



C4C 2024 Annual Meeting Report

Main recommendations

1. Strengthening Engagement & Collaboration

Challenges Identified:

- Some signatories are not consistently engaging in C4C discussions and initiatives.
- Endorsers often lack clear guidance on how to participate effectively in localization efforts.

Recommendations:

- **Increase participation of signatories** in meetings, working groups, and localization discussions, ensuring that their commitments translate into action.
- **Improve endorser coordination** by providing clear engagement guidelines, creating mentorship initiatives, and organizing peer-learning sessions to help new endorsers navigate their roles.
- **Facilitate country-level collaboration** by encouraging local and national NGOs (LNGOs) to lead localization networks, share best practices, and build stronger advocacy groups.

2. Strategic Actions for Localization

Challenges Identified:

- Due diligence processes are complex and vary across different organizations, creating administrative burdens for LNGOs.
- Localization efforts lack structured financial support, particularly in terms of flexible, multi-year funding.
- Donor engagement is inconsistent, with some donors not prioritizing localization in funding structures.

Recommendations:

- **Harmonize due diligence requirements** across INGOs and donors to reduce duplication and administrative costs for local actors. The introduction of a **due diligence passporting system** would allow one assessment to be recognized by multiple organizations.
- **Conduct a detailed mapping of endorsers** to identify gaps, areas for growth, and opportunities for collaboration. These findings should be shared with donors to align funding strategies with localization efforts.
- **Ensure direct, flexible, and multi-year funding** for LNNGOs, including proper allocation of **overhead costs** (Indirect Cost Recovery - ICR) to strengthen their financial sustainability.
- **Engage donors in localization discussions**, advocating for increased investment in locally led responses and the removal of restrictive funding conditions.

3. Enhancing Financial Transparency & Accountability

Challenges Identified:

- Financial reporting remains inconsistent, with many signatories failing to submit timely or complete data.
- Local actors face challenges in tracking the **flow of funds** from INGOs and donors.
- Funding quality varies significantly, with some local actors receiving minimal unrestricted funding or support for core costs.

Recommendations:

- **Improve financial tracking mechanisms** by requiring INGOs to disclose how much funding reaches LNNGOs, the percentage allocated for core costs, and the flexibility of these funds.
- **Increase transparency in financial reporting** by ensuring that signatories submit complete and timely financial data. This would allow C4C to present the most reliable data in the humanitarian sector.
- **Promote partner-led budgeting models** where LNNGOs have the authority to design their own budgets based on context-specific needs rather than following rigid INGOs-determined structures.

- **Advocate for mandatory funding pass-through policies** similar to Pakistan's approach, where at least 75% of funds must go directly to local actors. INGOs should also transition from leading roles to co-leadership or full leadership by local partners.

4. Risk Sharing & Due Diligence Passporting

Challenges Identified:

- INGOs often shift risks to LNNGOs, particularly in high-risk operational contexts.
- The compliance burden on local actors is high, requiring multiple due diligence assessments for different INGOs.
- There is limited duty of care for local humanitarian workers, especially those operating in conflict zones.

Recommendations:

- **Develop an equitable risk-sharing framework** where risks are shared across the funding chain, including donors, INGOs, and LNNGOs, rather than being disproportionately placed on local actors.
- **Scale up the due diligence passporting initiative**, ensuring it is widely adopted by donors and INGOs. This would allow local actors to undergo a single, standardized due diligence process rather than repeating assessments for each partnership.
- **Strengthen duty of care provisions** for LNNGOs, particularly in high-risk areas, ensuring they receive necessary support, including legal protections, psychosocial support, and security measures.

5. Localization Policy & Advocacy Priorities

Challenges Identified:

- Localization is often discussed at the global level, but country-level engagement remains weak.
- Donor policies do not always align with localization commitments, creating gaps in funding for local actors.
- LNNGOs struggle to gain representation in key decision-making bodies.

Recommendations:

- **Increase the representation of LNNGOs** in humanitarian coordination mechanisms, ensuring they have decision-making power rather than being token participants.
- **Advocate for policy reforms** to remove barriers that prevent LNNGOs from accessing funding directly. This includes simplifying application processes and reducing restrictive compliance requirements.
- **Engage major donors** such as **USAID, ECHO, WFP, and UN agencies** in discussions on localization, pushing for greater financial commitments and streamlined funding mechanisms.
- **Strengthen country-level reporting** by requiring signatories to track localization progress at both global and national levels.

6. Climate & Environment Leadership

Challenges Identified:

- Local actors have limited access to climate finance despite being on the frontline of climate-related crises.
- Many climate adaptation initiatives exclude local communities from decision-making.
- There is a lack of multi-stakeholder collaboration on climate resilience efforts.

Recommendations:

- **Increase access to climate finance for local actors** by advocating for direct funding mechanisms that prioritize locally led adaptation initiatives.
- **Enhance multi-stakeholder collaborations** by fostering partnerships between LNNGOs, governments, private sector actors, and INGOs to co-design climate adaptation programs.
- **Provide education and training on climate resilience** for local organizations to build capacity in disaster risk reduction, sustainable resource management, and climate-responsive programming.

7. Crisis Response & Humanitarian Leadership

Challenges Identified:

- Humanitarian responses often exclude local actors from leadership roles.
- Funding mechanisms are slow and inflexible, delaying local actors' ability to respond to crises.
- Due diligence compliance requirements create barriers for LNNGOs in emergency response settings.

Recommendations:

- **Promote community-led response models** where LNNGOs and grassroots organizations take the lead in crisis situations.
- **Develop flexible funding mechanisms** that allow local actors to rapidly mobilize resources in emergency contexts.
- **Harmonize due diligence compliance processes** among INGOs to ensure that local actors are not burdened with excessive administrative requirements.

8. Capacity Sharing & Operational Improvements

Challenges Identified:

- Localization discussions often focus on funding but neglect capacity sharing and power shifts.
- INGOs still dominate humanitarian coordination and programming, limiting local actors' leadership opportunities.
- Many LNNGOs lack access to technical resources and training opportunities.

Recommendations:

- **Ensure joint strategies for localization**, ensuring INGOs adopt a common framework for measuring progress and shifting power to local actors.
- **Host frequent signatory meetings** (every 4-6 months) to track progress, share best practices, and hold members accountable.
- **Advocate for fair cost recovery mechanisms**, pushing for a **minimum 25% Indirect Cost Recovery (ICR) rate** to support LNNGOs' financial sustainability.
- **Strengthen country-level working groups** to share best practices, identify challenges, and coordinate localization efforts more effectively.