

DECEMBER 2022

KENYA CASH CONSORTIUM

FOUR YEARS ON: LOCALLY LED RESPONSE CASE STUDY



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THE KENYA CASH CONSORTIUM LOCALLY - LED RESPONSE CASE STUDY

LOCALLY LED HUMANITARIAN RESPONSE IN KENYA: A CASE OF THE KENYA CASH CONSORTIUM

CASE CONTEXT

The Arid and Semi-Arid (ASAL) region in Northern Kenya is ravaged annually by cyclic shocks including drought, flash floods and most recent the desert locust invasion affecting the social economic status of vulnerable communities. To address the immediate humanitarian needs, the Kenya Cash Consortium (KCC) – composed of the ASAL Humanitarian Network (AHN), ACTED, Concern Worldwide, Oxfam, and IMPACT Initiatives – implements multi-purpose cash assistance-based projects to address the basic needs and support the recovery of affected households.



DG-ECHO on a monitoring session with AHN members in Garissa County

With funding from the Directorate General for European Civil Protection and Humanitarian aid (DG-ECHO), ensuring a locally led humanitarian response has been at the core of KCC's working model. This is observed over the past four years as consortium partners have increased the investment in the role of national non-government organizations (NGOs) in the coordination, project development, and decision-making mechanisms. While achievements have been made, the consortium has also identified hindering factors that needs to be recognized and put on the agenda for relevant actors to discuss and find the best ways forward in achieving the Grand Bargain commitments.

This paper aims to highlight milestones made regarding locally led humanitarian response under the umbrella of the Kenya Cash Consortium projects over the past four years. It also endeavors to present lessons learnt and some of the best practices to inform the humanitarian financing system. Lessons show that localization is achievable as the consortium is centered on local leadership to reach communities affected by disasters.



THE PROGRESSION OF THE KENYA CASH CONSORTIUM TOWARDS A MORE LOCALLY LED RESPONSE

The concept of localization has been present in the sector for decades in the form of building on local capacities through direct funding, partnerships, capacity building, coordination mechanisms and representation . The recognition of it, however, only gained prominence in the international humanitarian agenda in the years leading to the World Humanitarian Summit in 2016 with the launch of the Grand Bargain commitment. The latter was made by mainstream institutional donors and humanitarian organizations to increase the effectiveness and efficiency of humanitarian operations while also providing additional resources to those in need. A locally led humanitarian response is based on two tenets: (i) a critical mass of high-quality funding is attained, allowing an effective response, and ensuring accountability; and (ii) greater assistance is given for local responders' capacity, leadership, and delivery as well as for affected communities' involvement in resolving humanitarian needs .

Locally led humanitarian response in Kenya has over the years taken shape. With the support from DG-ECHO, the KCC members – AHN, ACTED, Concern Worldwide and Oxfam – have implemented three major projects since 2019, with a budget going from three million in the first year to over seven million in the last year. Between 2019 and 2022, the consortium has increased the commitment and achievement in ensuring higher portions of the funding is channeled through local actors to increase reach, effectiveness, and accountability of humanitarian action. Indeed, in 2019 the KCC project was implemented from design to close-out phase by the three main international organizations, with minor activities allocated under the responsibility of the national organizations. However, a shift has been witnessed in the years that followed to expand the collaborative role of national organizations in the design and implementation of the project. By 2022, the KCC's international organizations were responsible for the institutional and strategic management of the consortium, while the national organizations were responsible for the execution of the activities related to the cash transfer distribution.

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1 IASC (2021) strengthening participation, representation, and local and national actors in IASC humanitarian coordination mechanisms.

2 IASC, Grand Bargain, available at: <https://interagencystandingcommittee.org/grand-bargain>

3 IASC, Grand Bargain, available at: <https://interagencystandingcommittee.org/about-the-grand-bargain>



Such progress has been possible through the set-up of a coordination structure through the AHN Secretariat that has been providing oversight, direction, and coordination of day-to-day project activities. Currently, the KCC counts nine national partners for the direct implementation of the activities, those being – SND, RRDO, PACIDA, RACIDA, WASDA, NAPAD, ALDEF, TUPADO, and SAPCONE. The latter partners are part of AHN – a platform of local and national organizations promoting more locally-led responses in Kenya. The last four years have been a trajectory that has witnessed a progressive handover of responsibilities among the consortium partners. National organizations took on the leadership in humanitarian community-led initiatives whilst growing a role in advocacy with both the county and national government. Working with the AHN members has allowed the consortium to leverage on the local capacities and presence, knowledge of the local context and the ability to reach marginalized and remote communities.



Figure 1: Key outcomes of Localization in the Kenya Cash consortium

THE KENYA CASH CONSORTIUM TIMELINE

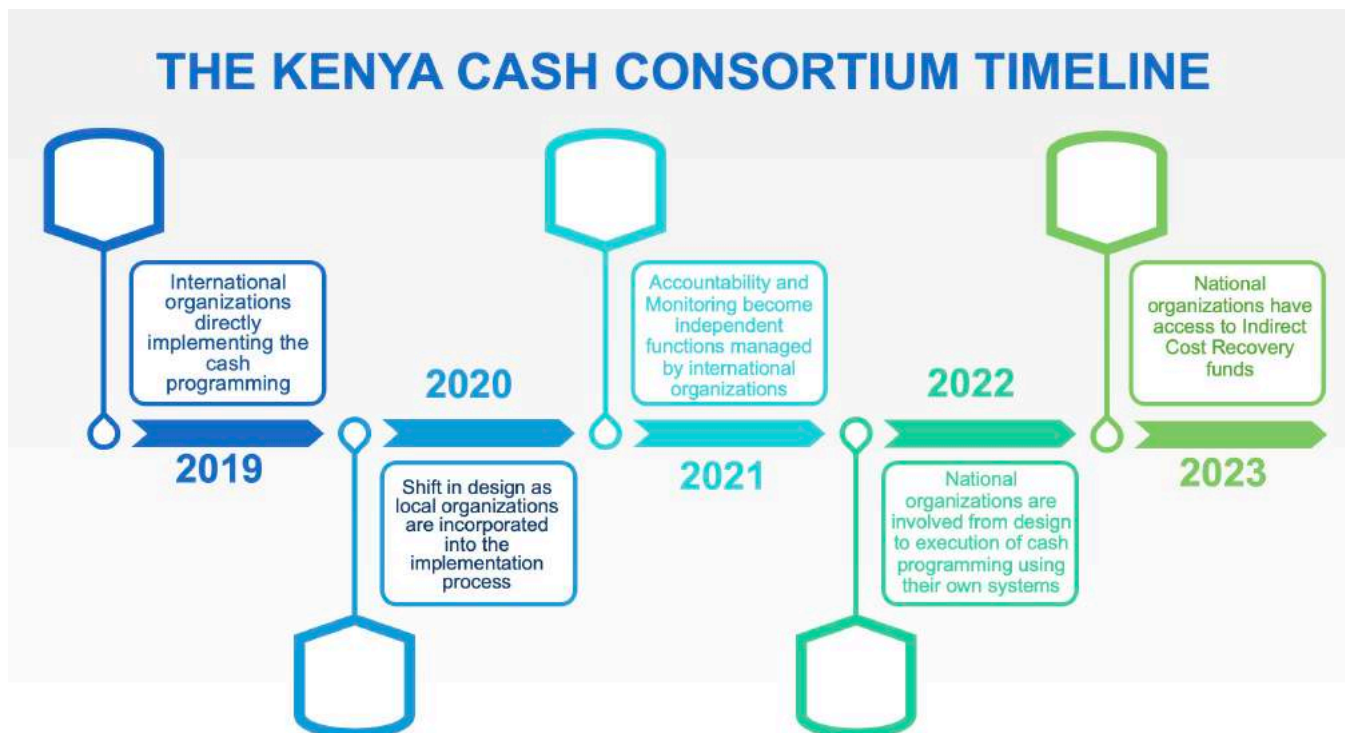


Figure 2: The KCC's evolution of Multi-Purpose Cash Assistance programming

KENYA CASH CONSORTIUM – KEY STRENGTHS

Based on the KCC's experience and four years of review, the following points have been identified as key strengths of the locally led process.

- Joint Program Management:** Both international and national NGO partners are involved in the planning, design, and implementation of the project. Through the AHN platform, the project is centered in local leadership for key decision making and coordination mechanisms. The two ways approach has also ensured that lessons learned arising from program implementation are jointly reflected on and become the driver for changes in process and approaches. For instance, lessons on community-based targeting have been adjusted by bringing institutional, technical, and context-based assessment of different actors involved. A right based, inclusive and participative methodology was adopted to narrow down on needs within locations affected by shocks.
- Secretariat Function for Joint Implementation:** Funded by the consortium members, the AHN Secretariat acts as a central project management function within the consortium partners. This independent coordination function was imperative with the increasing split and handover of responsibilities among the international and national organizations. It has further allowed a neutral body to conduct routine joint monitoring sessions to identify and address implementation bottlenecks across the consortium partners.



- **Investment in Institutional Capacity:** Partners have been taken through capacity building sessions on protection, accountability, streamlining of institutional procedures, and programming. This has resulted in an important shift in the implementation paradigm in terms of project performance and outcome achievement. To continue allowing for an increased capacity, this component is incorporated in the form of human resources for national partners.
- **Representation of National NGOs:** There is a growing recognition and participation of the KCC's national partners in forums such as the Kenya humanitarian partners meeting and the Kenya Cash Working Group that offers local actors an opportunity for funding, networking, and engaging with key decision makers in the humanitarian sector. At operational level in the ASAL Counties, national partners take the lead in representation and work as the face for the consortium with key government and stakeholder actors.
- **Independent Complaints Feedback and Response Mechanism:** The KCC benefits from a centralized and independent complaint and feedback mechanism function. The design allows partners to channel any accountability issues to a central repository where it is processed and addressed within a defined timeframe of 15 days. In essence, the centralized CRM fosters increased accountability among partners and beneficiaries. However, so far, this function is led by one of the consortium international organizations' and national partners are encouraged to also strengthen their own accountability mechanism. In the upcoming programming, the KCC will focus on transferring this responsibility to national partners through a series of capacity building sessions and potential deployment of staff from the international organizations for a smooth transition.
- **Independent Monitoring and Evaluation:** Learning from the first years showed that fragmented monitoring and evaluation methodology were applied for this component of the project. To address this issue, the KCC looked for an independent third party to harmonize the tools and process applied across the partners, which has resulted in more efficiency. Although a strength in the consortium programming, this component is led by an international organization. Similarly, there is the need to look for alternatives and capacity investment of local partners towards monitoring and evaluation of programs.



- **Funding Opportunities:** The KCC national partners have been able to access funding that would not be available otherwise. In compliance with some donor rules and regulations, international organizations remain the main recipients and often end up capturing most of the funding. The KCC has worked towards the opposite in ensuring the funding is channeled to the AHN partners. The increased expertise in implementing projects independently has also allowed and encouraged consortium national partners to seek other independent sources funding, which has led to the expansion in their programming scope.

KENYA CASH CONSORTIUM – KEY CHALLENGES & LESSONS

Based on the KCC's experience and four years of review, the following points have been identified as key challenges in the overall program operation.

- **Currency Exchange Losses:** risk sharing among consortium partners have been limited to international organizations, especially for currency losses. With the sub-grant agreement signed in the donor currency and implementation in the local currency, national organizations were left exposed to experiencing exchange rate fluctuations. This challenge has reflected the lack of financial capacity, leading to KCC's national partners not being able to absorb the losses. The issue has a greater impact in 2022 programming considering the higher level of programming and financial responsibility transferred locally. As a lesson, it is highlighted the importance to allow national partners to be eligible to overhead costs, the percentage required to keep organizations functioning for institutional investment and/or financial recovery.
- **Lack of Co-funding Capacity:** National organizations have a smaller pool of funding and are more dependent on project based and short-term funding. This limits their capacity in cost-sharing the responsibility of cofunding that is often required by donors. Within the KCC, the international organizations are stepping in to cover this short coming. However, to account for higher portion of risk sharing among partners, national organizations ought to fund raise and expand the pool funding to equally support this recurrent contractual obligation.
- **Lack of Pre-financing capacity:** when sub-grant agreements are signed between international and national organizations, there is a silent expectation that programming can be launched



and keep ongoing on a pre-financing basis as funds are transferred based on certain threshold requirements. However, it must be highlighted that national organizations have project-based funding and low pooled capital capacity to pre-finance interventions. This leaves the organization crippled in implementation as disbursement clauses are operationalized. Within the KCC, this burden has been placed on the INGOs, reflecting on the financial limitations of its national partners.

- **Lack of Overhead Costs:** Traditionally, national NGOs do not have access to overhead costs, as such costs have been in place for international NGOs to support their headquarters. This point has been reflected because of the above-mentioned challenges, as national organizations are left with little to no flexibility to sustain themselves. The KCC has so far not provided overhead costs to their national counterparts and is now exploring such possibilities for future projects. A consideration of such unrestricted cost would allow for their institutional development and would avail resources that can enhance early action in programming.
- **Loss of talent by political systems and International NGOs:** The partnership has witnessed loss of talented staff to political systems especially in the last election. This results in instability of organizations during transition periods.
- **Advocacy on localization:** Effort is needed to allow for national organizations to access institutional funding. Organizations are often tied with international organizations for fundraising and access to funds due to donors' rules and regulations. Local governance systems should also be considered and integrated in the agenda.

CONCLUSION AND WAYS FORWARD

The document acknowledges that key opportunities to a locally led humanitarian response exist and are manifest in the Kenya Cash Consortium programming over the past four years. The consortium acknowledges the locally led model as valuable in the delivery of humanitarian and advancing the commitment of channeling funding as direct as possible to local actors. While progress has been made towards a more equitable partnership with joint-planning and decision-making process, there are still steps to be achieved around some operational issues above all around financial and human resources




capacity and funding availability. Most importantly, adequate overhead and longer-term funding cycles would ensure more predictability and institutional investment.

Over the years, the cash consortium has seen positive progress through the joint planning, design and implementation of activities, capacity development, incorporation of complaints and feedback mechanisms, centralized secretariat to lead the process, independent monitoring and evaluation and better funding efficacy in interventions. However, bottlenecks do exist when building a locally led response over time, these range from currency losses that national organizations are not able to cover, reduced capacity for pre-financing of interventions, loss of talent and a lack of overhead cost allocated compared to the international organization counterparts.

The leadership of national organizations will continue to be instrumental in building capacities as an overwhelming majority of assistance is already provided by local actors. Locally led actions and community centered approaches bring a higher reach, efficiency, and accountability, while offering a quicker turnaround time in response to disasters. The humanitarian community still has steps to take towards making the system more inclusive and less competitive to local actors.




KENYA CASH CONSORTIUM PARTNERS – A TESTIMONY



The partnership with the Kenya cash consortium is a true reflection of the grand bargaining pillar where the local partners are not only part of the decision-making process but literally take the center stage of the current interventions in the spirit of aid-localization.

SND, 2022



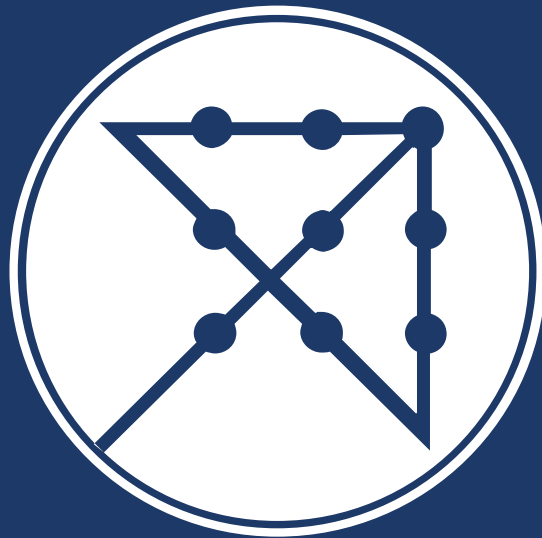
SAPCONE's presence has offered a steppingstone in influencing actions, making decisions and a quick turnaround in responding to humanitarian crises. This has ensured our work in the thematic areas is responsive to the needs. We are conscious of the local culture, speaking on behalf of and knowing what best interest of the people/communities on ground is.

SAPCONE, 2022

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