be a clear recognition that real change does not happen in a short time and longer-term funded is likely necessary to see more significant changes within organisations.

It is finally important to recognise that the lack of available open source research on the implementation of such initiatives means it is imperative that Street Child and Save The Children consider publishing and disseminating the findings of the study once complete to help increase the understanding and knowledge of these initiatives.

⁷ Through the supported projects 20,883 individuals received protection services exceeding the target of 12,905 (KPI 1, Number of people reached by Save the Children-supported local organizations). In year 4, 100% of those receiving services

5. Conclusion

The research and literature demonstrates that there is undoubtedly a clear need for increased direct funding to local actors that includes unrestricted and/or flexible core funding that can support local actors to break free of the cycle of project-based approaches, develop their institutional capacity and become more sustainable as it is indeed these actors that are instrumental in ensuring the effectiveness, efficiency, relevance and sustainability of humanitarian response and results. Indeed in the FE project, the external evaluation reported that the change of behaviour in both transferring significant funds to local actors and providing them with space to make autonomous decisions about its utilisation was empowering and transformative, which speaks volumes to the requirement for more of these types of initiatives. However, as mentioned there is a distinct lack of open source and robust data on initiatives focused on deploying unrestricted institutional funding and it is difficult to concretely state that this is owing to lack of these initiatives or rather a lack of systematic evaluation and formal publication of such data on these initiatives. This has meant that the review was unable to obtain substantial information on methodologies against which to situate the Street Child and Save the Child Denmark's forthcoming study.

The FE project is the most directly comparable programme to the study that Street Child and Save the Child Denmark are seeking to implement, closely followed by Street Child Nigeria and Saferworld, who both aim to deploy unrestricted funds to local actors albeit on a smaller scale and via a more project by project approach. There are additionally some capacity building initiatives that provide flexibility in how local actors use the funds that are provided to them albeit within the confines of capacity building projects. Outside of the efforts of INGOs, funders are also making a drive towards making core funds or contributions to overheads available to their grantees and local actors; examples including Country-Based Pooled Funds providing flexible funding that permits local actors to use a percentage of the allocation for their overheads and capacity strengthening and UNHCR providing an overhead allowance of 4% to national NGO partners. Moreover, the Ford Foundation has made strides to provide significant amounts of funding to their grantees under the BUILD initiative, representing the opportunity for considerable operational support as well as focused institutional strengthening.

The selection process for recipients of unrestricted or flexible core funding under the aforementioned initiatives largely focuses on the recipient being an existing partner of the INGO, and satisfying the associated partner due diligence and capacity assessments, or applying for a specific project and the unrestricted or flexible core funding being part of that project budget, such as the Country Based Pooled Funds or UNHCR funds. For example the selection process of recipients of unrestricted funding under the FE project specifically was based in part on reaching out to the existing network to invite to apply for grants under consortia partnerships and then utilising due diligence requirements to identify the selected final consortia partners. The capacity building initiatives, such as the RISE programme, focused on partners that satisfied a number of criteria including accessibility to children and communities where child protection needs were crucial, a willingness to work on child protection and develop as an organisation as well as ensuring diversity of the organisations selected. Monitoring and evaluation frameworks were lacking across the board, as it appears the initiatives did not focus on the development of such frameworks at the onset of the deployment of such unrestricted funding, which therefore made it difficult to retrospectively gather data. The exception to this was the RISE programme which had a clear M&E approach, which was refined and adapted across the three-year programme but indeed this was a specific project as opposed to deployment of unrestricted funds. Interestingly the RISE programme utilised outcome harvesting, as did Saferworld to examine the progress in their partner's institutional capacity.

Though this means Street Child and Save the Children Denmark therefore have limited information against which to situate its chosen methodological approach to this study, the study remains well-placed to add essential information that helps to increase and improve knowledge and understanding of the need for, and impact of, the deployment of unrestricted institutional funding in the humanitarian and protracted crises context. In this regard it is imperative that, on completion of the project, Street Child and Save the Children Denmark strongly consider publishing and sharing the data and reports to add depth to the discussion around unrestricted funding deployment to humanitarian actors.

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