Karen Peachey: Hello, I'm Karen Peachey and you're listening to CashCast. In our last episode, we looked at the topic of accountability and engagement. We heard from our guests that there are many issues with our current approaches to accountability. With serious implications for people receiving aid. Our guests felt that major changes are needed to make things work better.

However, achieving such change will require complex shifts in the way the humanitarian system works. Our guests also felt that cash could help create change, as it puts more power in the hands of people in crisis than other forms of aid. Now, in this episode, we turn the focus to look at locally led response and large scale cash assistance.

Ahmed Ibrahim Abdi: For me, localization really means, uh, demand driven. As local actors, we are saying our niche is local. If we can't demonstrate locally led and people centered, then we have no business being in that space. That is what we are pushing and every other system we are trying to push them in that direction.

Karen Peachey: That's Ahmed Ibrahim Abdi, a highly experienced humanitarian and the convener of the Arid and Semi Arid Lands Humanitarian Network in Kenya. He describes himself as a passionate local and global champion of the localization agenda and the work of the Arid and Semi Arid Lands Network, known as the ASAL Network for short, shatters many of the preconceived notions about localization, particularly when it comes to cash. In this episode of CashCast, we're looking at localization. With Ahmed's help, we're going to challenge the idea that large scale cash and localization are incompatible. We'll explore some of the myths around local actors and barriers to further progress.

Let's get started.

To begin with, Ahmed was keen to point something out. That despite the fact that it's not captured in response plans, or in project managers Gantt charts, local action is usually the starting point for any humanitarian response.

Ahmed Ibrahim Abdi: The local actors together with the local communities are normally the first responders within a crisis. In the communities where we work, before you see a crisis seriously unfolding, You'll already be hearing situations happening at the lower end and a small level of community action together with different organizations contributing part of the resources they have to be able to deal with issues.

Karen Peachey: This response can come in many ways. And in many cases, this can be through the provision of cash.

Ahmed Ibrahim Abdi: You'll find social support networks already functioning. For example, in the northern region where we are, communities are giving out Zakat. They're already giving out responses during the Ramadan period. They're already doing some kind of responses on their own.

Karen Peachey: So local communities are springing in to respond when a crisis hits. But Ahmed says this isn't recognized by the formal aid system.

Ahmed Ibrahim Abdi: Those ones are not normally documented. When we go down and ask communities, what level of engagement have you already done? We have all that information, but none of the responses with that traditional picks up that.

Karen Peachey: As Ahmed says, there is already a wealth of local response happening that isn't recognised by the formal humanitarian system, but he's keen to make sure this is something that is accounted for.

Ahmed Ibrahim Abdi: Sometimes in the different forums we're asking, can we start off with documenting what communities have done to this crisis in the beginning? And how much cash they loaded themselves up? Some of it has come from diaspora, maybe some has come from community support structures. For the businessmen around them.

Karen Peachey: Using existing resources that are already in place, and amplifying the voices of those already involved, seems to be integral to the work of the ASAL humanitarian network. The network began as a way to bring together local actors across northern Kenya to allow for collaborative action and collective voice.

Ahmed Ibrahim Abdi: Just local actors, sitting in their own silos and trying to do things we thought, uh, to be able to accelerate the localization agenda, then we needed to do it a bit wider so that, that we can bring the voices of the local people plus the local actors together.

Those amplified voices, now we bring it to the traditional humanitarian system, bringing in all the needed accountability from a bottom up approach so that communities take the driver's seat, they understand these things. And as local actors come into the humanitarian system, then creating the spaces in coordination and decision making.

But overall, it is more about putting the local actors on driving seat and having quality partnerships and funding as we're able to engage the communities in the whole process.

Karen Peachey: The network's commitment to putting local actors in the driving seat is clear when you look at how they operate. In 2019, with the impact of the drought increasing in northern Kenya, members of the arid and semi arid lands humanitarian network discussed what to do.

Ahmed Ibrahim Abdi: We said, what is the fastest way to do a response? We said, of course, cash. Then we said, why not? We started training all the teams on cash transfers, and then from there started with a low level to enable local actors to be doing the response themselves. We invited Oxfam and other INGOs to invite ECHO, for example, an institutional donor.

We took them to the field for two field visits of the drought of 2019, and they really liked the model. They scaled up what we are doing as cash transfers from 600 households to 1, 000 households with 100, 000. And by the time ECHO response came through ACTED, which was the leader of the Kenya Cash Consortium, we were reaching 17, 000 households with three cycles of cash transfer.

Karen Peachey: As things have developed, members of the network have worked together on specific issues, such as harmonizing transfer values and the steps involved in delivering their cash. But, interestingly, network members have kept separate organizational systems and have allowed different partnerships to grow between local partners and international organizations.

Ahmed Ibrahim Abdi: Each of the INGOs will do direct partnerships with their own local partner, part of the network, to continue doing their fiduciary compliance processes, while each of the local partners uses a harmonized approach in terms of how the eight steps of cash transfer is done with the communities.

Karen Peachey: This networked approach has allowed the ASAL network to continue to adapt, and update their response when conditions change.

Ahmed Ibrahim Abdi: When we started off, we were using a flat rate. We did our own kind of analysis, market data, then from there we just looked at a certain amount. And we were paying one across all the counties. We are talking about six or seven counties at the very beginning. Then in terms of going forward, two things changed in how we were doing the cash.

One is we cannot continue using a flat rate across the counties. Number two, we cannot use how the identification of the villages to benefit is done. We need to do it more like an evidence-based approach. So those two things changed. Over time, we became part of the joint market monitoring model. We were able to now use the minimum expenditure basket model and we are using multi purpose cash transfer as a model.

So each of the counties uses the either the 25%, 50 percent or 75 percent based on the crisis level where we are at. And, uh, that has been used on the locust response, COVID, and the drought.

Karen Peachey: One of the arguments about cash and locally led response focuses on scale. Can locally led organizations deliver cash at large scale, or is this best left to bigger international organizations?

Ahmed thinks the discussion is missing key points. He thinks that scale is not necessarily just about the number of transfers made, and it can be thought of in different ways. And in addition to this, that locally led response is no barrier to scaling up, particularly when links to social protection systems are considered.

Ahmed Ibrahim Abdi: The scale could be numbers of people being reached and the volume, but it also can be in the context of geographical and reach of people who are vulnerable in multiple. As long as you're going to be able to link it up with the social protection mechanisms and you're going to be able to layer the modalities of doing cash transfers. Then, uh, you can scale up vertically and also horizontally on the numbers of people of the social protection.

Karen Peachey: Vertical and horizontal scaling up? I asked Ahmed to explain further.

Ahmed Ibrahim Abdi: Cash transfers that are going to be built on top of a, uh, social protection system, the social protection systems give out a flat rate. Maybe like 2,700 per month. So now when a crisis hits, that individual is also in crisis, it means you have to increase the amount of money you're giving them. You look at the MEB rate in that area and then you top up. So that one is the vertical approach that I'm talking about now in terms of the numbers of people you reach is the horizontal. So if already the, the social protection system is reaching a certain number of people on a regular basis. Then you have another category called Category 2 or Category 3, you layer them in as the crisis is going on. These beneficiaries are already registered in a system, and therefore pick up depending on the crisis.

Karen Peachey: So, in essence, vertical expansion is an increase in the value of the transfers, and horizontal expansion is an increase in the number of people reached. In Ahmed's context, by using the list of recipients in the social protection system, the amount of people that can be reached as a crisis grows can be rapidly increased. And having this pre existing list of potential recipients, Ahmed says, can make things run a lot more quickly.

Ahmed Ibrahim Abdi: If you are to roll out cash transfers in a next phase of a crisis, then you already have a set of beneficiaries to be counter checked in a shorter span of time. I go back to the communities to verify one or two things. But in the long run, be able to give cash in the shortest time possible, maybe three to seven days.

Karen Peachey: Three to seven days. That's fast. By the sounds of things, the degree to which local actors are already enmeshed in the local context can help them with the delivery of cash and can make it run more quickly and potentially more efficiently.

Ahmed argues that there are some big advantages that local actors have over some of the international ones.

Ahmed Ibrahim Abdi: When I'm given the data, then I will go and do a community based verification process. I can go through the list and then I will find that the individual who is in this list is already moved out. Somebody was graduated. Maybe he didn't have a job. The family was in a bad shape. Maybe that person got a job or became a chief or became an MCA for that matter. So from that perspective, then a local actor on the ground who is grounded, who is culturally acceptable, who understands the context. We'll be able to verify that data and be able to clean it. And that's what we have been telling now the HNSP teams and WFP as to doing the scale up. For example, in this crisis, that the beneficiary lists that we're going to use from the social protection will have to be verified, we'll bring back.

Karen Peachey: The example of the ASAL network shows that cash and voucher assistance and locally led response can be mutually supportive.

But for Ahmed, the growth of localization is not simply about national actors taking over the international humanitarian system as it is. Instead, it's about national actors rebuilding from the bottom up.

Ahmed Ibrahim Abdi: We need to start with the local action. Local action needs to be seen how far it can go. Before external resources can be pumped into it, we cannot be having externally financed humanitarian crisis.

So in the Kenyan context, for example, the way we are really pushing it is how we can lay out this until a time when government is the central pillar for it. And if we are going in that kind of approach, then in time, the approach will be also leveraging government funds. We use their funds as a way of a pool fund kind of approach, which now will be given to crisis affected localities and the standards and operation procedures are clear, something like that. Because as government is supposed to be at the center of it, then each of us are supposed to take a higher role every other time as we go on.

Karen Peachey: With this end goal in mind, the ASAL network has started to create terms of engagement. To make the different roles of local actors in international organisations very clear, amongst other things, they set out a localisation framework asking:

Ahmed Ibrahim Abdi: What does that localisation mean? How does the localisation set up? What are you signing up to? What are you giving away? What is the new role you are taking?

Karen Peachey: Listening to Ahmed's vision of the future of localisation in Kenya, it's clear how he sees the role and power of international organisations shifting and changing, and transferring much of the power to local organisations, allowing them to do what they do best. Chris Hoffman, the CEO of Humanity Links, agrees.

Humanity Links seeks to offer a bridge between the public and private sector in humanitarian settings. Helping organizations create effective and efficient partnerships and develop impactful innovations to assist people in crisis. Here's Chris.

Chris Hoffman: Why do I need to know the community? Why do I not just go to the people already that know the community and work with them to engage more deeply with the community that they're living within, right? So that is the future. We know it. We hear it from the grand bargain. Are we really going to get there? Are the systems built for that? Not yet, but I think over time we will be obsolete if we don't. Right? The other organizations will be, they're trusted already. Why do we need to go and create trust? We use the trusted organizations. We shouldn't be trying to enhance, you know, the, the trust factor with us. Let's work with the trusted person, right? Think about it from a sales

perspective. I don't go and set up my store in every town in the world. I find a guy that really is good at selling in his community and then I have him resell my product on my behalf. It's the same thing. We have to have that mentality.

Karen Peachey: But Chris says. There is a degree of resistance to getting to that place.

Chris Hoffman: The world has changed dramatically since post World War II, and, but yet, the mindset has not changed of people that are serving others in need. We inherently as humanitarians do have a feel good factor to the work that we do and a validation factor when we are face to face with people that we're serving and it is scary for many people to think, well, they actually look inward and say, well, then why am I even doing this work if I don't get to hang out with people in, in Bulawayo, Zimbabwe, right?

And so there's, there's that piece that we also need to, we need to start to change and, and figure out how we become more diverse. With people from the countries that we're working in to allow them to actually engage with their own people better versus us, again, from the global north parachuting in, um, to the, these places.

Karen Peachey: This phenomenon that Chris is describing is going to be an essential new reality for everyone working in the humanitarian sector to grapple with. And it represents quite a fundamental shift from the way the sector has seen itself in the past. And perhaps we're not completely there yet with the mindset shift, but is there progress along this path?

Christina Bennett: I would say some of that is changing.

Karen Peachey: That's Christina Bennett, CEO of the Start Network.

Christina Bennett: You know, Start Network is a membership organization that includes most of the large international NGOs that work in the humanitarian sector. And even in my close to four years being CEO of Start Network, I've seen that shift in the mindsets of those CEOs.

In terms of what they are supposed to be doing as leaders of those organizations and what their own success factors are and increasingly being supported by their boards, um, who are usually not aid people or humanitarians. They're usually business people. What I've seen recently is as CEOs are engaging in new strategy processes in their organizations, those strategies are including language, like doing ourselves out of business or language, like changing our

footprint, um, becoming more of an enabler, less of a direct deliverer and being incentivized to engage in partnership rather than to go at it alone. And plant flags and distribute branding and shout from the rooftops about how much they've done and how heroic their organizations have been. And I am starting to see among those CEOs who are members of Start Network a real change in their mindset, a real change in their strategy, and a real change in their board's ability or their board's openness to support them in new strategic thinking.

Karen Peachey: In reality, only time will tell whether the mindset shifts of the CEOs that Christina describes will have an impact on localization and the role of international organizations in humanitarian response. This mindset shift matters a lot, as negative perceptions and prejudice towards local actors can have significant operational implications, as Ahmed explains.

Ahmed Ibrahim Abdi: We're still seeing perspective where the let's say there's a small issue that comes up, still for a local partner, it's been seen as a whole agency problem, while in an international or a UN agency, it's an individual problem. So you deal with the individual from a perspective of dealing with disciplinary issues in INGOs or the UN.

For a local actor, it's still been dealt with as a whole agency, and until they clear the complaint or they do the investigation and all this. They don't work. They block out the whole entity, which is really very serious. Uh, we are trying to push back on that and saying, if it's equal, let's have an equal footing.

Karen Peachey: Another way this prejudice appears is around perceived capacity.

Ahmed Ibrahim Abdi: Most of the time, people talk about capacities and say local partners don't have capacities, but INGOs too do not have capacities or the UN. They only have the money to hire the right people. So if let's say they will have been put to the shoes of a local partner, where the money was withdrawn, then they will have been also limping with it.

Karen Peachey: Interestingly, Ahmed says that they've taken this challenge and turned it into an opportunity, one which bolsters the strength of their network.

Ahmed Ibrahim Abdi: So the way I look at it is we have solved that problem now. We did what we call capacity sharing within the local partners. So we have mapped out all the skills local partners have. The staff they already have, and if a response is to happen within the local network we are in, and that

partner has not got that capacity at that moment, we deploy it in advance while the local partner recruits. So in our context, we are saying none of our local partners has capacity problem. So if we are going to meet a finance person, we can deploy the finance person there plus the system to help them start up.

So even if they're a CBO, we want to give them money. We'll give them the accompanying staff, plus the systems to start them off. So we have moved away and called it a capacity readiness approach, where we did our self assessment. Then we are looking at it from a perspective where each of the local partners in a certain geographical area will be looked at what is unique and similar in their capacity needs. And then we are bringing it and collectively doing it for the whole ASAL Humanitarian network.

Karen Peachey: Progress on locally led response is much slower than many would like. With systemic issues that need to be addressed to accelerate progress. But as Ahmed and the ASAL humanitarian network show, it can work and it can work well. The fears around cash and locally led response are resolvable.

Ahmed Ibrahim Abdi: We have seen cash and voucher push and accelerate localization agenda and putting partnerships and putting local actors at the front. If it wasn't for cash, then I would not be talking about this because organizations were ready to start engaging with us in cash because they wanted to reach quickly the beneficiaries.

Cash, in a larger way, has been the central ingredient for pushing the localize, working the localization talk, plus also ensuring the level of crisis affected communities needs been met. In a very direct and, uh, dignified way, and it's time for all of us to gather around it and push the bar and forget about the aspects of siloed, uh, sectors, clusters, our organization mandates, our all mandates should also centralize on. locally led functioning, people centered approaches.

Karen Peachey: This is the point where I wrap up and summarize what we've heard. In essence, we've seen that there are huge institutional barriers to change, but that it is possible, and new ways of working are emerging. The question is, can we accelerate change?

On the next episode of CashCast, we'll be looking at another force for change in the humanitarian sector, technology. Is new technology the key to reaching the full potential of cash?

Chris Hoffman: When you talk to NGOs and you start mentioning these things, they're like, oh, I've never even heard of them. The technology has moved much faster because of the business sector, but we have yet to be able to bring that technology in.

Karen Peachey: Or is there a risk that the tools we might want to use could cause more harm than good?

Laura Walker McDonald: You might be actually painting a target on someone's back.

And I think we've insufficiently thought about that and were insufficiently humble about the risks we might be actually creating.

Karen Peachey: Could the combination of cash and tech bring transformative change and finally make aid more people centered? Or are the risks just too high? Join us in the next episode of Cashcast to explore further. Let's continue the conversation. We want to hear from you. Feel free to share your thoughts or questions with us through the different channels indicated in the description of this episode. Until next time, goodbye.