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## SUBSIDIARITY ACROSS THE NEXUS: POLICY PRINCIPLES TO SUPPORT EFFECTIVE AND SUSTAINABLE **Local Leadership in Humanitarian Response and Development Assistance**

Rooted in Catholic Social Teaching, CRS is committed to its principle of subsidiarity: the understanding that communities, who are the closest to challenges, are artisans of their own development.<sup>1</sup> Supporting locally led development and strong and effective local leadership encompasses this subsidiarity ideal. People should play a central role in their individual, community and societal development, including that touched by humanitarian and development assistance programs. Building and strengthening local leadership and their institutions ensures that CRS' work respects the dignity and agency of each person and community we serve, and uplifts CRS' approach of accompanying local institutions to serve the common good.

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**LOCAL LEADERSHIP:**  
Empowering local communities and the institutions that support their development to be effective and impactful leaders to serve the common good.

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CRS' commitment to subsidiarity and its longstanding partnership principles have long called CRS to put people, communities, and partners at the forefront of its work. This experience with partners, as well as CRS' own mission and values, requires that CRS supports the emergence of local leadership and the growth of

locally led humanitarian and development efforts. Our experience has taught us that CRS partners embrace opportunities for leadership and influencing local institutions and CRS is committed to supporting their growth as new opportunities emerge.

From the global Grand Bargain<sup>2</sup>, to the USAID Journey to Self-Reliance<sup>3</sup> to the philanthropy initiative Co-Impact<sup>4</sup>, donors, policy makers and other aid actors are increasingly recognizing the need for local leadership across the humanitarian and development spectrum. In response, governments, INGOs, local NGOs, and multi-laterals are grappling with the very real task of transforming their own structures, processes, activities and staffing that recognize

the importance of local leadership at all levels of decision-making and implementation<sup>5,6</sup>. Ensuring that this transformation happens, and that the results led locally sustainable and effective development programming is critical.

CRS affirms local leadership is critical for effective, meaningful and sustainable humanitarian response and development and must be a priority for the future of foreign assistance.

CRS proposes the following six key policy principles, rooted in CRS' experience with partners around the world, as well as the efforts of our peer agencies, partners, donors and others, to encourage, support and expand locally led humanitarian and development efforts

## 1. Effective partnerships underpin effective transition to local leadership.

CRS' decades-long global experience has shown that meaningful partnership that is rooted in trust, respect and mutuality<sup>7</sup> is often at the foundation of successful transition to locally led development and humanitarian response. Literature from peer agencies and USAID<sup>8</sup> shows similar lessons learned<sup>9</sup>. Ensuring strong relationships with clear and negotiated roles and responsibilities, as well as clear means of accountability, between international actors, governments, donors and local institutions can help ensure sustainable locally owned initiatives and maximal impact. Partnership requires intentionality and sustained collaborative work that is critical for successful transition to locally led and locally owned humanitarian and development efforts. This requires real change on the part of INGOs – conceptually and operationally – and often time and investment.

### Policy recommendations for donors and decision-makers:

- **Develop new funding mechanisms to incentivize and support INGOs to play different roles in humanitarian response and development assistance programming.** INGOs can play an effective role in transitioning and supporting the growth of locally led implementation, if they are able to focus on mentoring, accompanying and providing technical and operational assistance throughout a transition process. Intentional funding is needed for these activities, and encouragement for INGOs to transition their focus to a facilitator/mentor/accompanier, instead of implementer, role.
- **Plan, fund and give time in partnership activities.** Too often donors focus only on program activities and not on the relationships between key stakeholders that make for durable outcomes. Including time and support for partner planning, relationship-building and troubleshooting is often a small investment that can yield significant outcomes, particularly in transitioning from international to locally led initiatives.

- **Monitor, support, and adapt relationships and roles to changing environment.** As international and local actors take on new roles and responsibilities, implementation plans should include activities and support for continuously monitoring, adapting and improving the quality not only of the project itself, but also of the partnerships that undergird it. Tools exist to support partnership quality<sup>10</sup>, and many donors themselves have frameworks for adaptive management<sup>11</sup>. These should be leveraged and expanded.

## 2. Local leadership requires local actors as implementers and leaders.

Ensuring locally led development and humanitarian response requires a definition of leadership that goes beyond mere program implementation. As noted in the Grand Bargain agreement, it is critical to also strengthen the ownership of local responders and strengthen community engagement and accountability<sup>12</sup>. While investing in institutional and programmatic/technical capacity building is important, it should be paired with efforts to increase inclusive decision-making. A focus on local leadership means “shifting the power” from the international to the local level in terms of leading the national response to development/humanitarian challenges, including decision making, agenda setting, etc.

### Policy recommendations for donors and decision-makers:

- **Encourage and support local institutional participation in decision-making processes** (e.g. national development strategy setting, cluster activities, donor funding consultations, etc.). This requires multi-level stakeholder engagement in program design, implementation and evaluation; utilizing tools designed for country ownership.

“CRS places a particular emphasis on accompanying local institutions in achieving their ambitions to be effective, dynamic, and sustainable catalysts for change for the people and communities they serve. We believe that by investing in people and strengthening local institutions, we support their ability to lead their own development, increasing the impact of programs and services and producing sustainable solutions.”

—CRS' 2030 Strategy:  
“In Their Own Hands”

- **Encourage monitoring, continual engagement, adaptation and mutual accountability mechanisms for stakeholder engagement and participation.** Keeping account of program outcomes is clearly critical, however, it is also important to continually ensure that all stakeholders are engaged, and their voices are heard throughout the project cycle.
- **In humanitarian settings, encourage and fund area-based coordination.** Area based coordination allows local and national NGOs and local government to play a greater lead role and establish and support local organization coordination mechanisms.

### 3. Holistic, not transactional, capacity strengthening is critical for sustainable change.

Too often donors, policy makers and peer organizations define locally led development as the ability of local organizations to comply with donor

regulations. However, meaningful and sustainable local leadership goes beyond compliance capacity, and should instead include the resources, systems and structures, staff and leadership needed for effective, appropriate and sustainable programming.

Holistic capacity strengthening programs should

Let us keep in mind the principle of subsidiarity, which grants freedom to develop the capabilities present at every level of society, while also demanding a greater sense of responsibility for the common good from those who wield greater power.

—Laudato Si' ("Praise Be"),  
Pope Francis, 2015,  
Chapter 5, #196.

respond to goals developed by local institutions in collaboration with their partners. These programs may address areas of organizational weakness in finance, programming, or compliance, but may also help local institutions strengthen their staff skills, organizational systems, structures and governance in order to lead more effectively and sustainably<sup>13</sup>. Successful and sustainable locally led implementation requires holistic approaches and methodologies that are responsive to context and barriers to change. This means capacity strengthening that goes beyond simply training, addressing organizational systems and structures, and buttressing organizational sustainability<sup>14</sup>. INGOs can serve as key facilitators of change, and staff with specific skills, time, and flexibility to provide capacity strengthening support.

#### Policy recommendations for donors and decision-makers:

- **Ensure participatory, locally led capacity goal setting.** Sustainable and effective capacity strengthening starts with those affected leading the process of identifying and setting capacity goals. Capacity should not be externally defined, driven or imposed.



Photo By Kim Pozniak/CRS

- **Fully fund comprehensive, holistic capacity strengthening.** Effective capacity strengthening is not sustained after a single intervention. Success requires adequate, appropriate, flexible and multi-year funding for dedicated capacity strengthening activities, including follow-up to interventions. This can include support for immediate implementation needs, such as financial management, but should also consider investments in other key organizational areas that will ensure longer term organizational sustainability, such as program design and business development, accountability, monitoring and evaluation, and organizational governance.
- **Demand holistic and sustainable approaches.** Meaningful and sustainable capacity strengthening require holistic methodologies that go beyond training. Donors should require and fund capacity strengthening approaches that include in-depth organizational analysis, accompaniment and institutional strengthening, as well as capacity strengthening staff with organizational development expertise.

### 4. Funding mechanisms and conditions help determine localization success.

A humanitarian aid and development assistance system with local actors as the main implementers has many advantages. However, it may also require structural and/or operational changes for it to succeed. Consideration of the size of awards that are reasonable for a range of local actors to bid for, design, implement and evaluate, the timelines

of their operation, the mechanism for procurement (e.g. contract vs. agreement), risk management and overhead are all important to ensure successful local leadership pre, during and post implementation. Humanitarian funding that is less earmarked, more flexible and with multi-year possibility; harmonization of funding and reporting requirements; improved transparency and cost efficiency; innovative tools and mechanisms all encourage and support local institutions in taking more lead roles.

In addition to the funding vehicle, as the 2019 Interaction report on NGOs & Risk Management<sup>15</sup> explains, donors should ensure that localization does not put undue risk burdens solely on local institutions. All humanitarian and development stakeholders should develop joint strategies to manage and overcome compliance and due diligence obstacles and move towards effective risk-management and sharing. This must include ensuring local institutions have strategies for covering indirect costs.

#### **Policy recommendations for donors and decision-makers:**

- **Ensure size of awards are reasonable for local actors to design, bid for, implement and evaluate.** For local actors to take more lead roles implementing programs, they often need to start with smaller or mid-size awards. Expecting local organizations who have never had an opportunity to prime program implementation to manage multi-million-dollar awards immediately is neither realistic, nor reasonable.
- **Set timelines for design and implementation that are aligned with local capacity.** Often local organizations have not had the opportunity to lead project design processes, and as a result they do not have the project design and proposal development systems necessary to respond. Reasonable deadlines—along with capacity strengthening investments—can help close the gap.
- **Align the choice of funding instrument with local actors' capacity to respond and comply.** In the humanitarian arena, pooled funds are a critical mechanism. Their processes and criteria should be reviewed and redesigned with the participation of local NGOs. In development assistance, donors should consider the implications of the choice of contract or cooperative agreement, or other mechanism for local actors, and ensure the choice is aligned with localization goals. In both, donors should support design processes that enable local actors to independently and successfully design and develop programming. In either case, it is clear that large contracts are often prohibitive to many local actors.

- **Embrace flexibility in funding and adaptive management approaches.** Taking funding approaches that recognize evolving contexts and growing capacities, and allow flexibility in response, as well as integrate adaptive management strategies, can support increasing and effective local leadership.



Photo by Giovanni Okot for CRS

- **Develop and fund strategies to manage risk and risk transfer.** Ensuring risk is not always transferred to local actors is critical for effective and sustainable locally led response and development. Across the spectrum of humanitarian and development assistance, it is critical that all actors—including local actors—have indirect cost coverage to ensure effective, efficient and sustainable implementation, as well as inclusion of funds to support mitigation actions related to risk analysis outcomes.
- **Strive to harmonize minimum criteria among donors, share information on the criteria, and expand pooled fund coverage.** As local institutions' roles and responsibilities grow, it is important not to overwhelm local organizations with an overwhelming compliance burden, particularly when managing multiple donors. Accepting tiered due diligence systems, such as the START Network's pilot Tiered Due Diligence system<sup>16</sup> can be a model to help as operational capacity increases.

#### **5. A broad and inclusive civil society, including faith-based organizations (FBOs), is important.**

Local leadership goes beyond institutions that are immediately capable of being donor compliant or “prime ready”. There are many local actors who have important roles to play in meeting development goals but may not be ready or interested in priming.

This should not mean they no longer have a place in programming. In many places there are non-prime ready, or not-yet-prime ready actors who are also those reaching the most vulnerable. These are important local leaders and institutions for reaching program targets, and they also need capacity support. Faith-based organizations can also play a particularly powerful role in reaching communities and effecting meaningful change<sup>17</sup>.

In addition, sustainable leadership is not just about sustainable individual institutions, but strong associations of local organizations, that provide a voice and support for the full range of local organizations of various sizes and capacities. In addition to interconnectedness, local leadership thrives in an environment that is conducive to civil society and that promotes effective civil society-local government collaboration. Too often, threats of closing civic space threatens authentic and inclusive local leadership.

#### **Policy recommendations for donors and decision-makers:**

- ***Recognize and support a robust and broad civil society and the critical role it plays for service provision and holding the public and private sector to account.*** Broad and deep participation from a range of civil society actors in humanitarian and development actions and programming helps secure wide stakeholder representation and more inclusive approaches.
- ***Increase inclusion of FBOs in humanitarian structures and in development strategies.*** From peace, to response, to disaster risk reduction and development, FBOs have powerful roles to play to engage, support and transform communities. Identifying, engaging and supporting FBOs to work across the nexus and throughout the entirety of the project cycle can help ensure wide reach and deep ties to local communities. Working with

and through interfaith coalitions, such as for focal points for FBOs in cluster meetings can also be particularly effective.

- ***Protect civic space.*** Ensuring an environment where all humanitarian and development actors—public sector, private sector, and civil society—are free to participate in decision making, program design, implementation and evaluation, is critical for long term localization success.

## **6. Government matters: localization should not replace an effective public social service sector.**

While CRS fully supports local civil society, it is also important to remember the importance of public national, regional and local systems and structures, in addition to individual institutions. Aid should not seek to supplant local public institutions. Efforts to promote local leadership must allow public sector to fulfill its role and not place too much responsibility in a concentrated number of non-governmental or private sector entities. Strong partnerships with shared responsibilities between the government, local civil society and others such as INGOs can result in transformative change at scale<sup>18</sup>.

#### **Policy recommendations for donors and decision-makers:**

- ***Root humanitarian and development efforts in a local systems context that recognizes the importance of the public sector.*** An effective, efficient development and humanitarian response environment must include an empowered local government. Ensuring that local government has the capacity, commitment and resources to plan, implement, evaluate and lead programming is critical for national success.
- ***Ensure that efforts to elevate local civil society actors does not create parallel systems or undermine the public sector.*** Civil society can play a crucial role in addressing gaps in social service provision. However, these efforts should complement, not undermine, the public sector's critical capacity and commitment to equitable and inclusive service provision nationally and locally.



## Endnotes

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