

Submission of Written Evidence by Humentum to the UK International Development Committee's Inquiry on the Philosophy and Culture of Aid

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Humentum is a global non-profit organization that strengthens humanitarian and development organizations and advocates for data-driven policies and standards that benefit the entire sector.

Working in over 100 countries, and with staff and associate consultants in 26 countries across the globe, Humentum partners with the global development community to be an equitable, accountable, and resilient force for social good. Our network of over 300 member and client organizations include many of the world's larger humanitarian and development organizations, a substantial number of which have received UK government funding. Our evidence is informed by this global work and network of relationships, rather than being from a UK perspective.

Given Humentum's focus on operational effectiveness and how to create an enabling regulatory environment and relationship between civil society and donors that fosters effectiveness, our evidence is more focused on the "problems and challenges that the aid sector faces and how aid delivery can be improved". Our extensive networks of leaders and staff within aid recipients tell us of a continuing disconnect between rhetoric and reality when it comes to terms like 'partnership' and 'empowerment' and that the disconnect often shows up in the practical mechanics of how aid is delivered via project-based funding contracts and agreements and their associated reporting and compliance requirements. We believe the Inquiry's should include investigation of 3 systemic challenges which we encounter regularly in our work and which are relevant to the overall Philosophy and Culture of Aid, as follows:

- A. **Structural Barriers to Localisation** – How can the underlying design principles and mechanics of aid be reformed to shift power in how decisions get made on aid priorities and funding?
- B. **Inflexible and restrictive funding practices** – How can the instruments of funding and compliance be redesigned to centre the agency of aid recipients and increase mutual trust and accountability, rather than being centred on the donors' needs and requirements?
- C. **Lack of international harmonization which imposes burdens on local actors** – How could the UK use its outsized influence on global development policy and institutions to accelerate adoption of emerging good practices around localisation and more flexible and adaptive funding practices?

A. STRUCTURAL BARRIERS TO LOCALISATION

Why should Localisation be a priority within UK Aid?

1. The Inquiry will need to revisit why localization is widely considered as a necessary reform within international aid and was a major focus of the World Humanitarian Summit held in 2015. In his seminal work, *The Pedagogy of the Oppressed*, Paulo Freire argues that to be truly independent, self-realized and liberated, the “oppressed” must co-create the pedagogy of their own liberation. This is profound; the oppressor can never unilaterally liberate the oppressed. For true liberation to occur, a “pedagogy...must be forged with, not for, the oppressed...[a] pedagogy [which] makes oppression and its causes objects of reflection by the oppressed, and from that reflection will come their necessary engagement in the struggle for their liberation.” It is only through that engagement will they and their “oppressors” be set free.
2. In the context of development, Freire’s argument can be looked upon several ways. Is the UK inherently the “oppressor” of the countries it seeks to assist through its aid? No. But, is it part of a global North/South, White/People of Colour, Wealthy/Marginalized geosocial reality that has emerged from a history that included conquest, colonization, and oppression? Undoubtedly. While aid may now be aimed at dismantling the negative legacies of this history, it cannot be abstracted from structures that have emerged from that history in ways that have consolidated and concentrated power in relatively few wealthier countries. Not only do these wealthier nations have more ability to exercise power directly through aid, trade, and other foreign policy interventions, they continue to dominate the way that international co-operation happens, by setting the rules or through reserved positions and/or voting rights in key international institutions. The UK continues to play an outsized role in this regard, which gives it a greater opportunity, and many would argue obligation, to be a ‘force for good’ in ways that need to acknowledge its many sources of power, both past and present.
3. Over the past twelve months, global forces have disrupted and demanded significant change in the status quo. The global COVID-19 pandemic, movement for racial justice, economic downturn and accelerating climate change have forced many nations to turn inward and prioritize the needs of their more vulnerable citizens. However, while this context has constrained the resources available for international development, there has also been a growing recognition of the need for internationalism because in this increasingly inter-connected world: ‘we cannot be safe until we are all safe’.
4. Therefore, the UK, like other development donors, needs to do more with less, in a world that is much more self-aware about the need for a shift in power relationships than before. To achieve this will require the UK and other donors to acknowledge that structural racism and institutionalized power imbalances pervade and sustain the very inequities we seek to redress domestically and internationally. This Inquiry into the philosophy and culture of aid is therefore both timely and far-sighted. Freire’s notion of a liberation praxis could serve as a Guiding Star; a praxis forged from, with, and by,

those who aid seeks to assist. This will be crucial if aid is not to perpetuate the existing power imbalances that led to the disparities of wealth and power between countries and within countries that made the aid both necessary and financially possible.

How could UK Aid overcome the major barriers to localisation?

5. The UK can advance British interests while simultaneously engendering *partnership* with the countries it is providing funding to. This requires employing a framework that centres the aid around the recipient by co-designing country development strategies that respect the autonomy, skills, perspectives, cultures, and self-identified needs of those benefitting from the aid itself. The US Agency for International Development has taken some interesting steps in this direction which could be useful for the UK to consider.
6. A further step that the UK could increasingly take is towards co-creation in the design, procurement, and evaluation of development interventions. In recent years, the US Agency for International Development has prioritized the use of “co-creation” for certain development interventions, engaging new and local partners in the identification of the root causes at the heart of key development conundrums in-country, bringing together local experts to devise solutions, and mapping out a mutually agreeable implementation plan for how to achieve a measure of success. This more participatory approach to development procurement shows promise and should be explored by the UK, as it creates greater equity among key stakeholders, placing equal value on local actor knowledge and expertise while bringing in the global experience and perspectives of the donor agency.
7. The UK could place a higher priority on investing in the vitality and sustainability of local actors, implementers, and stakeholders. The inherent knowledge and experiences of local partners should be acknowledged, placed at the centre of financial and programmatic decision-making.
8. Impact evaluations could do more to go beyond measuring numbers and results, and instead undertake to mobilize stakeholders at all levels in a participatory and deliberative examination of the real outcomes and impact of the intervention. Such evaluations can be powerful processes for realizing greater awareness and learning among all stakeholders – donor, recipients, and the communities that were intended to benefit – engendering greater ownership and potential for sustainability of what worked well in the long-run.

B. INFLEXIBLE AND RESTRICTIVE FUNDING PRACTICES

9. For UK aid to be effective and supported by both domestic taxpayers and recipient implementers, the UK aid system must actively demonstrate trustworthiness. Trust, when it truly exists, is grounded in the principle of reciprocity. We must give it to get it in equal measure. Trust cannot be engendered when there are mismatched expectations or severe power imbalances. And it cannot thrive when key stakeholders are not consulted about the design and execution of programs.

10. Development and humanitarian assistance rules, regulations, and accountability measures are intended to reflect our social contract with one another, at an individual and institutional level. They articulate a shared ethos and a common understanding of our rights and responsibilities in both the delivery and receipt of aid and assistance. We cannot expect to engender trust internally or externally without clearly articulating our ethos through our policies, procedures, and practices.
11. In response to the pandemic, the UK government adapted to more remote working and supervision of projects and streamlined some compliance requirements and processes. The Inquiry could investigate the UK's ability to institutionalize these flexibilities and streamlined processes in future funding mechanisms to make key processes, like procurement, simpler, and compliance regimes less onerous.
12. The Inquiry could take evidence about how the imposition of bureaucratic compliance regimes by the donor country on recipient countries and actors has been a major barrier to localization and genuine partnerships of the kind required. Firstly, complex compliance regimes restrict access to funding to local actors who face a large barrier to entry in demonstrating their capacity and compliance, compared to international actors who have prior experience of working with the donor. Secondly, complex compliance requirements hamper local actors' ability to effectively deliver, as they are forced to spend significant time, energy and focus meeting the needs of their donors, which can come at the cost of reducing the time and energy spent on being accountable to the communities they are working within.
13. The Inquiry could investigate what benefits could accrue if the UK and other donors operated on the presumption that local implementing partners are trustworthy. If the UK and other donors placed a greater emphasis on preventing fraud, corruption, and abuse by investing in partners' good governance and system-wide controls, rather than incrementally increasing the demands that donor compliance regimes place on aid recipients, this could improve effectiveness and increase the accountability that recipients have to their own governance mechanisms and stakeholders. The UK government could also consider what wider benefits could come from investing in creating more enabling and effective regulatory environments for civil society, and on how to mitigate the risks that regulation is used to restrict open societies.
14. Another way of delivering funding which is more equitable and increases resilience is to ensure that it provides full cost recovery for implementing organizations. When donor agencies refuse to cover all costs, whether they be indirect administrative or programmatic costs, the starvation cycle that ensues disproportionately harms the recipient's independence and ability to be accountable to communities. It also threatens their financial sustainability and ability to invest in core capabilities like effective compliance and safeguarding. DFID previously recognised the importance of providing full cost recovery when it implemented its new Cost Transparency Approach, which Humentum helped design along with a working group of NGOs. The Inquiry could consider how FCDO can build on this the Cost Transparency Approach and ensure it is applied when working with local organisations.
15. Donors common practice, including in the UK, of using funding contracts or grant agreements which heavily restrict the use of funding to a set of pre-planned inputs is

a major barrier to the agency of recipients both in the design of programmes and in adapting them within rapid changing contexts. The Inquiry could investigate how, aid funding could be linked to UK funding objectives, which allow for more flexibility of execution and spending to ensure adaptability and resilience when, (not if), external crises force program adjustments.

16. The UK has shown international leadership on the issue of safeguarding. This is necessary and should continue to be a key emphasis and requires more steps to ensure that the application of safeguarding practices is also accessible to local actors and does not inadvertently become a barrier to localisation. The Inquiry could look at the effectiveness and potential of initiatives such as the Core Humanitarian Standard (“CHS”), that have sought to establish clear mechanisms for whistleblowing and policy violation reporting. Humentum welcomes the FCDO-funded initiative, in which we are a partner with the CHS Alliance, which will develop a more globally accessible tiered qualification and learning resources for safeguarding investigators. This will be crucial to deterrence and increasing the confidence that survivors can have in reporting. The inquiry could investigate remaining barriers to reporting, which are often rooted in the lack of trust that recipient communities need to report and believe that that allegations of fraud, corruption, discrimination, abuse, and harassment will be seriously addressed.

C. LACK OF INTERNATIONAL HARMONIZATION WHICH IMPOSES BURDENS ON LOCAL ACTORS

17. As was noted in Point 2 above, the UK plays an outsized role in key international institutions and development cooperation mechanisms. This means that as the UK walks the talk on adopting approaches which accelerate localization and increase the flexibility and adaptiveness of funding mechanisms, it has an opportunity to leverage these by encouraging other major international institutions and development donors to adopt similar approaches. The Inquiry could investigate these opportunities and make recommendations about key harmonisation initiatives that the UK should prioritise in years ahead.
18. In relation to funding and compliance practices, when donors from different countries impose different requirements on aid recipients this adds to the burdens described in Point 12 above. This can turn compliance from being a benefit to an organisation’s effectiveness to being a wasteful, costly exercise which is ineffective at the entity-level, (when requirements conflict). It increases the risk of some element of non-compliance, which is then often punished disproportionately, not only by the donor whose rules were broken, but by all the other donors too. The Inquiry could therefore investigate whether it would be in the UK’s interest as well as being of wider benefit to support efforts to globally harmonize and simplify compliance requirements and processes that all donors require, like due diligence and organizational audits. There are various global harmonisation initiatives which aim to accelerate localisation and creating more equitable access to funding. For example, Humentum has been working on global standards initiatives that will help make this possible such as [IFR4NPO](#), the

world's first international financial reporting framework guidance for the non-profit sector.

19. Philanthropic funding for development and humanitarian assistance has been growing rapidly in recent years. The Inquiry could consider what role the UK government could play in influencing the ways through which international philanthropic funding is regulated and held accountable, and to mitigate the risks of such funding being used for illegal or vested interests. The best ways to do this will emphasize localization, good governance and accountability that could become the hallmarks of UK's aid in the future. One initiative the Inquiry should take note of is [#PhilanthropySoWhite](#). Another should be the [Ford Foundation's BUILD](#) programme, which has focused on systematically strengthening the agency, capacity and resilience of national civil society organisations and networks.

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