Why Has the Humanitarian Sector Been Slow to Localise?

By Lina Frennesson, Lund University, and Luk Van Wassenhove, INSEAD

Despite a collective strategic intent to localise, progress has been slower than expected.

As the effects of climate change accelerate, the number of people in need of humanitarian assistance is increasing exponentially. According to a recent United Nations (UN) report, 360 million individuals worldwide require humanitarian assistance in 2023, up 30 percent since the start of 2022. Armed conflicts, economic hardship and a myriad of other issues are no doubt contributing to this figure.

Many international humanitarian organisations (IHOs) have zoned in on capacity development to reduce disaster risk in disaster-prone areas. This can be achieved via localisation — the empowerment of national and local actors in humanitarian assistance.

Besides increasing global response capacity, localisation can enable humanitarian relief to begin quickly, is more catered to local conditions and can foster a better bridge between the response and recovery phases. It can also help make disaster-affected communities more independent and
resilient, which could decrease the need for international funding.

Localisation gained traction following the 2016 World Humanitarian Summit, where the Grand Bargain was struck. Signatories committed to enabling more locally led response and providing 25 percent of international humanitarian funding to national and local responders. However, there is a big difference between a strategic intent to localise and executing that strategy. Progress has slowed, and localisation is lagging.

Our study, conducted together with our co-authors*, is part of a larger research project on localisation among IHOs. The first paper focuses on what localisation means and provides a framework for localisation strategy. Our second paper delves into why IHOs are so slow to localise and discusses what drives or impedes the localisation of their logistics preparedness capacities such as procurement, warehousing and transport.

Centralisation, decentralisation and localisation

To begin with, it is important to make a distinction between centralisation, decentralisation and localisation. Many IHOs are predominantly centralised, meaning that decision-making is concentrated at their own internal headquarters (HQ).

Centralisation provides flexibility, efficiency and a measure of control. For instance, establishing large-scale supply chain operations allows IHOs to generate economies of scale. It can also make them nimbler in responding to global threats and offer greater control over the entire supply chain. However, centralisation has its drawbacks in the form of slow decision-making and a lack of local knowledge of the situation on the ground, especially in a crisis where one must understand the local conditions and react quickly.

“From the global perspective, the humanitarian agenda, you understand that in order to be sustainable and have effective responses, you need to be local.”

To mitigate this, IHOs have made efforts to decentralise their operations by transferring capacities and delegating tasks to their own national and local offices or affiliations. This lets IHOs still control the response, but with resources, expertise and local partnerships already in place. However, in
most situations, a decentralisation strategy will not adhere to the core aim of localisation: to reduce countries’ aid dependencies. It is also unlikely that decentralisation is sufficient to drive localisation efforts in the future.

**Strategy vs. implementation**

We interviewed 28 people representing various IHOs, including UN agencies, the International Federation of Red Cross and Red Crescent Societies and international non-governmental organisations such as Médecins Sans Frontières, World Vision International and Oxfam International. Interviewees had worked in the humanitarian sector for a mean of 18.7 years, and many had experience in both the field and at the HQ level.

While most interviewees (92 percent) clearly observed the shift in focus from global to local humanitarian operations, the majority (71 percent) noted that this is only being envisioned rather than operationalised. We observed three themes.

1. **What logistics preparedness capacities to transfer**

Interviewees agreed on the importance of knowledge transfers, particularly related to how to prepare for and respond to disasters. They also emphasised transferring capacities connected to stockpiles and warehousing, alongside setting up SOPs, policies, routines and systems, as well as procuring goods and services as locally as possible.

Organisational capacities that are indirectly required for logistics preparedness — such as human resources, coordination and fundraising — were mentioned less frequently. These are traditionally controlled by HQ, which may explain the lower willingness to transfer them. A lack of guidance and clear communication could prevent the transfer of these capacities that require strong support, training and delegation of responsibilities from HQ.

2. **To whom to transfer logistics preparedness capacities**

Interviewees were split on which actors to transfer logistics preparedness capacities to. A transfer to IHOs’ internal regional, national or subnational offices dominated the responses, revealing a preference for decentralisation rather than localisation. One-third of interviewees mentioned transferring capacities to host governments, while even fewer cited national or local non-governmental organisations, the private sector and communities, despite the ability of these organisations to have a big impact.
“If you have people that know the context, people who know where to find the right people, where to find the right supplies, whom to talk to for permissions, you can very quickly contextualise your response and make it effective.”

Interviewees’ responses generally did not acknowledge the range of actors that are important for the localisation of logistics preparedness capacities and suggest there is little readiness for comprehensive implementation of a localisation strategy. This could be because transferring capacities to actors beyond an IHOs’ internal network entails more challenges, including heavy communication and substantial changes in employees’ objectives.

3. To what level in the organisation to transfer logistics preparedness capacities

Responses suggest that interviewees hold different views on this topic, often mentioning transfer to several levels. The dominant view was to transfer logistics preparedness capacities to countries, with less focus on regional or subnational transfers.

The difference in responses could depend on the level at which respondents operated during the time of the interview. It is likely that HQ staff focus on the regional level and therefore perceive regional capacity transfer as localisation, while a regional-level employee is likely to work with national structures and consider such capacity transfer as localisation.

A common understanding

Our findings confirmed the absence of a cohesive understanding of localisation, with confusion between strengthening external actors and internal national or local offices. While only a small percentage of interviewees argued for centralisation, over half of them perceived localisation as a shift from HQ that strengthened their own local offices or affiliations – in effect, decentralisation rather than localisation via a full or partial capacity transfer.

This poses a major obstacle to its implementation. Indeed, 10 out of 12 IHOs that have committed to the Grand Bargain were represented among the interviewees, but the diversity of their responses suggests that a substantial part of the humanitarian community responsible for implementing...
localisation strategy does not actually agree on its direction.

“We need to learn how to involve local businesses and local corporations much better. Traditionally we have not engaged; now we do, but on a global level with the big ones. It is not happening systematically enough on a country level.”

Successful localisation hinges on the clarity of a common strategy aligned with organisational goals, communicated across the entire organisation and integrated into the day-to-day objectives of employees. It also requires providing them with support in the form of appropriate training and additional resources. If this is not present, the localisation strategy could lack details, causing confusion.

To move forward, discussions on localisation topics require a shared language and clear and concise definitions. The humanitarian community has been struggling with these basics, leading to a huge gap between strategy formulation and implementation.

Figure 5. Framework covering interviewees’ perceptions of localisation

Based on the responses gleaned through our interviews, we established a framework to clearly define localisation of logistics preparedness. Considering the diverse views represented, we argue it is crucial to
distinguish capacity transfers to internal IHO offices (decentralisation) from external national or local actors (full or partial transfer).

In our view, “localisation” should only be used for the latter, as mixing the two risks diluting the term and creating confusion. This could lead to localisation commitments losing their intended impact.

Humanitarian needs are increasing tremendously, and localisation can ensure that on-the-ground actors are adequately prepared and equipped to provide aid quickly. In times of crisis, local organisations are very often the first to respond. They possess local knowledge that IHOs sometimes lack and have the trust of the population. This makes it imperative to strengthen these actors with the proper training and resources.

The lack of a unified understanding and strategic consensus are major obstacles to successful localisation. Fixing this is an important first step to help IHOs align their localisation strategy with their organisational goals and create the necessary conditions for effective localisation.

Find article at
https://knowledge.insead.edu/operations/why-has-humanitarian-sector-been-slow-localise

About the author(s)

Lina Frennesson is a doctoral student in engineering logistics at Lund University.

Luk Van Wassenhove is an Emeritus Professor of Technology and Operations Management and the Henry Ford Chaired Professor of Manufacturing, Emeritus at INSEAD. He leads the INSEAD Humanitarian Research Group as the academic director.

About the research

“International humanitarian organizations’ perspectives on localization efforts” is published in International Journal of Disaster Risk Reduction.