



# **LOCALISATION & LOCAL LEADERSHIP IN TIMES OF AID CUTS AND SHIFTING DYNAMICS**

Recommendations for Denmark's  
Development Policy Strategy

## **Localisation & Local Leadership in times of aid-cuts and shifting dynamics**

The drafting of Denmark's development policy strategy comes at a time of unprecedented funding cuts and at a point where gains made on localisation are at great risk. Those who suffer the most from these developments are the marginalised: grassroots civil society, vulnerable populations and human rights defenders. With the current funding cuts, there is a high risk that systemic power imbalances will reinforce existing structures rather than shift powers to local actors.

In light of this, the new development strategy is an opportunity to set an ambitious direction for Denmark's future leading role in promoting local leadership – to ensure lasting sustainable development gains, peace and conflict resolution. To ensure that no one is left behind, and as a key pillar in the ambition to foster equal partnerships with the Global South, acknowledging its geopolitical importance.

DanChurchAid recommends that the strategy places Denmark in the lead within the following areas:

### **Promoting equitable partnership models**

- Models including locally-led consortia and the survivor and community-led response (sclr) should be mainstreamed across humanitarian, development and peace interventions. In both stable and in more challenging environments local actors and communities should be supported in identifying their own needs and carry out the response needed.
- Long-term partnerships with multi-year funding and capacity sharing should be a priority while smaller local actors with fewer capacities should also be supported.
- Intermediaries should be encouraged to develop clear, tangible localisation targets with some pre-determined benchmarks that include further decentralised decision-making power throughout the project cycle.
- The value of faith actors to deliver timely and culturally sensitive humanitarian aid should be recognized, not least in hard-to-reach areas.

### **Support multi-year and multi-tiered approaches to capacity strengthening**

- Danish partners should implement multi-year and holistic capacity strengthening plans with their local partners which strengthen their preparedness, response and coordination activities. Amidst aid cuts, thousands of organisations are left with little financial means threatening their existences. Investing in capacity strengthening – particularly in fundraising and constituency building – is crucial to ensuring their financial sustainability and independence.
- Danish partners should consider and implement risk sharing strategies to alleviate the burden of risk to local partners (including operational, fiduciary, safety and security and ethical risks).



### **Provide quality funding as directly as possible to local and national actors**

- The positioning of national actors as merely sub-implementing partners should be mitigated by spending at least 25% of Denmark's overseas development funding directly to local and national actors, in line with Grand Bargain commitments.
- Where funding cannot be channelled directly to local actors, support to innovative funding mechanisms of intermediary partners who themselves channel quality funding to local actors, including women-led and youth-led organisations should be strengthened. Such mechanisms include survivor and community-led response (sclr) initiatives, and Group Cash Transfers (GCTs).
- Avoid an overreliance on larger top-heavy funding mechanisms which purport to promote localisation aspirations, but which disburse a much smaller proportion of the total funding to local actors downstream. Denmark should continue to reduce earmarking of funding where possible, to allow for rapid allocations to cover emergency needs – something that was critical for SPA Partners and their local partners during the recent funding cut crisis.

### **Strengthen localisation through private sector instruments and financing**

- Local private sector, civil society and research institutions should be included in multistakeholder partnerships supported under private sector instruments and encourage the development of inclusive, sustainable value-chains that involve local actors and producers at all levels.
- Promoting finance modalities ensuring access to markets and capital for small and medium-sized local businesses and producers must be a priority.

### **Support the participation of civil society actors in decision-making and coordination mechanisms**

- Representation of local actor at key policy fora such as the Grand Bargain should be facilitated through National Reference Groups (NRGs), and with coordination networks working to support local actor advocacy and coordination where relevant. This may include Local and National NGO Fora at the country level, as well as Charter4Change (C4C), Local2Global, NEAR networks globally.
- Denmark should work with the UN coordination mechanisms to ensure local actor participation and representation in key decision-making fora where this is not already taking place, including as participants on the Humanitarian Country Team (HCT) and as cluster-system co-chairs.
- Coordination and dialogue with civil society, including women-led organisations, women's rights organisations and youth-led organisations should be strengthened including through the establishment of a Global Partner Group.

