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Acronyms

CBO	Community Based Organisation
CCNF	CSO-NGO Forum
CRS	Creditor Reporting Service
DAC	Development Assistance Committee
FTS	Financial Tracking Service
GBV	Gender Based Violence
GOB	Government of Bangladesh
HFTT	Humanitarian Financing Task Team
HR	Human Resource
IASC	Inter Agency Standing Committee
ICRC	International Committee of the Red Cross
IFRC	International Federation of the Red Cross and Red Crescent Societies
IHA	International Humanitarian Assistance
NAHAB	National Alliance of Humanitarian Actors in Bangladesh
NGO	Non-Governmental Organisation
INGO	International Non-Governmental Organisation
KII	Key Informant Interview
LNHA	Local and National Humanitarian Actor / Agency
NNGO	National Non-Governmental Organisation
OCHA	Office for Coordination of Humanitarian Affairs
OECD	Organisation for Economic Co-operation and Development
RCRC	Red Cross / Red Crescent

Executive Summary

In May 2016 international humanitarian agencies and donors made a series of global commitments to reform the humanitarian architecture. These included a commitment towards 'localisation' of the humanitarian response that included a stated aim to provide 25% of global humanitarian funding to local and national responders by 2020. This study sheds a light at the national level on that target by providing data on the level of direct and indirect funding to local and national humanitarian agencies in Bangladesh in 2016 and 2017, and by providing insights into opportunities and barriers to furthering this commitment.

Summary Findings

The volumes of international humanitarian assistance to Bangladesh increased eight-fold between 2016 (US\$72.4 million) and 2017 (US\$587.9 million), but the proportion of that received by Local and National Humanitarian Agencies (LHNAs) decreased. In 2016, an estimated 38% of this funding was channelled to local and national organisations, while in 2017 they received only 10%. The Government received the largest share of the direct funding to local and national responders in Bangladesh in 2016, while in 2017 national NGOs represented the largest recipients.

The increase in funding was primarily reflected in higher volumes to international agencies. While these increased the volume of funding they then passed further down to LHNAs, including the Government, the share LHNAs received decreased from 80% in 2016 to 22% in 2017.

Language barriers present an initial but substantial barrier to LHNAs participating fully in grant application processes. Solicitation information is provided in English, excluding local organisations. There are multiple channels through which local and national NGOs obtain information on grant opportunities. Funding relations tend to rely on historic partnerships, with limited pre-qualification opportunities. Joint proposals are not common practice. Donor-driven, activity-driven budgets negatively impact on agencies' ability to build in learning and exchange.

The quality of funding has decreased over time, as international grants support less programme-structured work and more project-based work that is short-term in nature, less flexible and with reduced contributions towards allowable overhead costs. Two particular current practices prevent LHNAs from increased their international grant-based income; intermediaries require match-funding for overheads, and the Government of Bangladesh places restrictions on LHNAs from implementing projects spanning longer than six-months in Cox's Bazar.

All agencies alike grapple with the paradox of investing in longer term capacity while engaging in a humanitarian response, which is by default short-term. Existing local and national NGOs have strengthened their capabilities on resilience and development-

like programmatic work over time, however the response to refugees identified knowledge and skills gaps they have. They have demonstrated sustained commitment to improve their HR, financial or governance systems.

The speed and scale-up of the response in Cox's Bazar is perceived to have been marked by less than perfect coordination, as international agencies fell back on business-as-usual practices of sub-contracting implementing partners. Local and national organisations on one hand, and intermediaries on the other, diverge in their perceptions – the former note a lack of sustained, committed efforts from international agencies, while the latter claim that they have provided some investments in their partners' capacities.

All agencies show commitment to core principles of partnership, despite shortfalls in practice. The main drivers that affect current partnerships revolve around trust and long-standing relationships, due diligence processes, decision-making, technical expertise, partnership frameworks and mindset.

The response to refugees, not without its challenges, afforded Bangladeshi organisations with more visibility and created positive and collective pressures from the ground-up to progress global localisation commitments. There is increased awareness of the Grand Bargain among NGOs in Bangladesh, who are particularly attuned to the localisation debates. There was however no field-testing of established disaster response capabilities in the country in 2018, as it was a year of no floods.

While the quality of funding to LHNAs does not appear to be increasing the global debate on localisation may have acted as a springboard in triggering more dialogue between LNHA and international agencies. Conflicting views remain between the two groups; LNHAs feel that they are in competition with international intermediaries for international grants, and sense that the very local agencies will be left behind. In contrast, international agencies identify practical limitations to localise their response more, due to national counterparts' limited ability to absorb increasing levels of programming and poor practice issues. More broadly, a lack of monitoring tools and progress indicators within the Grand Bargain workstream prevent a clearer understanding of results achieved on the road to enhanced localisation.

Local and national humanitarian organisations in Bangladesh have diversified their funding base and commonly have multiple income streams, ranging from traditional international grants to funds raised locally from communities, the private sector or the Government, or originating from their own income generating activities. None of the organisations interviewed reported being in receipt of direct institutional funding, however.

Summary Recommendations

For Government of Bangladesh

1. Create a more enabling environment for a more efficient response and reduce bureaucracy surrounding required certifications and clearances.
2. Build on its experience in upscaling disaster management capabilities, that has included local responders positively, to further localise refugee response.

3. Seek investments across the resilience-humanitarian-development spectrum.

For international agencies

1. Continue to further efforts in pursuit of a principled approach to partnerships.
2. Continue campaigning at international level and leverage their reach and strong advocacy voice at high-level fora in pursuit of a more localised response.
3. Develop up platforms that facilitate access to information, enable dialogue and knowledge exchange. Close consideration should be given to communication in the local language, or provision of information in both English and Bangla.

For local and national organisations

1. Strengthen dialogue with peers, to support mutual learning and growth, and form a more unified collective voice.
2. Capitalise on established expertise in the country and consider the potential of new approaches to organisational investments, such as new partnership modalities and investments in their fundraising function.
3. Continue to pursue investments in their own organisational capacity – primarily, but not only restricted to, staff turnover, standardising pay-scales, upgrading key organisational policies, and continue to participate in humanitarian coordination.

Introduction

Local context for the humanitarian response in Bangladesh

There is an established development-humanitarian ecosystem in Bangladesh. Non-Governmental Organisations (NGOs)¹ have a history of responding to recurrent disasters associated with natural hazards, and of implementing development programmes focussed on socio-economic growth. The influx of refugees in 2017 constituted a relatively different type of response for these Bangladeshi organisations. They nonetheless mobilised resources from the first days of migration by Rohingya refugees fleeing from Myanmar and supported forming the necessary humanitarian coordination mechanisms.

A shift in international funding from flood support to response to the Rohingya population reportedly led NGOs to express concerns regarding diminished support for Bangladeshi people requiring support against floods in 2017. Local and national humanitarian agencies thus affirm their commitment to advocating for ongoing support for both Bangladeshi and Rohingya populations.

The Government has demonstrated its commitments to enhancing its natural hazard preparedness and response capabilities over time. The Government's manifest leadership in disaster risk management, along with investments it made at all levels – national and local authorities as well as community-based – have translated into strengthened capacities to cope with such crises. Validating this is the fact that Bangladesh has only had one UN-coordinated flash appeal in 2004². In 2017 however Bangladesh joined the appeal ranks following the Rohingya population migration into Cox's Bazar. Launched in October, the Rohingya Refugee Crisis Humanitarian Response Plan sought US\$434.1 million to respond to the needs of an estimated 1.2 million people. The 2018 Jointed Response Plan requested over twice that - US\$950.8 million, for a 1.3 million population in need, both Rohingya and Bangladeshi. Overall, there are 59 appealing organisations part of the 2018 appeal – and of these 22 are local and national (37%).

The response plan also makes explicit references to progressing a more localised response, under Government leadership: *“Two-way capacity building will be extended to new and existing national partners, including local government institutions, to augment response capacity, and with a view to localization of the response.”³*

Two years on from the Grand Bargain commitment for enhanced recognition of local and national organisations' contributions in crises, Bangladeshi organisations have become attuned to the policy debates. They have increased their participation in global and national fora. NGOs in Bangladesh set up a national platform in January 2017, the National Alliance of Humanitarian Actors in Bangladesh⁴ (NAHAB), with the aim of enabling a collective advocacy voice and enhancing dialogue among humanitarian responders. Local and national NGOs supporting displaced people have also set up the Cox's Bazar CSO-NGO Forum (CCNF) for better response coordination and engagement with the Government⁵.

The Grand Bargain localisation workstream completed a “demonstrator country” Field Mission in Bangladesh in September 2018 that identified good practices, barriers and recommendations in order to progress a more localised response in Cox’s Bazar and the country more broadly⁶.

Background to the study

The ‘Grand Bargain’ agreed by 18 donor countries and 16 aid agencies in May 2016 listed 51 commitments aimed at bringing reform to the humanitarian ‘system’, including a set of commitments under Workstream 2: More Support and Funding for Local and National Responders⁷. This commitment sets a target of 25% of global humanitarian funding to be provided ‘as directly as possible’ to local and national responders by 2010. Yet by 2017 just 2.9% of total international humanitarian assistance went directly to local and national responders, up from 2% in 2016⁸.

The agreed definition of ‘as directly as possible’ allows for inclusion of funds passed through one intermediary⁹; 3.6% of all global humanitarian funding was provided directly or through one intermediary in 2017, up from 2.3% in 2016. In 2017, 2.4% of all funding could be traced as directed through one intermediary to local and national responders, up from 1.7% in 2016.

The figures above were based on global-level aggregate data and are only partial due to the lack of comprehensive data on the funding chain, including country-level flows. In 2016 Oxfam conducted research into country-level humanitarian assistance flows and found that of US\$62 million flowing to Bangladesh in 2015, an estimated \$12 million, or 20% of the total reached local and national responders ‘as directly as possible’, largely through sub-contractors to international agencies¹⁰.

This paper builds on that initial study with two key objectives:

1. To assess how much, and through which channels, direct and indirect international humanitarian funding goes to local and national humanitarian organisations from international NGOs, UN agencies and the donor community in 2016 and 2017; and to provide a snapshot of the funding landscape for a sample of women’s rights organisations participating in the humanitarian response in Bangladesh;
2. To identify trends in funding behaviour, and drivers of change in funding flows since the World Humanitarian Summit and the Grand Bargain.

The report is structured into two main sections parts: the first compiles analysis of funding figures to local and national responders, while the second provides a synthesis of perceptions regarding access to and quality of international grants local and national NGOs have received over 2016-2017. The concluding section provides recommendations for progressing global localisation policy commitments pertinent to the Bangladesh humanitarian context.

Methodology

The study used a mixed methods approach, combining qualitative and quantitative data. Primary quantitative data provided by national and international humanitarian responders on international humanitarian assistance flows for fiscal years 2016 and 2017 was cross-checked with an analysis of data drawn from OCHA’s Financial Tracking Service (FTS), OECD Creditor Reporting System (CRS) and IFRC Federation-Wide Databank and

Reporting System, where data was available. The analysis aggregated data into two core categories: local-national and international. Qualitative data was collected through in-country interviews with national and international humanitarian organisations. A total of 11 interviews were undertaken - 5 with local and national NGOs and 6 with international agencies.

Quantitative data for international agencies was collected through purposive sampling of those agencies identified as intermediaries that passed funding to second-level recipients or in receipt of over US\$5 million in any year of reporting to FTS; the selected agencies received 69% of all international humanitarian funding into Bangladesh in 2016 and 90% in 2017. Quantitative data for local and national organisations was collected through an initial purposive sampling from a full list of 22 agencies provided by Oxfam of those agencies with a specific remit for women's rights; this identified 2 agencies. An additional 2 agencies were then identified through systematic random sampling of the remainder of agencies on the list.

Two separate survey tools were distributed according to category of respondent:

1. One survey disseminated to intermediary agencies that requested data on funding they passed on to implementing partners in 2016 and in 2017;
2. One survey disseminated to local and national NGOs that requested data on funding they received from international sources in 2016 and in 2017.

Qualitative interviews were conducted in-country during the week January 13 to 18, 2019, using a semi-structured key informant interview format prior approved by Oxfam. The 11 interviews yielded 144 data points, or 14 per interview. Those with greater knowledge or experience of the subject matter provided more data points. Data was content coded using pre-determined analysis codes but allowed for the additional emergent categories of analysis. Coding and analysis were conducted by the interviewer and then checked by a second analyst. Individual interviewees or agencies are not cited.

Methodology limitations

Response rates: Of the 12 intermediary agencies who were sent a quantitative survey, 5 responded, or 42%. Of the 23 national or local agencies who were sent a quantitative survey, 18 responded, or 78%. Three of the 18 indicated that they received no international (or national) humanitarian funding at all for the years of study. At least two requests additional to the initial correspondence to each agency included in the quantitative survey were made but not all agencies responded.

Data discrepancies: Discrepancies were identified between data from intermediaries and that from national and local implementers. At least two rounds of iterative checks were conducted with submitting agencies but not all data queries could be fully resolved.

Data visibility: Data from FTS does not allow for full visibility through the transaction chain. Data provides a partial picture only and does not show the totality of funding. In addition to the lack of comprehensive data beyond first-level recipients, it does not capture funds from economic activities and assets. The extent to which nationally-raised are reported is underdetermined, but likely that none are captured on FTS.

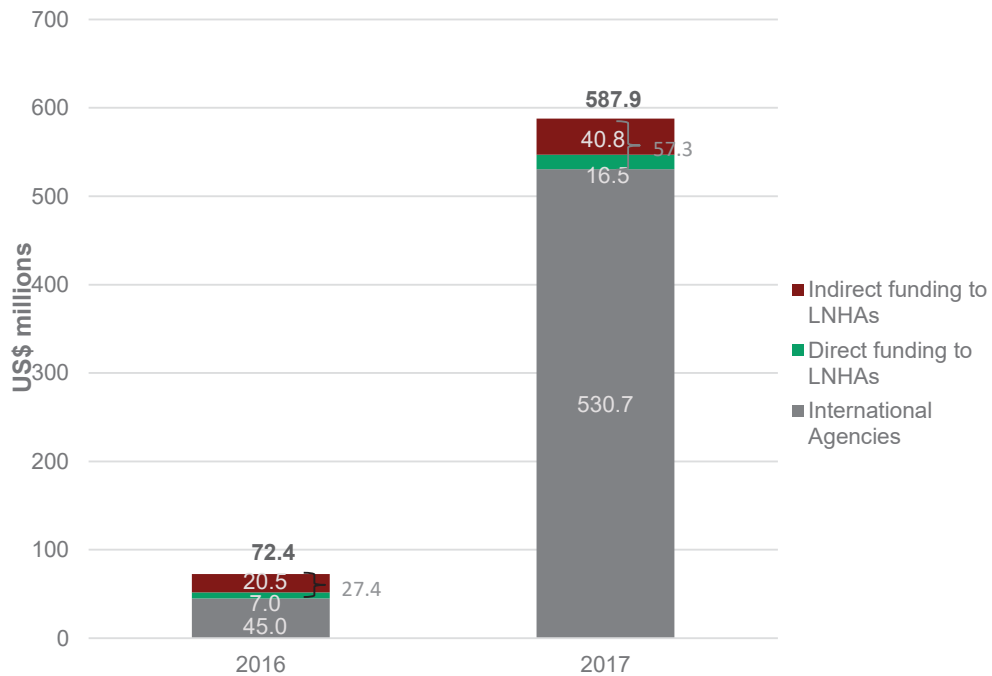
Data representativeness: Qualitative findings should not be read as necessarily statistically representative of the wider humanitarian landscape, given the small sample size, but should be read as points for reflection and wider discussion. Qualitative data was based on respondent opinion largely, supported by organisational documentation where appropriate and where available.

Findings

Section I: Funding flows analysis

Figure 1: International humanitarian assistance to Bangladesh, 2016 and 2017

Over 2016-2017 the majority of funding to local and national humanitarian responders was channelled indirectly. While contributions increased eight times between the two years, the majority of this went to international agencies. Proportionally, direct funding to local and national organisations decreased from 10% in 2016 to 3% in 2017.



Sources: Development Initiatives based on its own survey, OECD Creditor Reporting System (CRS), UN OCHA FTS, IFRC Federation-Wide Databank and Reporting System and UN Exchange Rates.

Notes: Direct funding refers to that which originates from primary donor - often governments and private entities - or publicly-raised funds in the case of UN agencies and INGOs, which is then given to local and national organisations, i.e. funding that does not pass through an intermediary; indirect funding is that which is channelled through at least one intermediary to local and national responders. Where primary data was not available, UN OCHA FTS, OECD CRS and IFRC data was used. Data in current prices.

Between 2016 and 2017, international humanitarian assistance to Bangladesh increased eight-fold from US\$72.4 million to US\$587.9 million. This growth primarily translated into

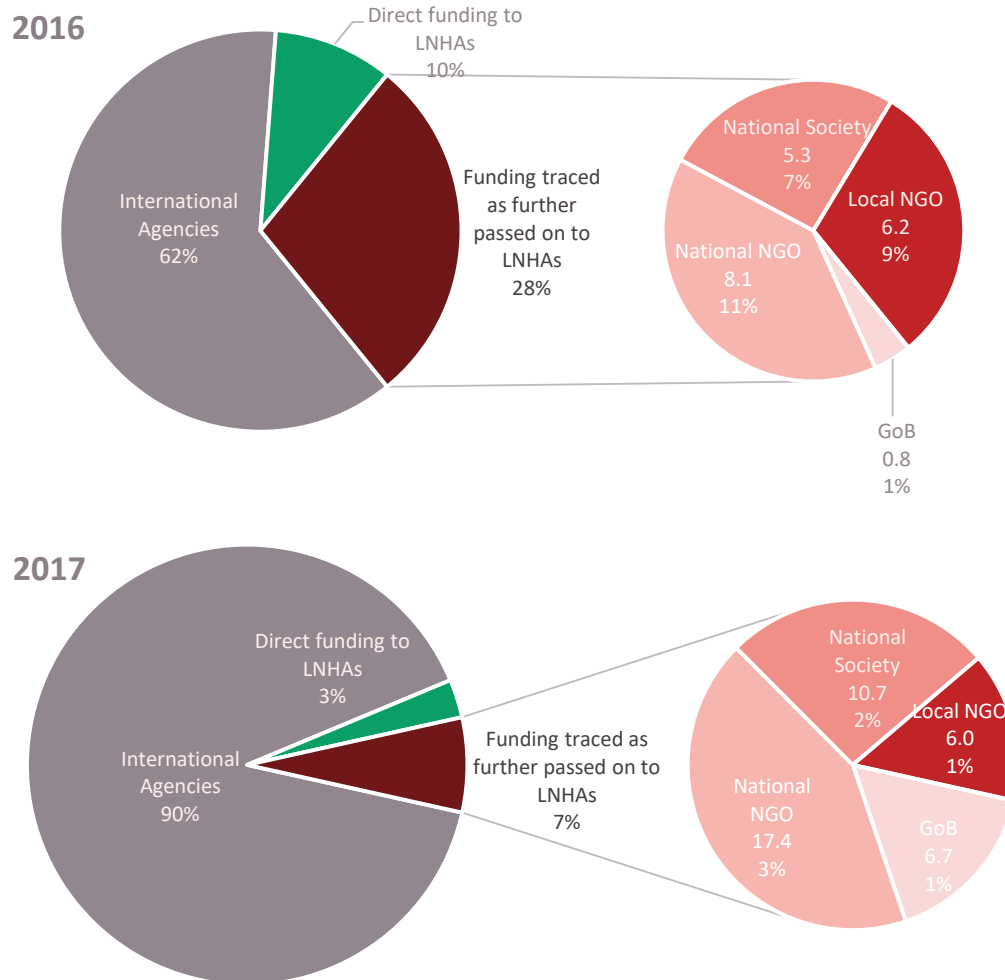
higher contributions to international organisations – their volume increased 12 times between the two years.

The share of international humanitarian assistance to local and national organisations in 2017 constituted 10% of the total, these having received US\$57.3 million. This represents a growth of 109% on 2016 volumes. It is however significantly lower compared to the proportional increase in total contributions to Bangladesh. Implicitly, this means the overall share local and national organisations received of the total decreased 52% from 38% in 2016 (US\$27.4 million).

In both years the majority of international humanitarian assistance reaching local and national humanitarian organisations was therefore channelled indirectly. In 2016, 75% (US\$20.5 million) of the funding that reached LNHAAs had passed through at least one intermediary, while in 2017 the same share was 71% of the year's total (US\$40.8 million).

Figure 2: Indirect funding to local and national organisations in Bangladesh, 2016 and 2017

The proportion of indirect funding of total international humanitarian assistance decreased from 28% in 2016 to 7% in 2017. National NGOs received the largest portions of indirect funding in both 2016 and 2017. Of the indirect funding recipients, local NGOs received less in 2017 compared to 2016, and their overall share decreased from 9% to 1%.



Source: Development Initiatives based on its own survey, OECD Creditor Reporting System (CRS), UN OCHA FTS, International Federation of Red Cross and Red Crescent Societies and UN Exchange Rates.

Notes: Direct funding refers to that which originates from primary donor - often governments and private entities - or publicly-raised funds in the case of UN agencies and INGOs, which is then given to local and national organisations, i.e. funding that does not pass through an intermediary; indirect funding is that which is channelled through at least one intermediary to local and national responders. Where primary data was not available, UN OCHA FTS, CRS OECD and IFRC data was used. Data in current prices.

The increase in international humanitarian assistance to international agencies in 2017 meant local and national organisations received a lower proportion of the total, down from 28% to 7%.

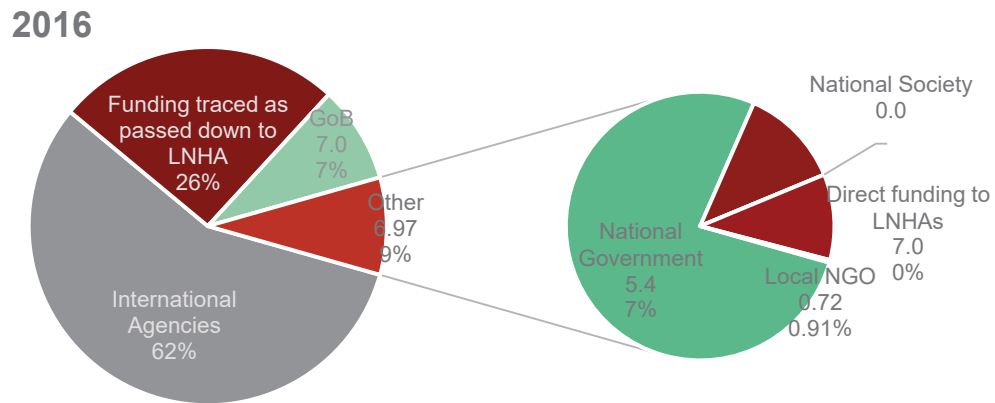
In 2016, the funds traced as being channelled through at least one intermediary went primarily to Bangladeshi NGOs - national NGOs received both the largest volume and proportion of indirect funding (US\$8.1 million, 11% of total), followed closely by local NGOs

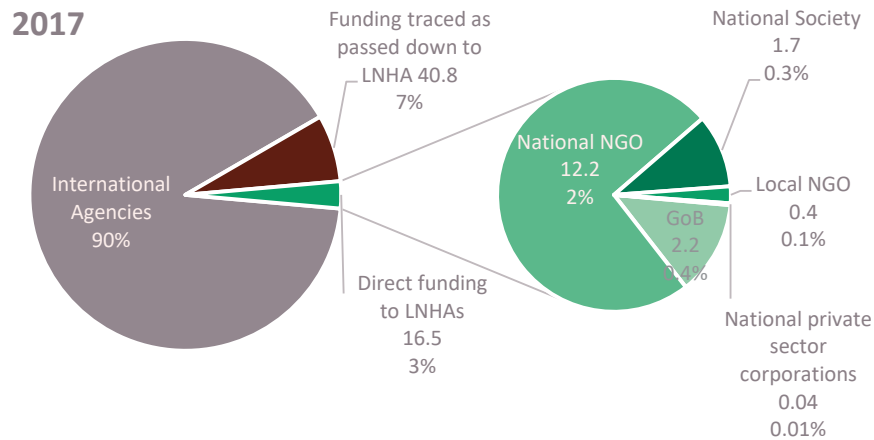
(US\$6.2 million, 9% of total) and the Bangladesh Red Crescent Society (US\$5.3 million, 7% of total). The Government of Bangladesh received only 1% of the indirect funding (US\$0.8 million).

Higher volumes of international humanitarian assistance to the Government in 2017 meant it maintained the same proportion of the total it had received in 2016 – 1%, given the overall growth in flows to Bangladesh. However, indirect funding to NGOs did not keep pace with increases in total humanitarian assistance, resulting in their receipt of a lower proportion of funding – while the volume of assistance they received more than doubled to US\$17.4 million, their share only accounted for 3% of the total. Local NGOs were the only group to have received lower volumes of indirect funding in 2017 compared to 2016, down from US\$6.2 million to US\$6.0 million. This resulted in their overall share decreasing by 8%.

Figure 3: Direct funding to local and national organisations in Bangladesh, 2016 and 2017

While volumes of direct funding to local and national organisations more than doubled between 2016 and 2017, the overall proportion of this funding out of the total decreased from 10% to 3%. While in 2016 the largest recipient of direct funding was the Government of Bangladesh (77%), in 2017 national NGOs received the bulk of it (74%). Once again, local NGOs received both lower volumes and shares of direct funding in 2017 compared to 2016.





Source: Development Initiatives based on its own survey, OECD Creditor Reporting System (CRS), UN OCHA FTS, IFRC Federation-Wide Databank and Reporting System and UN Exchange Rates.

Notes: Where information was not available, UN OCHA FTS, CRS OECD and IFRC data was used. Data in current prices.

Mirroring the trend in indirect funding, the share of direct humanitarian assistance to local and national humanitarian organisations decreased from 10% in 2016 to 3% in 2017.

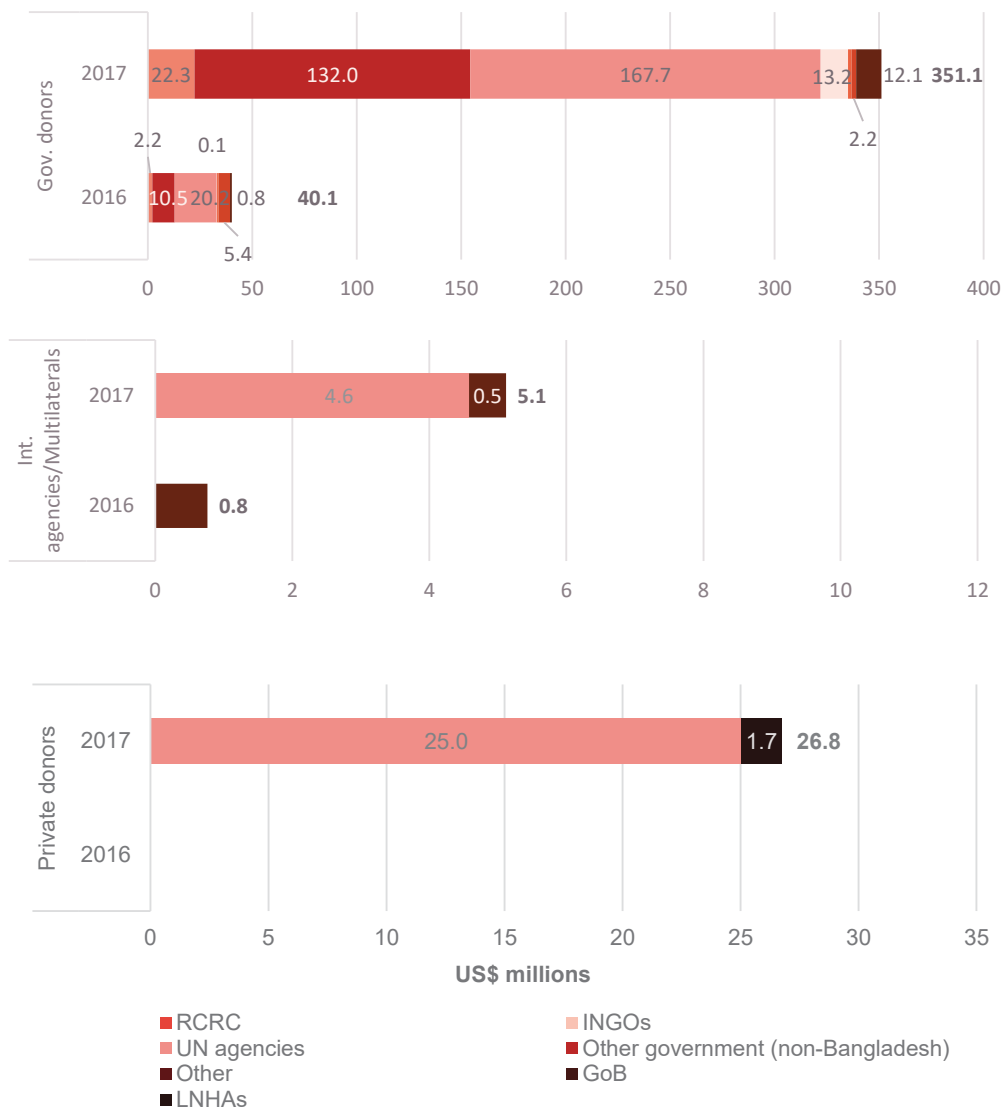
In 2016, the largest recipient of direct funding was the Government of Bangladesh (US\$5.4 million, 7% of total IHA), while local and national NGOs each received 1% of the total.

In 2017 however, national NGOs and the Bangladesh Red Crescent Society received the majority of direct funding (US\$13.9 million, 2.3% of the total). Direct funding to the Government of Bangladesh decreased by 60% to US\$2.2 million (0.4% of the total). The change was primarily driven by institutional donors directing larger contributions to NGOs.

Direct funding to local NGOs overall decreased by 47% to US\$0.4 million (0.1% of the total) in 2017. The share received by national private sector corporations remained low at 0.01% of the total.

Figure 4: First-level recipients of international humanitarian assistance to Bangladesh by donor type, 2016 and 2017

Government donors represent the largest contributors of international humanitarian assistance. They channel the majority of their funding through international agencies. Notably, these donors reduced their contributions to the Government of Bangladesh between 2016 and 2017, from US\$5.4 million to US\$2.2 million. Proportionally, government donors increased their contributions to local and national NGOs from 2% to 3%, or from US\$0.8 million in 2016 to US\$12.1 million in 2017.



Source: Development Initiatives based on its own survey, OECD Creditor Reporting System (CRS), UN OCHA FTS, IFRC Federation-Wide Databank and Reporting System and UN Exchange Rates.

Notes: RCRC: IFRC, ICRC and National Societies outside Bangladesh. GoB: Government of Bangladesh. LNHAs (local and national humanitarian agencies): national NGOs, Bangladesh Red Crescent Society, local NGOs and national private sector corporations. Other: International private sector corporations, pooled funds, other multilaterals. First-level recipients refer to organisations that receive 'new money' as reported on FTS. The amount of funding provided as intermediary donors is subtracted from the amount of funding received as first-level recipients. Where information was not available, UN OCHA FTS, CRS OECD and IFRC data was used. Data in current prices.

The majority of direct funding is provided by government donors. In both 2016 and 2017, these donors contributed 98% (US\$40.1 million) and 92% (US\$351.1 million) of direct international humanitarian assistance. The largest recipients of direct contributions from government donors were UN agencies, the IFRC and ICRC, and INGOs; together these accounted for 82% in 2016 and 92% in 2017 of total government donors' direct funding.

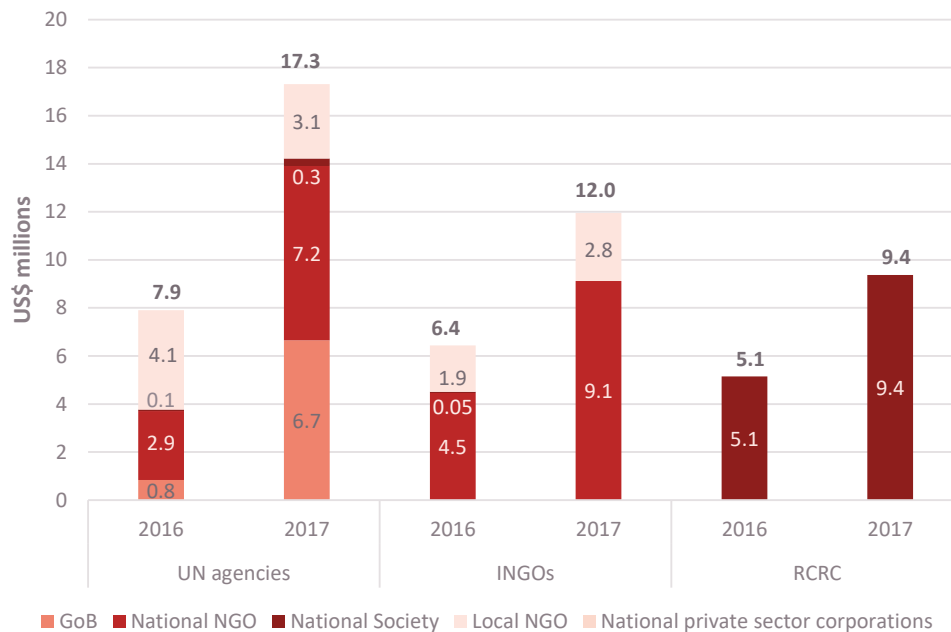
Between the two years, government donors reduced their direct contributions to the Government of Bangladesh from US\$5.4 million to US\$2.2 million; proportionally, this meant a reduction from 13% to 1% of government donors' contributions to Government of Bangladesh.

Contributions from international agencies increased almost six-fold from US\$0.8 million (1.9% of total) in 2016 to US\$5.1 million (1.3% of total) in 2017. Their 2016 contribution went exclusively to national NGOs.

There were no direct contributions from private donors¹¹, which include private individuals and corporations, reported in 2016. In 2017 however, 93% (US\$24.9 million) of their contributions were directed to UN agencies, while the remainder was given to national NGOs and the Bangladesh Red Crescent Society.

Figure 5: International humanitarian assistance passing through intermediaries, 2016 and 2017

Of the funding reported as passed downwards by intermediaries, 80% was given to local and national organisations in 2016 and 22% in 2017. Of the intermediaries, UN agencies represent the largest contributors to local and national organisations, with a total of US\$17.3 million in 2017. National NGOs received the bulk of this funding. Similarly, INGOs direct the majority of their funding to national NGOs. While UN agencies reduced their contributions to local NGOs between the two years, INGOs increased theirs.



Source: Development Initiatives based on its own survey, OECD Creditor Reporting System (CRS), UN OCHA FTS, IFRC Federation-Wide Databank and Reporting System and UN Exchange Rates.

Notes: RCRC: IFRC, ICRC and National Societies outside from Bangladesh. INGOs: International NGOs, Internationally affiliated NGOs and Southern International NGOs. Where information was not available, UN OCHA FTS, OECD CRS and IFRC data was used. Data in current prices.

INGOs, UN agencies and the RCRC reported US\$24.3 million in downward contributions in 2016, and 80% of these (US\$19.5 million) were directed to local and national humanitarian organisations. In 2017, these same intermediaries increased their downward contributions more than seven-fold, to US\$178.9 million; their contributions to local and national humanitarian organisations did not keep pace however – they doubled to US\$38.7 million. The share of contributions the international organisations passed on to local and national humanitarian organisations overall declined to 22%.

The volumes of funding UN agencies received increased by 119% between 2016 and 2017. Of all intermediaries, UN agencies provided the largest share of contributions to local and national humanitarian organisations in 2017 – 45% (US\$17.3 million). Among these recipients, national NGOs get the greatest share (42%), followed by the Government of Bangladesh (38%). Overall contributions to national NGOs rose by 152%, from US\$2.9 million in 2016 to US\$7.2 million in 2017, while those to the Government increased seven-fold, from less than US\$1 million to US\$6.7 million. UN agencies reduced their contributions to local NGOs by 24% from US\$4.1 million to US\$3.1 million, their overall share dropping from 52% in 2016 to 18% in 2017.

INGOs also increased their contributions to local and national humanitarian organisations, albeit at a slower pace, by 86% from US\$6.4 million in 2016 to US\$12.0 million in 2017. The largest share of INGOs' contributions was channelled through national NGOs in both years, 69% (US\$4.5 million) in 2016 and 76% (US\$9.1 million) in 2017. The remaining contributions went almost entirely given to local NGOs in both 2016 (US\$1.9 million) and 2017 (US\$2.8 million).

The RCRC (IFRC and ICRC) saw contributions increase by 82% from US\$5.1 million in 2016 to US\$9.4 million in 2017. All RCRC contributions went to Bangladesh Red Crescent Society.

A note on data gaps

The data collection and analysis identified large discrepancies in figures from intermediaries versus those from implementers. Despite attempts to verify figures, the absence of a shared understanding of terminologies and definitions prevented assembling reconciled figures. Additionally, there was no data provided by two intermediaries whose total onward contributions make up more than 50% of total flows.

While FTS provides funding to UN appeals and beyond, not everything is yet reported and there remain gaps in following the money through the transaction chain. This also prevents identifying the number of layers in-between as well as a better understanding of intermediary funding flows (for examples between international organisations, including pooled funds). The globally reported data therefore provides a partial picture and does not show the totality of funding, as it particularly does not capture nationally-raised funds or from other economic activities and assets.

Section II - Perceptions of the local funding landscape

Within the context of a shrinking global funding environment, international agencies are dealing with reduced quality of the funding they receive themselves, which then translates into limited opportunity to pass flexible funding to their local and national implementing partners. All organisations interviewed in the study confirmed increased international grants-based income since 2017, in response to the Rohingya crisis. The Bangladeshi NGOs that did have the confidence, initiative and risk management capabilities to deliver refugee response acknowledge they may have reached saturation, but others remain uninformed or outside formal coordination structures.

The Government's reaction to the influx of refugees was reported to have increased bureaucracy and tighten restrictions, with some respondents perceiving that it did not commensurately increase its levels of oversight, which led to some inefficiencies. The Government's leadership in the response and in the UN appeal notwithstanding, there is a general perception that overall humanitarian coordination can be improved. Frequent UN staff turnover, duplication and fragmentation in response, and lack of open dialogue still prevent optimal response.

Global policy commitments resonate with all responders in Bangladesh, but there remains space for broader dissemination and dialogue. There are signs of both genuine commitment and willingness to increase investments for a more localised response. The classification proposed by the Localisation Marker Working Group¹² however is perceived as potentially divisive as it does not capture nuances pertaining to the diverse responders and accompanying dynamic relationships in-country, particularly:

- Conflating local and national organisations in a single category implies the civil society organisation environment in Bangladesh is homogenous, however there may exist segmentations that prevent full engagement of both types of organisations in the response;
- Country offices of international agencies are better described as hybrid organisations, having an international brand affiliation potentially without the benefits that may usually accompany that, but well placed to progress a more localised response through their proximity to and long-standing relationships with implementers.

“In fact, somehow, most of the INGOs and UN are the kingdom of their CDs”.
(#K111)

Information on and access to international funding

There are multiple channels through which LHNAs obtain information on grant opportunities, with varying levels of access to these sources. More established organisations agree they have access to sufficient competitive tender information, either through the funder's website, newsletters or advertised in newspapers. These organisations also screen opportunities against their own strategies to align priorities and assess their own added value. It is likely they have dedicated teams actively seeking new opportunities.

There are limited arrangements whereby local and national NGOs are pre-positioned or pre-qualified partners; this implies they need to complete different due diligence processes for each project and for each funder. Both local and national NGOs, but local ones in particular, tend to rely on historic relations with funders primarily. Reportedly, trust built over time and familiarity with each other's ways of working afford Bangladeshi organisations with opportunities to either submit unsolicited applications or request funds from their long-standing funders.

Similarly, joint submission of proposals is infrequent. International NGOs remain the bid "lead" and either seek and contract partners post-win or ask partners to develop particular sections of the proposals. The international agencies interviewed reported offering feedback to applicants who are unsuccessful, or "coaching" them during implementation where there are issues and there is a need for support. The opportunities for co-design, while sparse, are becoming a priority for some INGOs, but the support they can provide on proposal submission is limited by their own dwindling unrestricted resources. Donors' requirements for activity-based budgets ultimately restrict building in capacity investments.

Local and national organisations are unclear on funding requirements generally. The organisations are aware of a changing external environment; for example, donor policies based on changing national priorities, the push for humanitarian system reforms, or the pressure to evidence value for money. Additionally, international agencies have their own country strategies. These two combined compound difficulties for local and national organisations to submit targeted proposals, while simultaneously aligning funding to their own strategies.

International agencies' proximity to donors and fundraising capacity are perceived as additional impediments by local and national agencies to access grants. Local and national organisations consider internationals as direct competition for funding. This is perceived to be more acute when international agencies form consortia between themselves, excluding local or national partners, further undermining local funding mobilisation.

Lastly, an overarching challenge remains, namely that all funding information made available is in English. Local organisations in particular need to demonstrate not only competence and expertise, but also provide the evidence in what is to many a second language. While these NGOs may meet the criteria, they may encounter barriers in either understanding critical requirements or providing adequate narrative in line with donor technical language and priorities.

Funding response and quality of funding

The more established organisations in Bangladesh have strategies that explicitly plan for financial sustainability by minimising reliance on international grant-based income. These all implement multi-sectoral programmes and have long-standing experience in delivering development and natural hazard-related programmes.

The local and national organisations interviewed in Bangladesh reported having multiple income streams, and do not solely rely on grants from international agencies¹³. They tend to supplement international grants with their own income-generating activities (such as microfinance programmes, universities or training institutions, and assets), private funding raised nationally from Bangladeshi communities, or funding from the Government. When faced with deficits, organisations may request bridging contributions from their own board or established partners and philanthropists. None of the organisations is currently in receipt of *direct*¹⁴ funding from institutional donors¹⁵.

The quality of international funding more broadly has declined over time, with lower contributions towards overheads and management costs, or that allow for adjustments during implementation. According to local and national organisations, grants tend to be 'projectised', meaning the funding is restricted to discrete short-term deliverables. While the organisations historically received more flexible international grants for programmes, rather than projects, funding is currently earmarked by geography or sector, and short-term in nature. Refugee response aside, organisations do report some receipt of longer-term grants for development-related programmatic work.

“The charity model needs to adapt and change. How do you do more fundraising, which is a brand value? How do you create brand value?” (#K117)

Lack of consistency across funders in their policies on covering overheads creates confusions and budgeting challenges for LNHAs. Some funders may contribute between 3% and 5%, while others require grantees to cover part of the costs themselves or to seek additional contributions from other agencies. The absence of a standard 'blanket' policy on covering overheads may be driven by multiple factors: intermediaries may receive larger overheads but headquarter costs are implicitly higher; intermediaries do not receive flexible and multi-year grants themselves.

Local and national agencies' reported inability to match-fund leads to a loss of opportunity to access grants. These entry barriers affect smaller organisations who are not able to match-fund overhead costs, either from their own income or from other sources.

The Government of Bangladesh precludes local and national organisations from implementing projects in Cox's Bazar for longer than six months. This may further disincentive international agencies to provide longer-term grants. This gives intermediaries an 'unfair advantage' to implement longer projects or to change implementing partner with every cycle, further heightening funding uncertainty for local and national organisations.

Considerations on funding to women's right organisations

The local and national organisations in the study have a long history of delivering programmes in the country where gender is an integral cross-cutting theme in project design and delivery.

The NGOs did not report having applied for or won bids for projects that had a specific gender-focus. However, some of the projects may include elements of GBV programmatic work. Overall, none of the funding they received was earmarked for delivering gender-related projects.

The two women’s rights organisations that did provide data for the quantitative element of the study reported receiving indirect funds of less than US\$0.2 million in total for each of 2016 and 2017 (or less than 2% of the reported total).

The recently formed Bangladesh Women Humanitarian Platform brings together women’s rights organisations and has the potential to enhance efforts towards gender equality and women empowerment alongside efforts to localise humanitarian response.

Capacity investments

In the absence of a concrete definition for “capacity”¹⁶, the term has different meanings to different organisations and individuals. What is widely acknowledged is that it is a process that requires time and not solely one-off investments. Considerations to capacity investments in humanitarian response create a paradox in Bangladesh and elsewhere: how to sustain such efforts when funding is by default short-term.

Organisations with significant history with development programming and natural hazard responding have developed and consolidated certain areas of institutional expertise either through long-term or recurrent funding arrangements. There is broad agreement these NGOs have the added value of knowing the people and the areas, and can navigate bureaucracy, meaning they are overall more efficient when it comes to disaster management.

“Can’t wait for plane to fly in. People are helping people first. The community is the first responder.” (#KII7)

The 2017 refugee response required new skills and knowledge, and tested agencies’ capacities, bringing out their limitations to absorb increasing levels of funding. International agencies perceive that Bangladeshi organisations reached a saturation point and could not implement programmes to match the size of inflows required for a significant scale up of response. The rapid escalation of response hampered a fully-harmonised coordination among all the responders in Cox’s Bazar which in turn fed local and national organisations’ perception that international agencies bypassed them and fell back on usual modus operandi.

Local and national NGOs have invested and are still investing in attaining high quality standards – whether through international certifications¹⁷ or as requested by their funders. Cognisant of agencies’ own accountability requirements, local and national organisations are keen to continue to improve their HR and financial management, and governance practices. They acknowledge that they still require support to improve their systems, processes and policies to better serve the people within their scope. However, they have an overall sense of increased confidence to assume higher risk and implement larger programmes, while balancing this against strategic vision and priorities.

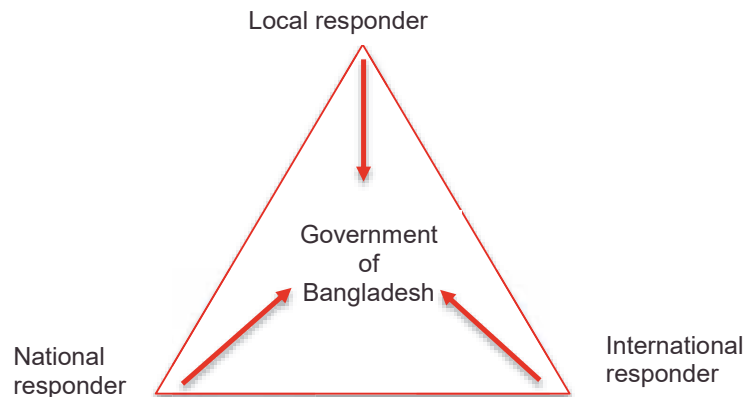
Without sufficient investments in human resources, LNHA staff may choose to leave, often-times for higher salaries with international agencies. This has been the case over the past two years when staff relocated to Cox’s Bazar. LNHA’s recognise they rely on committed and loyal core staff members. The lack of standardised pay scales may also lead to varying pay depending on funder and project, and

“Flying staff between emergencies requires a mindset shift.” (#KII7)

along with the short-term nature of project work that hampers job security, further disincentive staff.

There are divergent perspectives on capacity investments between international agencies and LNHA. International agencies report that they are supporting local and national organisations to improve their processes and management systems throughout the project lifecycle, albeit within constraints. LNHA perceive only limited support and signs of enhanced dialogue over the past two years. These translate into a perception of continuous one-way reliance on international agencies to provide support on fundraising, proposal writing, monitoring and reporting.

Relationship dynamics between local, national and international organisations and the Government of Bangladesh



Humanitarian responders in Bangladesh are becoming more circumspect about their funding arrangements, but simultaneously more committed to principled approaches towards a complementary division of labour. The response in Cox's Bazar tested some of these commitments and has achieved limited successes so far. International organisations broadly reverted to business-as-usual, further preserving sub-contracting approaches to implementation. This is however partly attributable to the speed and scale of the response required; it is acknowledged that international agencies possess better 'surge' capacity in terms of speed and volume of response.

Interviewees reported general consensus whereby a number of issues that prevent optimal impact of funding arrangements:

Trust and long-standing relations

There is some sense of distrust among international agencies, due to some Bangladeshi NGOs' poor practices; this tarnishes the perceptions international agencies have of local and national agencies more widely. Current implementation partnerships extensively rely on historic working relations. Long-standing INGO presence in the country and an established development NGO environment in Bangladesh has led to mutual trust over time as well as a shared knowledge and levelled expectations.

However, ways of working on development programmatic work are not currently the default in humanitarian response, with significantly fewer opportunities to set up long-term partnerships.

Some level of mistrust may also derive from a lack of LNHA “self-accountability”; this leaves questions to funders around their commitment to people and around their business growth model – whether they see opportunity for future markets as a spin-off from their humanitarian activities.

Due diligence processes

For organisations with limited resources, completing multiple forms for each project, funder, and at times simultaneously, however cursory the exercise, is perceived as an onerous process. International agencies, however, may use the information to identify areas for improvement and to build in support for systems strengthening, where feasible. LHNAs do however acknowledge the importance of rigorous control systems and adherence to compliance standards.

Decision-making

Funding decisions often rest with headquarter offices – in the case of both donors and international agencies, effectively reducing country-level autonomy. Country offices of international agencies feel they are between a rock and a hard place – closer to implementers and intentional about localising response, but with limited leverage to affect decisions or allocate portions of their own limited overheads.

Technical expertise

The legal and protection expertise required to support refugees revealed gaps in skills and knowledge that local and national organisations may need to still build on. It is acknowledged that local and national organisations strengthen response through their knowledge of affected areas, their ability to navigate the local government bureaucracy, their proximity to communities, as well as their ability to speak the local language and quickly gain the trust of communities. However international agencies are better able to diplomatically defend humanitarian principles against government requests for information on refugee populations. Their international legal expertise supported initial response in Cox’s Bazar. This highlights the need for a complementary approach to localisation in such contexts. Division of labour between local/national and international agencies is critical in such situations.

“In an international crisis of this scale and impact and its potential for regional instability it is clear a global crisis needs a global solution.” (#KII10)

Partnership frameworks

Implementation pressures and a competitive funding environment mean that well-intentioned partnership frameworks are adhered to more in spirit than practice. Contracts generally tend to include standard partnership agreements. However, there are shared perceptions that historically there used to be more focus on mutual capacity

exchanges, that is no longer default practice. Additionally, there is still some sense of a top-down approach from international to LHNAs and that the latter are having to compete with international agencies for funding. Limited time and opportunity for negotiation between intermediary and local/national recipient agency means that discussion on budgets takes precedence over negotiating programme targets and results and how to best deliver outcomes jointly. International agencies demonstrate willingness to upgrade their partnership modalities and to diversify their partners in pursuit of relevance in an increasingly competitive environment.

Engagement dynamics

The ways in which the various responders interact and engage with one another have implications on the funding arrangements. Particular engagement dynamics were identified by the interviewees, as follows:

Between NGOs and Government of Bangladesh

Government policy currently limits LHNAs' activities for people displaced in Cox's Bazar. This inadvertently limits their opportunities to access international funding. National priorities also diverge from international donors', leaving local and national organisations in a challenging position to align agendas and reconcile them with people's needs and their own organisational strategies. At the same time, local and national organisations are keen to continue positive non-partisan engagement with the Government, further compounding difficulties around their positioning in the midst of the response in Cox's.

Given the Government's increasing role and successes in disaster management, there is a similar expectation of the Government to step up its role in creating a more enabling environment in Cox's Bazar. There are perceptions of diminishing international funds already and the Government will be expected to shoulder some responsibility for financing the humanitarian response in the future. The Government is also expected to work closely with the national civil society, and potentially the private sector, in anticipation of a capacity vacuum without adequate investments.

There is also a perception that the response in Cox's Bazar has shifted resources away from other areas that have been affected by natural hazards. This has created tensions between international and Bangladeshi organisations, with significant pressure on local and national organisations for having to delay, cut or find new funding for flood-impacted areas while international agencies have been able to gear up for the response in Cox's Bazar. However, some local and national organisations are already working with authorities to jointly prepare and run disaster response more effectively in the future.

Between local and national NGOs

International agencies note some lack of dialogue between local and national NGOs that affect the development of a strong cohesive and collective 'local' voice. There are instances when they have observed "territoriality" taking precedence over mutual support in the refugee response, as well as a lack of active engagement in encouraging more remote local NGOs to contribute to pooled efforts in Cox's Bazar.

Despite some representation by LNHA in the humanitarian coordination and cluster mechanisms set up in Cox's Bazar, there does not seem to exist a consistent way of either gathering input from or disseminating minutes and actions to local NGOs.

Between all NGOs

Bangladeshi organisations continue to refrain from sharing incidents, concerns or areas of improvement with funding agencies. There are no dedicated spaces for dialogue, and fear of funds being cut is still prevalent. At the same time, there is no platform that facilitates mutual exchange of knowledge and lessons. And again, language remains a barrier in nurturing closer cooperation between organisations, local-national-international alike, to further a shared understanding of mutual expectations.

Reflections since the Grand Bargain and Charter for Change commitments

Overall perceptions regarding the past two years reflected primarily increased awareness of global reform processes and commitments in Bangladesh, with LNHA demonstrating particular interest in progressing a more localised response. This has implications in seeing positive pressure applied from the ground up on translating commitments into practice. It is also creating avenues for LNHA to gain greater visibility and opportunity to showcase their expertise, enhancing their capacity to negotiate, as well as mobilising peers in pursuing positive change. More specifically, LNHA formed their own platform, NAHAB, providing a space for all and small organisations to become more attuned to the external environment.

Local and national organisations perceive that international humanitarian financial flows have not changed significantly as a result of the global reform agendas, not in terms of volume or quality. However, they do feel that these agendas and policy statements have triggered more dialogue between Bangladeshi organisations and international agencies on changing reporting systems, passing down overhead costs and investing in broader organisational development.

There remains a lack of clarity around how much international agencies will actually “delegate”, a phrase itself that reflects the prevalent power dynamics between international and national agencies. Without opportunity and space to demonstrate their performance, local and national organisations feel they are in direct competition with international agencies for international grants. And they do not yet perceive a mentality shift in how to organise and coordinate response that values local and national organisations. There remains a risk that the “very local” organisations are being left out.

Despite agreeing with the ethos of localisation, some international agencies still do not regard local and national organisations as having the capacity to take over the response. Over the past two years they have observed “heavy lobbying” for more income and fewer transaction layers, however LNHA do not seem to have the absorption capacity for a crisis this scale. Simultaneously, due to variable experience with local and national partners, they are unwilling to compromise the quality of the service for the people, place them at risk, or expose them to inefficiencies.

International agencies recognise they themselves have become more “intentional” about localisation since the Grand Bargain. They reflect that Grand Bargain and Charter 4 Change

“Change is hard. If you do not embrace change, it will be forced upon you.” (#KII7)

commitments shape current programme design and note positive mind shifts in the organisation to ensure local and national responders play more prominent roles. They identify two main aspects they are promoting change on: firstly, passing on more funding and reducing their role on certain projects to a “fund manager” part, and secondly, ensuring national staffing in the higher hierarchies with international staffing as technical support where needed.

The divergent views of local and national organisational capacities reported by Bangladeshi organisations and by international agencies shows the change process is still in its infancy. There is currently no shared understanding among the stakeholder groups on actual targets and how to measure progress that could positively influence donors to pursue what works. There is convergence however in that the dialogue should continue, be more inclusive and GB more broadly debated.

A note on the START Fund Bangladesh

Start Fund Bangladesh was set up with the central objective of decentralising decision-making and enabling resource allocation at national level. It now includes 44 member NGOs, out of which 26 are Bangladeshi. Start Fund selected its local and national members following a thorough year-long due diligence process and all members are now eligible to receive grants. Since onboarding them, Start Fund has planned and delivered additional training and simulations.

Through its design, the fund is set to place local, national and international on an equal footing. It will provide lessons on its creation of a “capacity marketplace” which aims to encourage supply-led sharing of knowledge, expertise and skills. The fund is promising in that it will test and potentially inform a Local-National-International division of labour.

The local and national NGOs interviewed welcome the creation of Start Fund, particularly the fact it pre-qualified them for funding. Alongside funding opportunities, they anticipate it will create a platform for dialogue and potentially become a springboard for opportunities beyond the Fund.

Recommendations

The ecosystem of local, national and international humanitarian responders is heterogenous, and this should add to the richness of the response. Against the broader landscape in Bangladesh – an established and proactive civil society in a country with consistent economic growth and en route to gain middle-income status – the crisis in Cox’s Bazar has seen positive contributions from all responders. And all organisations in the study converge in their

“No country in the world faced with a massive disaster or crisis can deal with it alone. All need help.” (#KII7)

commitment to develop a “**shared global responsibility**” and positive counter-narratives to “bad fame” stories in Bangladesh (and beyond).

The shape of the future division of labour is still being drawn. There is unanimous agreement for enhanced collaboration, to afford organisations with the confidence to initiate and engage in positive dialogue for mutual and self-accountability. Interviewees are cognisant of the repercussions the national-international silo has on duplication, inefficiency or fragmentation of response, and are equally committed to mutual support that ultimately maximises impact for communities. And this support-sharing spans technical expertise, fundraising, compliance, contextual knowledge and proximity to communities.

The international funding environment is becoming more stringent, directly impacting collaboration spaces and creating pressure for organisations to deliver joint activities. Notwithstanding the relevance of global policy targets, there is opportunity to reverse-engineer some of the current funding practices by starting off with outcomes sought and who are best placed to deliver on those. This will be key in all organisations’ pursuit of remaining ‘relevant’.

Consideration should be given to rigid organisational classifications that not only lose nuance when it comes to the role country affiliate offices play, but also on the dynamics between local and national organisations.

For Government of Bangladesh

1. **Create a more enabling environment for a more efficient response and reduce bureaucracy surrounding access to certifications and clearances.** The Government should share more responsibility with local, national and international organisations – but in a way that nurtures a “mutual approach best for those to be served”. Notwithstanding an anticipation of a diminished international inflows, there is latitude to refine roles and responsibilities and make necessary local and national investments sooner rather than later.
2. **Build on experience in upscaling disaster management capabilities of across varied implementers nationally to further localise refugee response.** Similar to local NGOs that continue to respond to natural hazards in proximity to communities and local authorities, local and national NGOs are well placed to continue contributing to the response in Cox’s Bazar.
3. **Seek investments across the resilience-humanitarian-development spectrum,** capitalising on the established expertise of delivering development and resilience programming with a localisation lens.

For international agencies

1. **Continue efforts in pursuit of a principled approach to partnerships, in line with Charter for Change¹⁸ commitments.** The 2007 Principles of Partnership¹⁹

provide a good basis for orienting priorities in shifting away from one-direction models of capacity strengthening. The predilection to employ a linear approach towards accountability should be overcome and it should not preclude organisations from seeking mutual accountability and trust throughout and beyond the response.

Strained funding impedes reliable investments in mutual learning and knowledge exchange. To the extent possible, international organisations should integrate learning costs in original budgets. With time, this could be phased out and would see a return on investment – local and national partners would essentially “cost” less.

Against historic precedent, agencies should consider the value in pre-qualifying implementing partners, putting sufficient procedures in place to enable a speedier response. Additionally, agencies should consider closer coordination not only to reduce duplication of efforts, but to enable more harmonised reporting for implementing partners, from proposal and budget monitoring through to evaluation of results, which would result in efficiency gains across the full response chain. A balance needs to be struck nonetheless against over-simplification.

2. **Continue campaigning at international level to leverage their reach at high-level fora in pursuit of a more localised response.** Despite more awareness in-country on policy commitments, there remain pockets of knowledge gaps at headquarter or third-parties level²⁰..

International organisations should continue to play a brokering role, fostering relations, and to convene meetings with donors and implementers for enhanced open dialogue. There is opportunity to augment collective and concerted efforts for progressive mind shift and agencies should strive to gather and disseminate evidence where possible.

There remain opportunities for agencies collectively to influence donors to pursue more flexible funding arrangements, whereby budgets combine elements of programmatic work and organisational development, as well as allow for potential unforeseen adjustments in delivery costs. Little donor risk appetite reverberates through the entire funding chain and joint efforts will be required to ensure quality standards and compliance measures are adhered to throughout.

3. **Develop platforms that facilitate access to information, enable dialogue and knowledge exchange.** Close consideration should be given to communication in the local language, or provision of information in both English and Bangla. Platforms could serve multiple purposes:
 - o One-stop-shop for proposals (projects and evaluations), encouraging fair competition, and provision of feedback to unsuccessful applicants against the scoring criteria, where not already happening. This could potentially facilitate coordination among local and national organisations to submit consortia proposals, where there is confidence and capacity to deliver on larger projects.

- Sharing best practice, lessons and evidence on positive partnerships that could also inform measuring progress against the localisation commitments, for example through targeted investments.
- Pooling resources together in better coordinated fashion. No sole organisation affords standing capacity on multiple expertise areas and this would facilitate access to expertise in demand – local, national or international.

For local and national organisations

1. **Capitalise on established expertise in the country and consider the potential of new approaches to organisational investments.** The entrepreneurial inclination that NGOs in Bangladesh have long demonstrated could facilitate new opportunities:

- New partnership modalities with other like-minded organisations, including private sector, to create activities that bring together two otherwise separate parallel types of assistance. These should span the response-resilience continuum, having the community at its centre, thus capitalising on existing expertise and knowledge to promote ‘whole-of-society’ approaches to response. As part of this, NGOs could consider ways of supporting refugees in generating their own resources.
- Organisations with their own income generating activities or unrestricted income should consider investing in their fundraising function. As organisations become more confident in responding in Cox’s Bazar, they could consider collective options for pursuing funding streams such as MENA donors or philanthropic giving. This could be done either with support from international agencies or by demonstrating their own efficiency in the response.

“Focus should be on turning economic activity into a humanitarian one, and not vice versa!” (#KII18)

2. **Encourage ongoing dialogue with peers, to support mutual learning and growth, and form a more unified collective voice.** Existing networks could potentially facilitate dialogue (for example NAHAB) and forming bid consortia.

Enhanced dialogue would afford NGOs greater collective bargaining power and a more cohesive position on both the ongoing response and reform processes. It could potentially enhance peer-accountability – current funder mistrust stems from outliers who do not demonstrate sufficient financial rigour, and that has subsequent negative implications for Bangladeshi organisations. Additionally, they could collectively lobby the Government for more inclusive and localised response, but that does not compromise humanitarian principles.

3. **Continue to pursue investments in organisational capacity.** Potential areas for closer consideration are:
- o Crises are marked by rapid changes in requirements and availability of resources that international agencies are better prepared to withstand. Local and national organisations need more carefully consider higher staff turnover rates during humanitarian response and build appropriate mitigating actions wherever possible.
 - o Organisations should consider setting standard pay scales across projects and make that information available to funders. Where possible, they should consider increasing pay scales in line with their expertise. This could support staff retention.
 - o Continue engaging with the external humanitarian environment and proactively seek to implement policies for higher standards – for example, on safeguarding.

Glossary of terms

Direct funding: Funding given by the original donor directly to the ultimate recipient agency (implementing partner).

Donor: Donor refers to the original source of the funds.

First-level funding/recipient: Funds reaching the first recipient agency from a donor, before being passed on to another recipient agency.

Indirect funding: Funding that is channelled through one or more intermediary organizations between the original donor and the ultimate recipient agency (implementing partner). Current discussion on funding which is “as directly as possible” includes one intermediary, whereas in this report, one intermediary falls within indirect funding.

International agency: Refers to humanitarian actors not headquartered in an aid recipient country. This includes international NGOs, multilateral organisations, the International Red Cross and Red Crescent movement, including National Societies operating outside their own countries, and international private sector organisations. This definition is taken from the Inter-Agency Standing Committee’s Humanitarian Financing Task Team (IASC HFTT) definitions paper (March 2017).

Localisation: This report uses Oxfam’s definition of localization as a transformational process to recognize, respect, and invest in local and national humanitarian and leadership capacities, to better meet the needs of crisis-affected communities.

Local and national humanitarian agency (LNHAs): Refers to national and subnational governments, the national Red Cross or Red Crescent societies, local and national NGOs and civil society, including media, community-based organizations (CBOs), faith-based organizations, as well as local and national private sector actors. This definition is taken from the Inter-Agency Standing Committee’s Humanitarian Financing Task Team (IASC HFTT) definitions paper (March 2017).

NNGOs: Due to constraints in the dataset, and the small sample size, local and national NGOs are both included under the heading of national NGOs (NNGOs).

Private donor: Refers to individuals, companies, or foundations to distinguish from institutional donors providing government funding. This category does not include UN agencies. Private funding, as such, comes from private donors.

Endnotes

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- ¹ According to the NGO Affairs Bureau, there are currently 2389 active Bangladeshi NGOs.
 - ² The 2004 flash appeal requested US\$209.9 million and was 31% funded.
 - ³ <https://reliefweb.int/sites/reliefweb.int/files/resources/JRP%20for%20Rohingya%20Humanitarian%20Crisis%20-%20FOR%20DISTRIBUTION.PDF>
 - ⁴ Currently NAHAB has 49 NGO members from across the country.
 - ⁵ <http://www.cxb-cso-ngo.org/origin/>
 - ⁶ http://media.ifrc.org/grand_bargain_localisation/wp-content/uploads/sites/12/2018/11/Final-Mission-Report-Bangladesh.pdf
 - ⁷ The Grand Bargain Explained: An ICVA briefing paper March 2017. Available at: https://reliefweb.int/sites/reliefweb.int/files/resources/ICVA_Grand_Bargain_Explained.pdf
 - ⁸ Global Humanitarian Assistance Report 2018, Development Initiatives. Available at: <http://devinit.org/post/global-humanitarian-assistance-report-2018/>
 - ⁹ Global Humanitarian Assistance Report 2018.
 - ¹⁰ Money Talks. A synthesis report assessing humanitarian funding flows to local actors in Bangladesh and Uganda. Oxfam 2018 Available at: <https://www.oxfam.org/en/research/money-talks-synthesis-report-assessing-humanitarian-funding-flows-local-actors-bangladesh>
 - ¹¹ Data presented based on reporting to FTS. There is no additional information regarding their geographic source.
 - ¹² https://fts.unocha.org/sites/default/files/hfft_localisation_marker_definitions_paper_24_january_2018_-_final.pdf
 - ¹³ Throughout the paper, 'agencies' is used as an umbrella term to encompass international organisations such as UN and INGOs.
 - ¹⁴ 'Direct' refers to single transactions, with no intermediaries between funder and implementer.
 - ¹⁵ Institutional donors refers to primary funding sources, mainly governments based in affluent countries.
 - ¹⁶ DI did not provide a definition of "capacity" to interviewees and so responses are based on their own interpretation. It was generally understood to refer to organisational, operational and technical capabilities.
 - ¹⁷ For example, HQAI and CHS.
 - ¹⁸ <https://charter4change.files.wordpress.com/2016/02/charter-for-change-july-20152.pdf>
 - ¹⁹ <https://www.icvanetwork.org/principles-partnership-statement-commitment>
 - ²⁰ For example, independent consultants and evaluators.

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