Towards a Localised Humanitarian Response in India

Prelude

Approximately US$ 25 billion is spent every year to provide life-saving assistance to 125 million people devastated by wars and natural disasters[1]. Although the current funding level is significantly higher than it was 15 years ago, increase is not in proportion to exponential rise in the scale and frequency of conflicts and natural disasters during that period. A conservative US$ 40 billions required every year to meet humanitarian emergencies is just a fraction of the US$ 78 trillion annual global GDP.

Poor are the most vulnerable to disasters. Going by the current trend, by 2030, 62% of the world's poor will be living in fragile and conflict prone areas. Choice is clear – either increase humanitarian assistance to meet increasing need or invest in seeking sustainable, risk resilient solutions to conflicts and calamities. Credible and pragmatic frameworks and roadmaps offered by Sustainable Development Goals, Sendai Framework for Disaster Risk Reduction and Paris Agreement for Climate Change cannot be realized unless a clear, pragmatic and collective political leadership commits to find solutions.

Current Humanitarian Architecture and Financing Mechanism

In the year 2015, International humanitarian assistance went to 145 countries of which, more than half went to five countries – Syria, Yemen, Iraq, South Sudan and Ethiopia[2]. While the scale and nature of emergencies and underlying political priorities may have warranted larger share of the humanitarian finance to five countries, many other communities across the world were denied of reasonable assistance.

In 2016, while OCED-DAC funding is channelized through intermediary organization, about 46% funding was channelled through multilateral agencies, mainly the 8 UN agencies. Of the remaining portion, more than 85% went through international NGOs, of which more than half went to largest ten recipients; more than a third to the largest five recipients. Southern international NGOs received just 1.65% of the funding available to NGOs and local and national actors received just 1.5% of that part of the funding pie. In 2015, local and national actors received just 0.3%! There is a clear pattern emerging, with powerful and resourceful organizations controlling humanitarian architecture and funding mechanisms while local and national actors who are the first respondents and best placed to extend assistance to affected community languishing for want of means and resources. Grand Bargain was launched to address this particular anomaly and flaw in humanitarian system.

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1 Too Important to fail

2 Global Humanitarian Assistance Report 2017

The Grand Bargain

Grand Bargain[3] (GB) is one of the significant outcomes of the World Humanitarian Summit, which brought together some 50 donors and aid agencies, controlling maximum percentage of humanitarian funding. The GB commitments, grouped under 10 work streams, intend to improve the effectiveness and efficiency of humanitarian action. The GB expected some major changes in the working practices of signatories, including gearing up cash programming, greater funding for national and local responders and cutting bureaucracy through harmonised reporting requirements.

Altogether, 51 commitments were made to improve the humanitarian architecture, including more funding directly accessible to local and national actors, with more un-earmarked money and increased multi-year funding to ensure greater predictability and continuity in humanitarian response.

Out of the 10 work streams, the work stream 2, "more support and funding tools to local and national responders as directly as possible", **popularly known as 'localisation'**, drew maximum attention as that committed providing ***at least 25 per cent of global humanitarian funding to local and national responders by 2020 as directly as possible***, against less than 2% funding in 2016 and less than 0.3% in 2015. Meaningful implementation of this work stream would not only significantly alter the humanitarian landscape, but may also adversely impact the ambitious growth of INGOs and UN agencies, which are the prime recipients of humanitarian funding.

The Localisation Process

Humanitarian Financing Task Team (HFTT) of IASC set up a Localisation Marker Working Group (LMWG), which was inclusive of IASC members, southern actors, donors, OECD and technical bodies like IATI. This group was led by OCHA, CAFOD and Development Initiatives to define 'local and national actors' and 'as directly as possible'. This group proposed that the local and national actors are:

The local and national NGOs, local and national governments, local and national private sector and Red Cross/Red Crescent National Societies, working in an aid recipient county, but **without affiliation to international organisations**, hence eligible to receive 25% global humanitarian funding directly or through a country based pooled fund.

However, this definition was significantly changed and diluted right before the ECOSOC Humanitarian Affairs Segment (HAS), held in Geneva in June 2017. The revised definition says, the local and national actors are "*Organizations engaged in relief who are headquartered and operating in their own aid recipient country and with autonomous governance, financial and operational decision-making*". This definition drops the term 'international affiliation', and also includes one intermediary international organisation in 'as directly as possible' before funds reach local and national actors. Thus this definition dilutes the localization process in letter and spirit.

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[3] Agenda for Humanity

In simple words it means, status quo will largely be maintained; as some of the 25% will be taken away by affiliates and some of the 25% will entail one intermediary. A unique opportunity to revise and transform humanitarian system will probably be lost and the purpose defeated. Direct access to funding, multiyear financing and long term partnership would have brought financial sustainability to local and national actors, enhanced their response capacity which would have eventually helped the disaster affected communities. That is not going to happen as effectively now as envisaged **because *localised chapters of international NGOs will remain eligible to call themselves 'local and national actors'***. Armed with international support and seed funding, nationalized chapters of international NGOs will continue to rule the humanitarian space in global South.

Mark Dubois, an independent analyst and formally head of MSF UK observes, "The accommodation of political and bureaucratic interests means that a local outpost of a billion-dollars-per-year INGO could be considered 'local', and that funding funnelled to local responders via the same old rent-extracting Western INGO intermediaries may count towards the Grand Bargain's target of going 25 percent local (an issue still to be settled)[4].

Optimistically, everything is not lost as of now. Different donors, UN actors and INGOs show different levels of low and high commitment to honour this agenda, and different visions of what should be allowed. Michael Mosselmans, a passionate advocate of the localisation process from Christian Aid, U.K. feels, "The watering down will slow the progress, but slowly, patchily and gradually local actors will achieve access to more resources and power. Vested interests will inevitably do their best to stem the tide, but justice will ultimately prevail. It is too late to close the stable door".

Indian Context – A case study

One may argue that India largely remains unaffected with whatever is happening at global stage regarding localisation. Since the beginning of this century, from being a predominantly aid receiving country, India has transformed herself to play the dual role of an aid recipient as well as a major donor to other developing countries. Since independence till 1990s, India was a major aid recipient nation. It even received food aid from the United States and was also one of the largest borrowers of the World Bank and IMF. However, from being a net borrower, India has successfully transformed herself to become a net creditor of aid[5]. According to Dr Sachin Chaturvedi, Director General of Research and Information System for Developing Countries, in the year 2016, India received US$ 4.57 billion as bilateral aid, but provided US$ 4.67 billion as aid to other developing countries.

India has dedicated institutions and mechanisms under Ministry of Home Affairs, such as Cabinet Committee on Security (CCS), the National Crisis Management Committee (NCMC), the National Disaster Management Agency (NDMA), State Disaster Management Authorities (SDMA), National Institute of Disaster Management (NIDM) and National Disaster Response Force (NDRF)[6].

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4 The Good, the Bad and the Ugly of Localization

5 Future of Development Cooperation

6 National Disaster Management Plan

The states are primarily responsible for disaster response and for that they get yearly allocations under State Disaster Response Fund, which gets complemented by National Disaster Response Fund, if a disaster overwhelms response capacity of a state. In addition to that, India has National Disaster Mitigation Fund, and also Prime Ministers National Relief Fund (PMNRF), which accepts voluntary contribution from individuals, organisations, companies and institutions.

As a matter of policy, the Government of India does not issue any appeal for foreign assistance in the wake of a disaster. However, if the national government of another country voluntarily offers assistance as a goodwill gesture in solidarity with the disaster victims, the Central Government may accept the offer[7].

India has United Nations Disaster Management Team (UNDMT) comprising of FAO, ILO, UNDP, UNESCO, UNICEF, UNFPA, UNHCR, WFP and WHO. However, any assistance from the UN agencies is accepted only if the government considers it necessary. The central government also supports states for reconstruction and rehabilitation in the aftermath of major disasters, often through aid from the World Bank and other multilateral financial institutions or aid agencies. India also allows international NGOs already operating in the country at the time of the disaster to continue their humanitarian assistance to the affected population.

Almost all UN agencies and several international NGOs operating in India, are signatory to Grand Bargain, thereby, inter alia, also committing to channel at least 25% of international funding to 'local and national actors', 'as directly as possible' by 2020. Link of the list of the Grand Bargain signatories is presented in the footnote[8].

There are an estimated 3.1 million working NGOs in India, the vast majority of which are national or local Indian civil society organisations. India has largest number of NGOs of any country in the world. Most of these NGOs rely on governments, multilateral agencies and international NGOs for their field operations and administrative sustenance. Only a few have the capacity to raise resources through direct fundraising. Given that, meaningful implementation of localisation will greatly impact the humanitarian architecture in India, and a failure of which will impact response capacity and sustenance of local and home grown NGOs.

Evolution of intense fundraising in India

In 2003, India laid out its new aid policy and decided not to accept tied aid any more. The high growth rate of the economy together with accumulation of large foreign exchange reserves have provided India the flexibility to stop accepting aid from all the donor countries by setting a minimum ceiling for incoming aid (US$25 million) and opened memorandum of partnership with only a handful of donors such as EU, UK, US, Russia, Germany and Japan. . During the same period, India also cancelled debts worth US$24 million owed to it by seven Heavily Indebted Poor Countries (HIPCs) of Africa[9].

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7 Page 145; National Disaster Management Plan

8 List of Grand Bargain signatories

9 Future of Development Cooperation

These policy changes and fast growth trajectory meant that India became a preferred country for international NGOs to receive funding from bilateral and multilateral donors, and, with a burgeoning wealthy middle class, a market with tremendous potential to raise money locally. Growing economy in India coupled with increasing donor fatigue in West and global recession in 2008 may have been another reason for international organisations to invest more on fundraising in India. This was the year when CARE India, Save the Children and a several other INGOs got registered in India. As presented in the table below, nationalised chapters of INGOs are far more successful in raising funds within India, while retaining their traditional funding base[10]:

Name	Head	2016		2015	
		In INR	In USD	In INR	In USD
World Vision India	Total income	3,657,586,125	57,411,500	4,020,393,968	63,106,300
	Raised in India	537,618,400	8,438,760	485,007,358	7,612,940
	Incurred on fundraising	173,299,884	2,720,210	247,045,365	3,877,760
Oxfam India	Total income	843,122,000	13,234,100	747,385,000	11,731,400
	Raised in India	176,404,000	2,768,940	284,587,000	4,467,040
	Incurred on fundraising	26,681,000	418,129	n.a.	n.a.
CARE India	Total income	2,236,661,971	35,107,900	1,695,935,261	26,620,300
	Raised from individuals	103,685,859	1,627,510	79,621,620	1,249,790
	From corporates	216,806,172	3,403,110	199,200,134	3,126,760
	From Govt	357,521,489	5,611,680	361,542,781	5,674,980
Save the Children India	Total income	1,719,670,760	26,992,900	1,508,970455	23,685,600
	Raised in India	n.a.		133,374,730	2,093,520
Action Aid India	Total income	867,387,002	13,615,000	833,523,,019	13,083,400
	Raised in India	41,875,585	657,302	57,855,632	908,134
	Fundraising expense	34,133,934	535,785	2,298,327	36,076
Plan India	Total income	1,252,439,706	19,659,000	1,280,525,946	20,099,800
	Raised in India	321,782,273	5,050,870	270,741,021	4,249,700
	Fundraising expense	98,559,463	1,547,040	120,829,489	1,896,610
Caritas India	Total income	99,88,88,362	15,679,100	94,34,43,274	14,808,800
	Raised in India	32,40,19,622	5,085,990	192,615,249	3,023,400
Habitat for Humanity	Total income	251,044,155	3,941,039	146,206,611	2,295,237
	Voluntary local India	40,964,082	643,078	3,3049,555	518,831
	Voluntary overseas contribution	72,255,008	1,134,302	49,562,607	778,063

Note: ***The real amount raised in India could be a lot more as funding received from multinational companies working in India, also requires FCRA routing.***

ADRA India, Change Alliance (affiliated to Christian Aid), Islamic Relief, etc. are some other nationalised organizations though their financials are not updated for public view. UNICEF India does massive fundraising in India. The figures are not in public domain but it has base of 150,000 individual donors who contribute every month and half-a-dozen corporate partners, besides having global partners like Bill & Melinda Gates Foundation, IKEA Foundation, Barclays Pic, H&M, Starwood Hotels etc[11].

10 All the figures have been taken from annual reports available on websites

11 UNICEF India

Let’s now look at the financial overview of some of the prominent Indian humanitarian NGOs.

Name	Head	2016		2015	
		In INR	In USD	In INR	In USD
Goonj	Total income	188,384,669	2,956,990	364,503,276	5,721,450
	Raised in India	110,831,346	1,739,670	73,598,867	1,155,250
SEEDS India	Total income	101,935,346	1,600,030	65,921,941	1,034,750
	Raised in India	70,915,545	1,113,130	32,203,155	505,479
Sewa International	Total income	195,958,900	3,074,160	76,343,833	1,197,670
	Raised in India	86,483,680	1,356,740	17,575,920	275,727

A comparison of above two tables indicates that the nationalised chapters of international NGOs dominate the humanitarian and development architecture in India. They have the leverage to continue receiving funding of OECD-DAC donors through their parent organisation, such as USAID, DFID, ECHO etc., which a homegrown Indian organisation can’t do. They have the capacity to mobilise resources from most resource rich corporate houses and foundations and have ability and leverage to go for public fundraising in Europe and America. In addition to that, given their strong brand, now they are far better positioned in India for partnership with central and state governments, corporate houses as well as go for public fundraising. If we just analyse funding pattern of Save the Children India, in the year 2016 it had 34 institutional partners including Bill & Melinda Gates Foundation, DFID, EU, ECHO, IKEA, Finland, Netherlands, NORAD, Australia, Denmark, Canada, Ford Foundation, World Bank, UNICEF, USAID and 44 corporate partners including Punjab National Bank. In this era of suave communication and brand packaging, there is no wonder that resourceful NGOs garner bulk of resources. Rich getting richer and poor getting poorer is not restricted to the population alone!

As mentioned in the table above, some of the nationalised INGOs has marketing and fundraising budgets equivalent to years of revenues of local NGOs, in addition to having corporate partnerships and celebrity brand ambassadors.

It has its serious consequences over humanitarian architecture in India and elsewhere. It is also not honouring the commitments made towards ‘localisation’, to which Anne Street of CAFOD, a strong champion of the localisation process, calls satirically ‘localwashing’. It is the local organisations who respond first and remain longer in a disaster affected area. They keep the overheads low to ensure that maximum resources reach the affected population. However, they are neither the primary beneficiaries of global funding, nor the funding available within their own countries. That impacts the overall timeliness of response, inclusion of local practices in response plan, completion of humanitarian response cycle, Linking Relief and Rehabilitation with Development (LRRD), and on top of that sustainability of the institutions rooted closer to the vulnerable communities.

A look on the matrix of actors recently responded to floods in the Northeast highlights the marginalisation of local organisations and aid-dependency on national INGOs.

Since local actors lack financial clout, they even get marginalised in the coordination process. A look at the structure of Sphere India will make it clear.

Sphere India, established in 2003, is the largest humanitarian network in India, drawing membership from the government, national and international NGOs, other networks, UN agencies and also the corporate sector. Since the inception, it has done commendable work on assessment, dissemination, coordination, capacity building, advocacy, and so on.

Election of Sphere India board was held in September 2016 to elect new office bearers and board members. According to the Sphere constitution, in addition to having a chair, a vice-chair and a treasurer, it should have two representatives from INGOs, two from national NGOs and one representative each coming from network and UN agencies. The outcome of the election, and present constitution of Sphere India Board is an interesting case study on localization. All the board positions, save one, have gone to international NGOs or their India chapters nominated as local NGOs. ADRA India and CARITAS India find a board seat as national NGOs. Technically, this may be correct but with 3.1 million NGOs, were there no other suitable or credible locally grown institutions to represent the largest and most powerful humanitarian network in India?

Recommendations

It is clear that a lot of meaningful discussion is happening at global level to bring about reform in the humanitarian architecture, but the change process is slow than expected and with lots of impediments from vested interest groups who fear having adverse impact on their size, budget and growth ambition. In addition to some resource-rich INGOs, UN agencies, particularly UNHCR, UNICEF and WFP are possibly the major blockers to transformational reform, because they control so many resources that any change is not in their interest. Some of the donors are very strongly pressing for one intermediary because they have some procedural and philosophical challenges with direct support. IFRC is anxious to optimise its own resources, which implies that it has its own interest if the definition of localisation is diluted.

Ironically, most of the global debates happen without adequate inclusion of southern actors. In absence of awareness, they are unable to influence the decision-making and to hold international actors accountable for the commitments they have made. Therefore, the process should be reversed and the local organisations should be more assertive about their inclusion in global processes, and also more control over the resources available within their own national boundaries. Governments from global South need to be supportive of this localisation process. HAI makes following recommendations in this regard:

Role of Government to support localisation

1. Central and state governments shall allocate at least 75% of their funding directly to local and national actors
2. Central and state governments shall partner with only such civil society networks and associations that has at least 50% representation of local and national actors in their governance structure
3. CSR Act should be amended to ensure that at least 50% of CSR funding directly goes to local and national actors

Governance and compliance by international NGOs

4. Nationalized INGOs, their international affiliates and parent organizations shall by law make public on all fund raising expenses and income, their partnership policies and recruitment policies to help donors make informed choices

5. Wherever possible, Nationalised INGOs should work through partnership with local and national NGOs rather than being operational directly, unless such partnerships are not available

6. INGOs and their affiliate shall ensure that the global discourse on Grand Bargain, Charter4Change and localization processes are discussed with their partners in particular and national or local actors in general and facilitate participation of local and national actors in such global discourses.

Humanitarian Financing and Country Pool Fund

7. To ensure efficiency of financing, a country pool fund shall be created with direct involvement of national networks, national/local actors in partnership with INGOs and their national affiliates, with clear mandate of making resources accessible and available to national and local actors

INGOs and other stakeholders shall invest in building capacities and resources of national and local actors so that they can not have improved access to humanitarian funding, but also significantly contribute to global decision making system

About Humanitarian Aid International

Humanitarian Aid International (HAI) is an Indian organisation, established by a group of highly experienced humanitarian and development professionals. HAI is an attempt to make the process of localisation more meaningful by bringing frontline responders at the forefront of implementation as well as global discourse.

HAI aims to become the first Indian organisation working across India and internationally with support from Indians including the Diaspora, on four thematic areas, i.e., Humanitarian response, Disaster risk reduction, Climate change & adaptation and Humanitarian advocacy

In order to work effectively on the four thematic areas, our focus is on building three pillars in India, i.e., 1) a national platform (of local and national actors, faith-based institutions, corporate houses and media, 2) a national pool fund (to respond to sudden onset disasters), and 3) a national roster (to provide comprehensive surge capacity to local and national actors at the time of disaster response).

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