CHAIN OF INFLUENCE FRAMEWORK FOR SYSTEMS CHANGE

Shifting power to local actors

CONDUCIVE SPACE FOR PEACE

Executive summary

The international aid system is not supporting local actors as well as it could. This is increasingly acknowledged by people working for international organisations. Many have felt compromised, but unable to change the ways of working at international organisations in creating an enabling environment for local actors pursuing sustainable peace. Local actors in conflict-affected contexts have felt the brunt of these challenges for years, but are struggling to address them as it demands change outside their sphere of influence. As an African proverb says: *If an egg breaks from within, a new life is born, but if it breaks from the outside, life ceases to exist.* The Chain of Influence Framework seeks to address these challenges and support international organisations to change from within to enable greater space for local actors to unfold their potential.

Challenges for local actors in conflict-affected contexts include the following: 1) the conditions that donor priorities direct aid to specific focus areas not identified by those closest to the conflicts; 2) proposal and reporting requirements reduce access to funding on the part of local peacebuilders; 3) knowledge management modalities leave international actors in the driving seat without sufficient space for local actors to take the lead; and 4) all are predominant ways of working of the international system that do not create a conducive space for local actors promoting sustainable peace. Although excellent policy frameworks to address these challenges exist it nonetheless has proven difficult to change international organisations and implement the agreed policies.

An example of how funding and power travel through the international system through a chain of influence: A project manager in a conflict-affected context introduces an innovative local accountability mechanism together with local leaders. The project manager soon finds that the MEL (monitoring, evaluation & learning) person at the country office is not equally excited about the new way of working. How are they going to report to donors in a way that shows progress according to the agreed results framework? The country director is also concerned as new funding opportunities may be lost. That is, if partner organisations shift their attention to other areas of work that are needed (according to the partners), but do not align with donor priorities, what happens? The implication is that continued funding to the partners becomes more challenging than before, prior to the introduction of the local accountability mechanism. This example shows how the Chain of Influence Framework can shed light on systems challenges and why innovative practices are difficult to translate into broader systems transformation.

Chain of influence thinking can also be used to design and implement systems change processes that in fact create sustainable systems change resulting in better enabling the space for local actors to unfold their potential. The Chain of Influence Framework is different from other approaches to understanding systems challenges and systems change for local leadership because it puts the needs of local actors at the forefront. It also shows how international organisations can change from the bottom up, with every staff position guiding the next level above them in what they need to change. Change must happen first by the international actors who engage directly with local actors, telling the next level in the organisation to change in a way that allows the first level to accommodate the needs of local actors. Then this next level will need to guide the level above them, which then guides the level above them – in order to allow the whole chain of people and departments to change their ways of working in a way that accommodates the needs of local actors.

Eventually, the management of the organisation, for example an INGO (international non-governmental organisation), must guide the international organisation above them, for example a bilateral donor, to create the conditions that will allow the INGO to work in a way that accommodates the needs of local actors. While organisational and systems change is often initiated and led in top-down processes, the Chain of Influence Framework provides a model for how to change the system from the bottom up.

With the Chain of Influence Framework, we offer a new understanding of how the ways of working of the international aid system can either promote a more enabling space for local actors in conflict-affected contexts, or the opposite. It examines the challenges and opportunities for unlocking change in the international system of support to local actors by tracking how funding and power is channelled between different international organisations and between levels within these organisations. Although current ways of working in this system are beset by inherent challenges that often inhibit the space for local actors to realise their potential, the Chain of Influence Framework assumes these patterns can be reversed.

The global system is in flux, and international organisations that currently support peacebuilding and development will look different ten years from now. The question is whether international organisations will become better equipped to support local actors in their efforts to pursue sustainable peace. With this framework, we propose a viable avenue for the international aid system to become equipped to meet the peacebuilding challenges of the future.

Aims of the Chain of Influence Framework

The Chain of Influence Framework presented here seeks to provide an understanding of the interlinkages between ways of working at one level of the system with ways of working at another level of the system, and how this impacts support to local actors. That is, this framework offers a way for different types of actors to unpack the consequences of their practices and their organisational ways of working to better understand how this impacts the space for locally led peacebuilding and development. While the Chain of Influence Framework is intended to serve as an inspiration for all change agents at international organisations, it especially aims to prompt reflection among the decision makers who are tasked with ensuring that international organisations remain relevant and undergo the necessary organisational change processes to ensure sustainable development and peacebuilding.

Chain of Influence Framework thinking borrows its inherent logic from value chain models. In the Chain of Influence Framework, the term 'value' is understood both in relation to the funds provided for national and local-level civil society efforts, and as a more abstract intersection between power and the space for local actors to lead. The simplest version of this is the equation of how much (or little) of the funds intended for civil society at country level actually reach local actors. The more complex analysis that underlies this framework is around systemic power inequalities, unpacking how donor priorities often override local priorities in programming processes, upward accountability that overrides local accountability, knowledge and knowledge management privileged by and for internationals, and partnership models that are sometimes infused with structural inequalities. As we have discussed and analysed systemic power inequalities in other CSP publications, this conceptual framework focuses specifically on the chains and interlinkages between and among different parts of the system, and how funding and influence intersect throughout the system, from bilateral donors to local civil society actors.
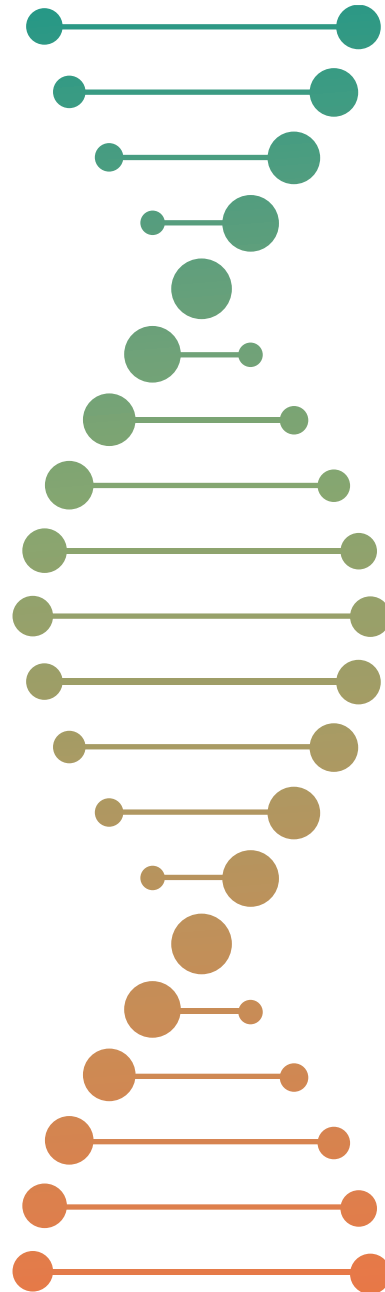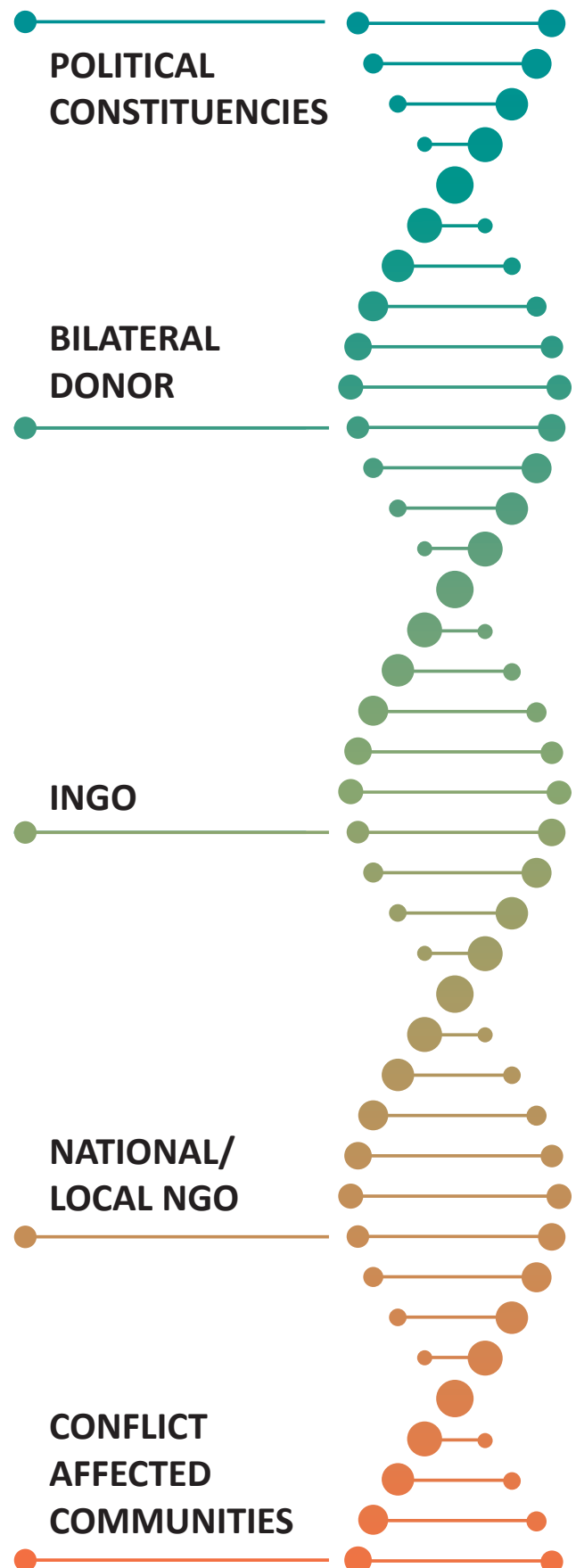
Introduction

New ways of understanding and facilitating systems change for locally led development and peacebuilding are critically important. Policies for localisation, such as the Grand Bargain and Doing Development Differently, have created excellent frameworks to pursue systems and organisational change to better support local actors. Implementation is not moving forward as it should, however. Data from 2016 to 2020, for example, shows that the aim of securing 25 percent of donor funding for local humanitarian actors is far from being met: this fluctuates between only 2.1 to 3.1 percent.[1]
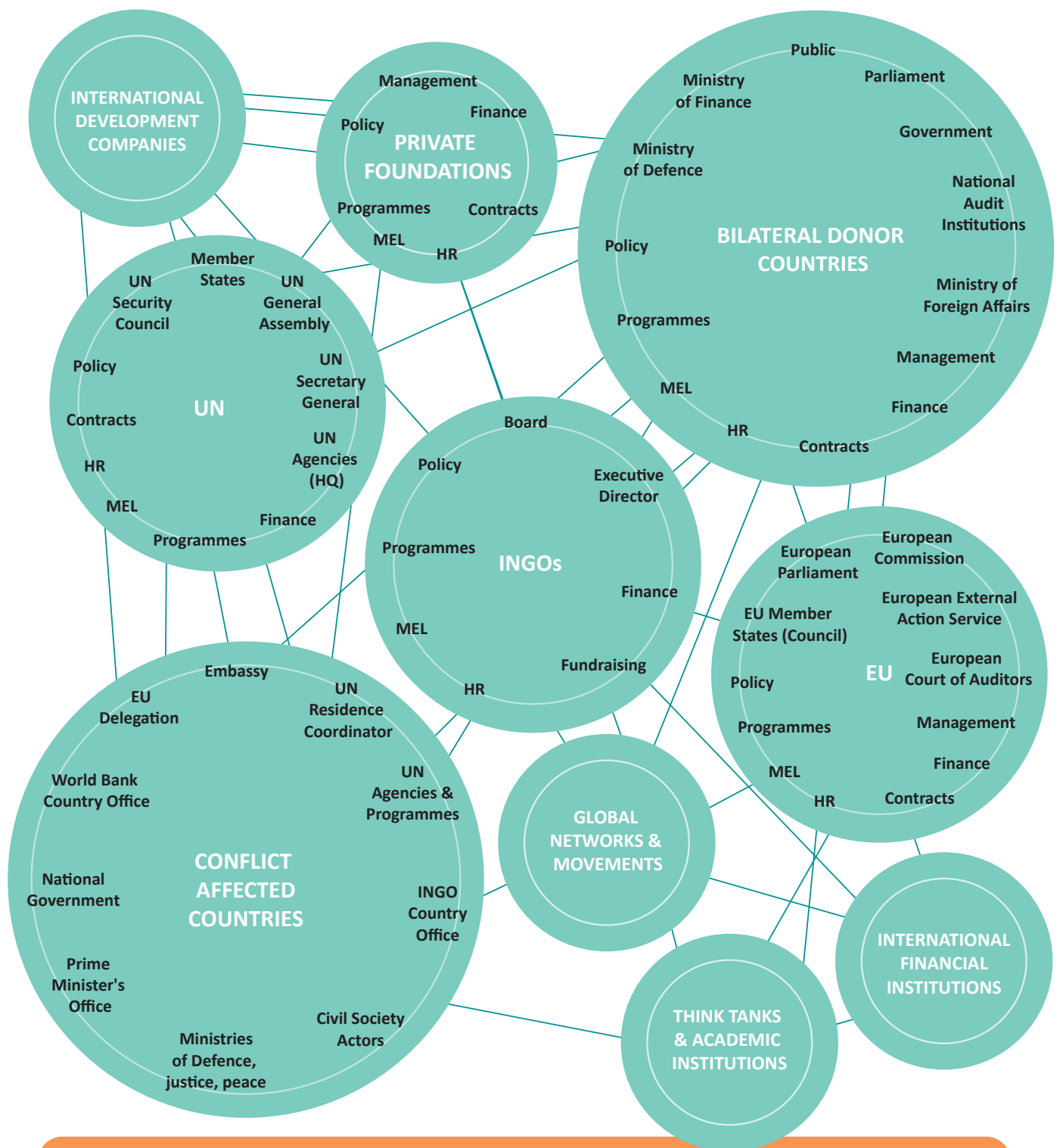
At the same time, there is increased momentum for change sparked by global trends. Some of these include: 1) The Black Lives Matter movement, which has influenced the Decolonising Aid agenda in the development sector; 2) the COVID-19 pandemic, which reduced direct international engagement in countries in the Global South, thus bringing local actors to the centre of international attention; and 3) bureaucratic systems installed over the past 20 years, such as New Public Management, which have been recognised as increasingly problematic in limiting the agency of those closest to the conflict-affected context and thus loci of change.

DNA AS A SYMBOL OF CHAIN OF INFLUENCE

The figure used to visualise the logic of the Chain of Influence Framework is inspired by DNA. DNA is the basic component of any form of life. The systems design of DNA is both a source of replication and rigidity, as well as a source of growth and development. The molecules in DNA are tightly knit together, making their trajectory of replication difficult to change. They divide into new DNA structures that have the same characteristics as the original strand. The international aid system is equally tightly knit, and is replicated within and between its organisations through chains of influence. It takes multiple trajectories to reach local actors, with a significant number of intermediaries embedded in the chain.

The colours used in the visual DNA-inspired Chain of Influence Framework shifts from blue to green to yellow and then to orange. As in the logo of Conducive Space for Peace, the colour blue symbolises the power and technocracy of international organisations, while the colour orange symbolises the human potential of local actors in contributing to sustainable peace. The directionality of power is illustrated by the reversal colour coding on page 14.

POLITICAL CONSTITUENCIES

BILATERAL DONOR

INGO

NATIONAL/ LOCAL NGO

CONFLICT AFFECTED COMMUNITIES

What system are we talking about? The international system of support to development and peacebuilding is understood here as the various actors and organisations that influence the ability of local actors to realise their potential and promote sustainable peace. This includes community-level and sub-national, national, regional, and international actors and organisations, as well as relevant private sector actors. The above figure is another way of illustrating the international aid system in a slightly more nuanced but still schematic way which may be more intuitive. It does not, however, allow us to explain the Chain of Influence framework and its logic, thus the use of the DNA model to elaborate that.

What does systems change mean? Systems change departs from the understanding that the system is composed of complex and dynamic relations and elements that do not necessarily hold a linear relationship to one another. The process of systems change therefore works to improve the overall health of the system in relation to the goal of greater local leadership, which entails engaging for change across an underlying web of structures that span from structures and practices to attitudes and norms. Systems change also exists as a complexity spectrum, which ranges from systems innovation (addressing change in one problematic pattern) to systems transformation (working to change a broader web of relations). [4]

INNOVATIONS DO NOT NECESSARILY LEAD TO BROADER SYSTEMS CHANGE

There is in fact no lack of innovative ways to change the international aid system so that it is better able to support local actors.[2] While valuable, the focus of these contributions is typically limited to specific parts of the system or the behaviours of actors within the system, rather than focusing on the broader international aid system per se. Consequently, these systems innovations rarely translate into broader systems transformation. An innovative practice – for example, in relation to funding mechanisms, monitoring, evaluation & learning (MEL) approaches or knowledge management – that is carried out in one country and within one programme or mechanism does not, by default, impact the rest of the system. On the contrary, broader system impacts prove to be the exception, not the rule. Even within the same donor organisation or international non-government organisation (INGO), it proves difficult to learn from promising practices in one country or organisational department, so as to allow these innovations to inspire broader organisational and systems change.

There are several reasons why translating systems innovations into transformative impact is particularly challenging. One reason is the ongoing pressure on and by donor agencies to ensure fast and efficient delivery, along with relevant and timely use of funds, in alignment with donor requirements. Another reason is that the often used modality to transfer innovation from one context to the next is scaling. Scaling implies that an innovative practice in one place can be implemented (often in adapted forms) in other places; for example, in other countries. This kind of scaling can be considered horizontal systems change process as it aims to create change in multiple contexts, but at the same level of the system. Yet all of these initiatives are likely to meet similar obstacles at higher levels of the organisation and the broader system.

An example would be local accountability mechanisms meeting obstacles in the demands of donor driven results-based frameworks and predefined indicators. If these obstacles are not addressed, innovations will not elicit sustainable change in enabling locally led development and peacebuilding. Horizontal systems innovation can, however, be used as a stepping stone for vertical systems change processes that would most appropriately be called 'systems transformation'. This publication focuses on vertical change processes.

THE NEEDS OF LOCAL ACTORS AS THE CENTER-PIECE OF SYSTEMS CHANGE

Chain of Influence Framework thinking is different from other approaches to understanding systems challenges and systems change for locally led peacebuilding and development because it puts the needs of local actors at the forefront. It also shows how international organisations can change bottom up, with every staff position guiding the next level above them in what they need to change. Change must happen first by the international actors who engage directly with local actors, telling the next level in the organisation to change in a way that allows the first level to accommodate the needs of local actors. Then this next level will need to guide the level above them, which then guides the level above them, which then guides the level above – in order to allow the whole chain of people and departments to change their ways of working in a way that accommodates the needs of local actors. Eventually the management of the organisation, for example an INGO, must guide the international organisation above them, for example a bilateral donor, to create the conditions that will allow the INGO to work in a way that accommodates the needs of local actors. While organisational and systems change is often initiated and led in top-down processes, the Chain of Influence Framework provides a model for how to change the system from the bottom up.

What does the term 'local actors' mean? Local actors can be defined here as civil society actors, state actors and other actors operating in the national context with a role in promoting sustainable development and peace. Both community based and CSOs with national outreach within a conflict-affected context belong to this category of actors. In this publication we focus on local civil society actors.

Why focus on local actors in pursuing sustainable peace and development? The thinking behind the Chains of Influence Framework is anchored in the assumption that long-term locally led processes hold the key to building sustainable development and peace. Peace cannot be built by international actors sitting in the headquarters or country offices of INGOs, by consultants or mediators flying in for short-term missions, or by donor representatives who set priorities for how development aid and peacebuilding support can be delivered. Peacebuilding and development are not tasks to be delivered or implemented according to a set of predetermined principles and priorities defined by people who are remote from the conflict-affected context. Rather, peacebuilding and development are best done by people who are part of the societies where peace is being built and development pursued.
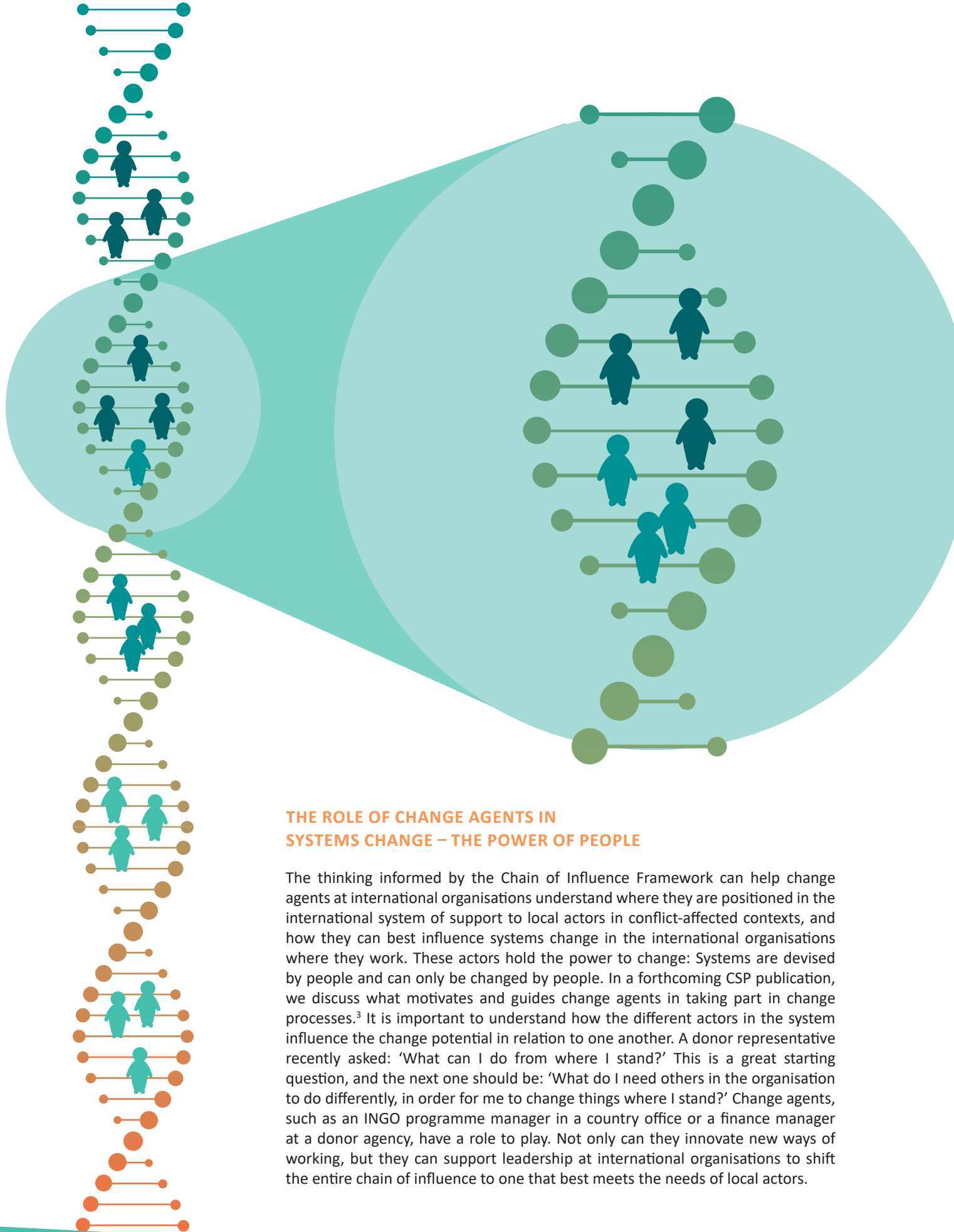
THE ROLE OF CHANGE AGENTS IN
SYSTEMS CHANGE – THE POWER OF PEOPLE

The thinking informed by the Chain of Influence Framework can help change agents at international organisations understand where they are positioned in the international system of support to local actors in conflict-affected contexts, and how they can best influence systems change in the international organisations where they work. These actors hold the power to change: Systems are devised by people and can only be changed by people. In a forthcoming CSP publication, we discuss what motivates and guides change agents in taking part in change processes.[3] It is important to understand how the different actors in the system influence the change potential in relation to one another. A donor representative recently asked: 'What can I do from where I stand?' This is a great starting question, and the next one should be: 'What do I need others in the organisation to do differently, in order for me to change things where I stand?' Change agents, such as an INGO programme manager in a country office or a finance manager at a donor agency, have a role to play. Not only can they innovate new ways of working, but they can support leadership at international organisations to shift the entire chain of influence to one that best meets the needs of local actors.

Rethinking systems change

Susanna Campbell (2018), author of *Global Governance and Local Peace: Accountability and Performance in International Peacebuilding,* and researcher at American University in Washington DC, provides an excellent example of how systems innovation can happen at the level of INGO country offices. Her book focuses on how bilateral donors, multilateral organizations, and INGOs operates in conflict affected contexts, and she demonstrates how hacking the otherwise top-down accountability systems in a particular context can facilitate systems change. She writes:

'To create informal local accountability, … country-office staff must circumvent standard operating procedures put in place by their headquarters or donors. This circumvention is necessary because country offices are designed to respond to the demands of their headquarters and donors, not to those of local stakeholders. Country offices are held accountable for delivering the goods and services mandated and funded by their headquarters and donors, regardless of whether local-level demand for them exists. Good country-office performance, thus, requires seemingly 'bad behavior' by individual staff members who break or bend rules to create informal local accountability (Campbell 2018: 4).'

Campbell's argument is that INGO staff in country offices has a key role to play in navigating the requirements of donors, sometimes even breaking the rules, in order to provide space for local accountability and learning on what actually works and contributes to peacebuilding in a given context.

What Campbell proposes is a form of systems innovation, where the innovation has the intention of making an otherwise dysfunctional system work in a way that makes it better equipped to fulfil its purpose. The chains of influence from bilateral donor to INGO to local peacebuilder are circumvented by hacking one particular process in the chain; however, the directionality of power and the logic of the chain of influence are not radically challenged.

What happens when the project manager at an INGO country office hacks the system and creates space for local accountability instead of focusing on often burdensome upward reporting and accountability procedures in which local actors may find little value or have limited interest? In the short term, this is likely to elicit more energy among partners and a stronger sense of ownership. In the longer term, however, systemic dynamics may push back against this innovation. Priorities are discussed, outcomes are harvested and learnings inform adaptations in the programme. But wait! Do donor requirements allow for adaptations as needed?

The project manager may find that the MEL person at the country office is not equally excited about the new way of working. How are they going to report to donors in a way that shows progress according to the agreed results framework? The country director is also concerned as new funding opportunities may be lost. That is, if partner organisations shift their attention to other priorities that are needed (according to the partners), but do not align with donor priorities, what happens? The implication could be that continued funding to the partners becomes much more challenging than before, prior to the introduction of the local accountability mechanism. If the country office is part of a federation or confederation structure such as at Oxfam, Action Aid or CARE, the distance between the country office and the main donors is vast and difficult to bridge. What will headquarters and donors say about these changes? And does this make the organisation less eligible to obtain funds from bilateral donors than other INGOs (that stick with the agreed results framework)? Only a small number of bilateral donors is moving towards new modalities of working that are more flexible and less controlled by donor interests. The Chain of Influence Framework proposes an approach to address these challenges.

The Chain of Influence Framework is based on both systems thinking and social movement thinking. It positions change agents at the core of systems change and is underpinned by a belief that people can change the system in multiple ways, dependent on their understanding, leverage and position in the system. In her 2018 book, Global Governance and Local Peace, research-practitioner Susanna Campbell asserts that 'it is the people within international organisations who can change the system'. By taking an actor-centric perspective and focusing on peacebuilding performance at the level of the country office, Campbell zooms in on the factor that is most within the control of an intervening organisation – the behaviour of international actors. Staff inside international organisations have a key role in navigating the requirements of donors, sometimes even breaking the rules, to provide space both for local accountability and learning what works and contributes to sustainable peacebuilding in a given context.

Tracing the Chain of Influence through the International System

The Chain of Influence Framework is a way of tracing the complex journey of funding, power and influence across the development system from bilateral donors to multilateral organisations and INGOs and on to national and local civil society actors. There are numerous variations in chains of influence such that they may also include private foundations, other multilateral organisations, state agencies in conflict-affected countries, consultancies and so on. The Chain of Influence Framework is not one-directional or one-dimensional, nor is it linear. Rather, the framework operates in a complex system in which each actor is positioned at nodes in a series of complex chains of influence. The predominant chain of influence that impacts support to local actors engaged in development and peacebuilding is, however, characterised by a high degree of hierarchy and top-down power dynamics.

Here, the conceptual framework is simplified in order to make key points with greater clarity. In particular, in this description of the Chain of Influence Framework, funding modalities constitutes the most obvious sign that international ways of working reduce the space for local agency at the end of the chain. There are, however, important and complex interlinkages between funding and power, with the interlinkages infused and (in)formed by multiple interfacing normative frameworks and organisational cultures and structures.

The chains within the Chain of Influence Framework are nether linear nor one-dimensional, however most are characterized by a high degree of hierarchy and top-down power dynamics.
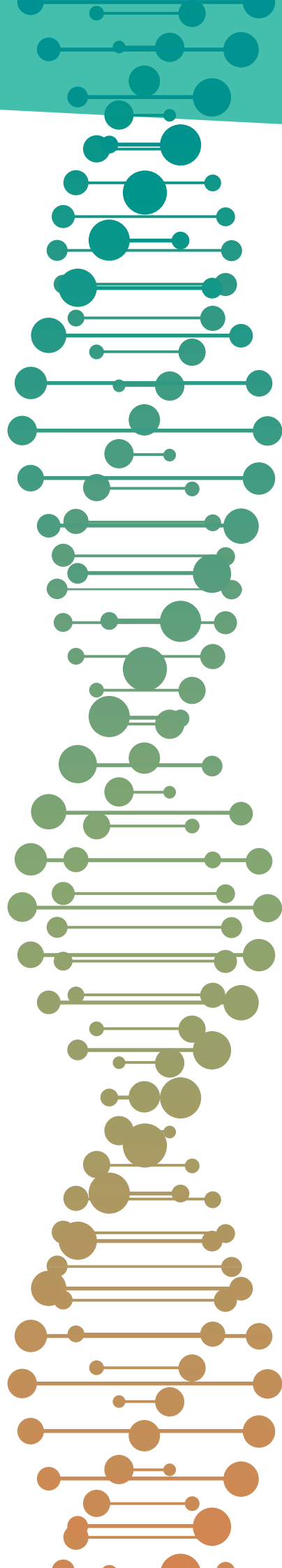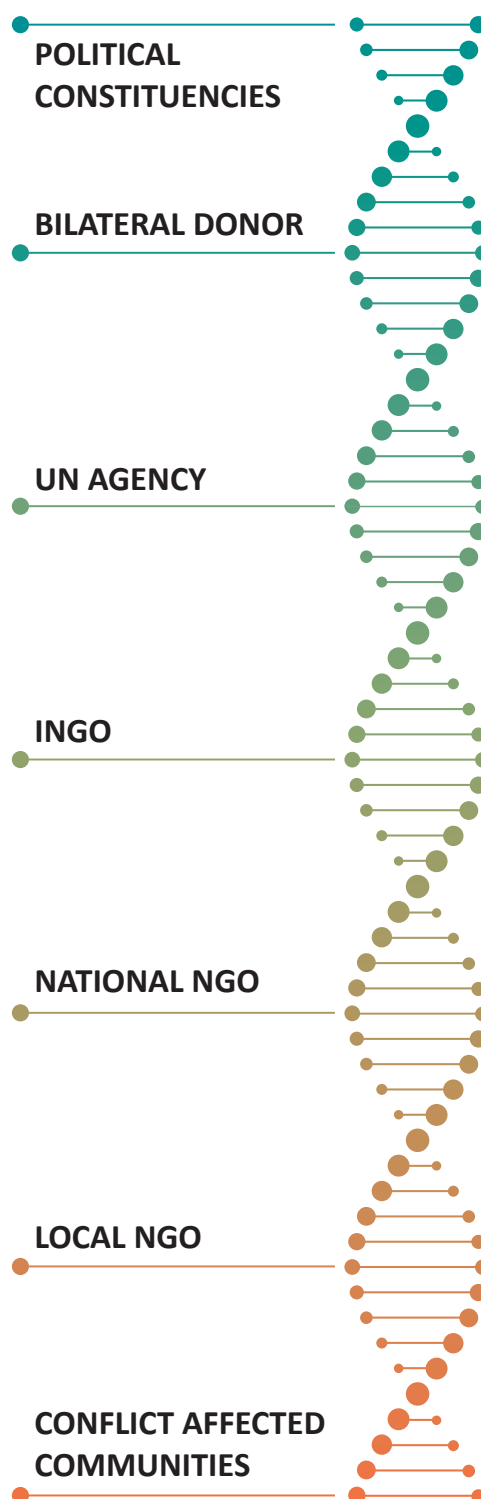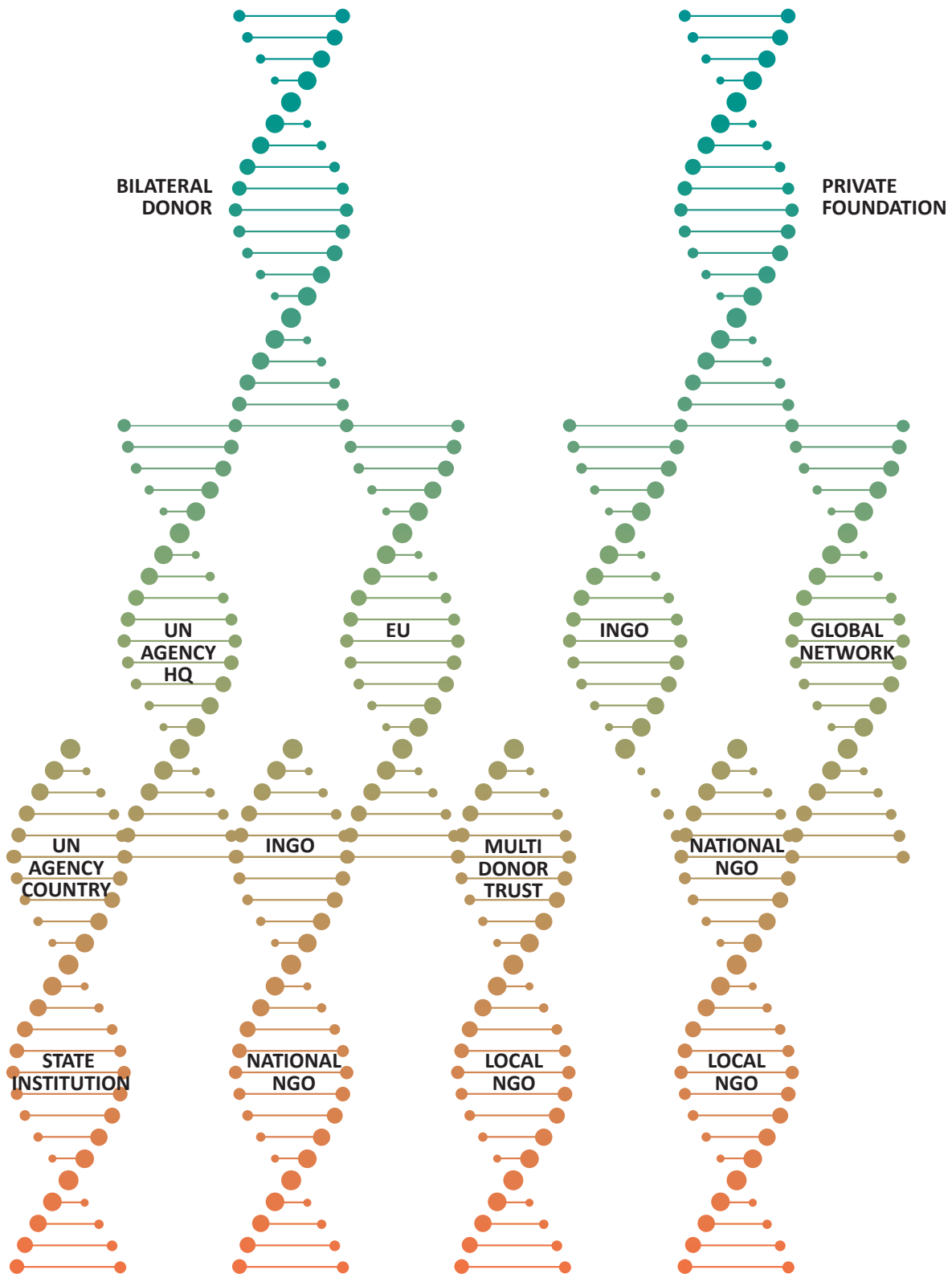
Chains of Influence **between** Organisations at Systems Level

A chain of influence that exemplifies how funding and power travel through the overall international aid system, with an emphasis on the linkages between types of organisations, can be understood as follows: A bilateral donor (a ministry or development agency) receives a designated amount of funds as mandated through political agreements on funding and the priorities of that donor country, which are increasingly based on national interest. The mandate is to distribute the funds among specific types of actors that typically include NGOs of the donor country, international NGOs and UN organisations, all tend to have both headquarters in the Global North and offices in the conflict affected country. These organisations then support national and local NGOs in conflict-affected countries.

Often, there are also extra links in the chain; for example, UN organisations receive funds from bilateral donors, transfer some of these funds to INGOs, which then go to national NGOs and finally on to local NGOs. Sometimes, international development companies (IDCs) also take up the role at a particular juncture or as an additional link in the chain. The challenge of adding more links is broader than in relation to international consultancies as for example multilateral organisations such as the European Union (EU) transfer funds to UN mechanisms, thus adding an additional link to the chain. UN agencies also transfer funds to other UN agencies, thereby adding links that result in fewer funds reaching local civil society actors.

At each level of the chain, more layers of priorities, accountability measures and administrative procedures may be added. Moreover, at each level, funding is used for administrators, finance officers, international advisers, programme managers, fundraisers and MEL staff. The result is less and less space, and fewer and fewer funds for local civil society actors – situated at the end of the chain – to prioritise what is most relevant in the given conflict-affected context at a particular time. There are of course exceptions and variations to this simplified version of the Chain of Influence Framework.

POLITICAL CONSTITUENCIES

BILATERAL DONOR

UN AGENCY

INGO

NATIONAL NGO

LOCAL NGO

CONFLICT AFFECTED COMMUNITIES

BILATERAL DONOR

PRIVATE FOUNDATION

UN AGENCY HQ

EU

INGO

GLOBAL NETWORK

UN AGENCY COUNTRY

INGO

MULTI DONOR TRUST

NATIONAL NGO

STATE INSTITUTION

NATIONAL NGO

LOCAL NGO

LOCAL NGO

The chains within the Chain of Influence Framework are neither linear nor one-dimensional, however most are characterized by a high degree of hierarchy and top-down power dynamics. This figure shows just some of the multitude of chains across the system.

By far, most development and peacebuilding funding to local actors ultimately derives from bilateral donors and travels through a range of international organisations in roughly the same way.[5] Chain of Influence Framework thinking does not seek to eliminate the role of international intermediary organisations. Rather, it advocates that influence and power should emanate from local civil society, and that international support to local actors can be provided in more relevant ways. INGOs or other intermediaries can indeed play a role in mediating donor requirements to make it less cumbersome for national and local NGOs to access funding and get the support they need also beyond funding. As one chief executive of an international peacebuilding NGO expresses in a gathering that Conducive Space for Peace convened in November 2021:

'[There is] an appetite for shifting the balance between INGOs and local actors, but also a real need for increased support. ... The aspiration for a shift in power is not an aspiration to be left alone. It is an aspiration to rethink how we work in partnership.'

Bilateral donors have increasingly less capacity to manage multiple grants due to staff cuts and increasing accountability measures. Because they have less capacity to manage multiple grants, they now tend to disburse larger (but fewer) grants. At the same time, they have added more requirements for financial management, proposal writing and reporting in recent years. This typically results in additional layers in the chains of influence as large amounts of funding must go through a limited number of contracts. In addition, political priorities are often more rigid at this level, with ministries and development agencies being directly accountable to politicians, and indirectly to political constituencies and tax payers. This makes bilateral donor agencies more risk averse, adopting a zero-mistake culture and accountability measures that are extraordinarily time consuming. Hierarchies and top-down power structures at donor agencies are generally pronounced, which limits flexibility and adaptability to the needs of local actors in conflict-affected contexts and inhibits lower-level staff from developing new ways of working.
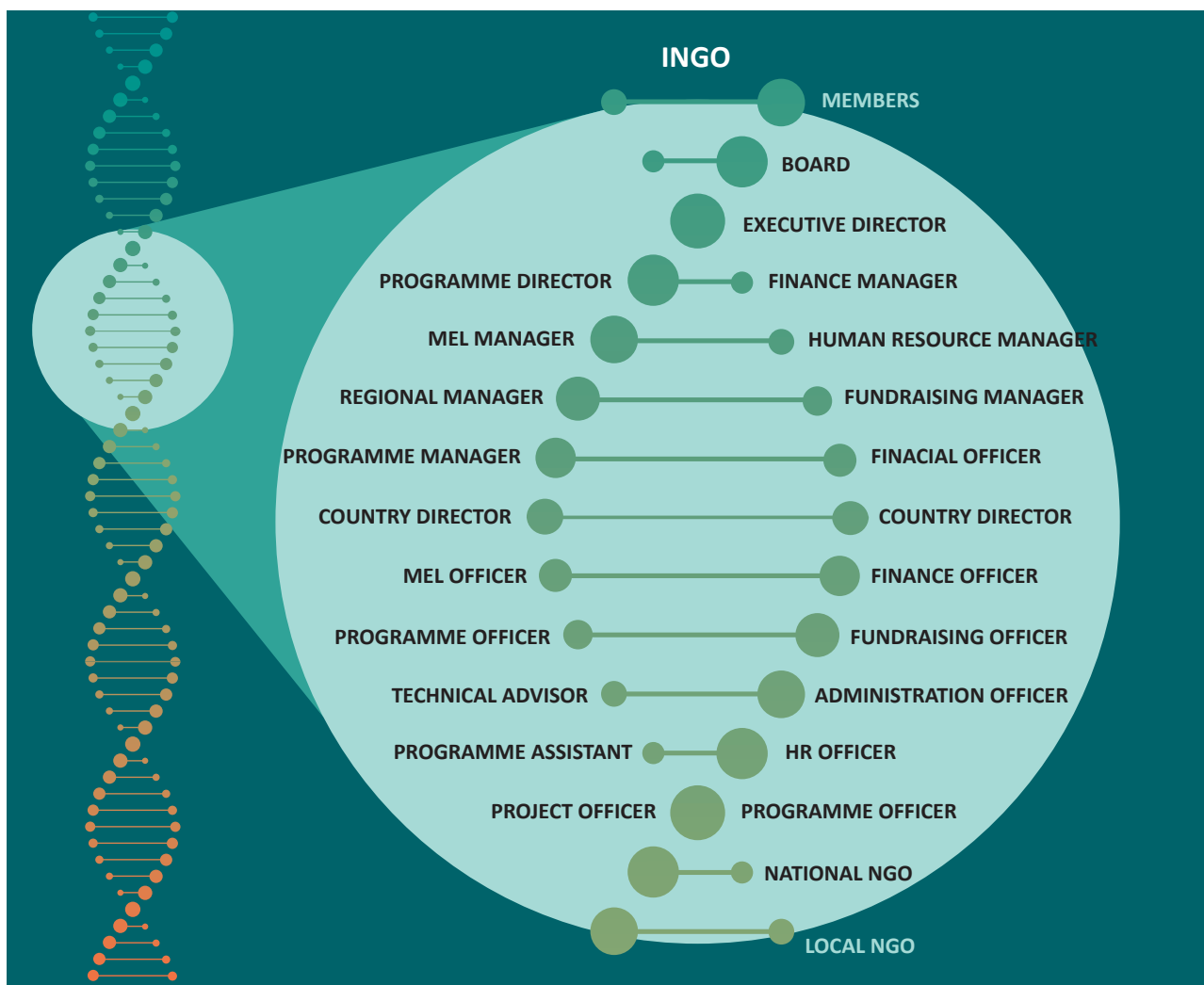
INGOs are sometimes able to protect or buffer local actors from onerous top-down demands, taking on tasks related to upward accountability. At INGOs, the chief executive officer (CEO) or programme director is typically best placed to engage with donors and navigate donor requirements, although these actors are seldom in a position to influence priority areas, given that these are politically mandated. They may negotiate changing the terms upon which funds are provided or they may develop innovative mechanisms to circumvent these conditions. In this way, INGOs can either sustain or enhance conditions that, at the end of the chain, decrease the space for strategic development, prioritisation, leadership and agency of local actors; or actively serve as a transmitter of funds and an active 'interpreter' between donor requirements and local NGO needs, protecting or buffering local actors against donor demands.

While in the short term it may be positive for INGOs to take on the role of grant managers for local organisations, at the same time this serves to maintain their role as gatekeepers to (international) funding, potentially acting as a barrier to local actors accessing this funding directly. In the longer term, this does not simply mean transferring INGO roles and tasks to local actors (in proposal writing, reporting and so on) such that they are able to apply for and manage typical grants. Instead, the burden of adaptation should be on bilateral donors and other funders. Again, these are not arguments for taking out INGOs from the Chain of Influence Framework, but it is an argument for considering when and how INGOs are relevant in chains of Influence, and how INGOs can minimise their administrative and financial management costs, while meeting expressed needs of local actors such as capacity enhancement or facilitating peer learning spaces.

Chains of influence **within** international organisations

Another layer of chains of influence is embedded <u>within</u> the organisations that form part of the international system of support to local actors in conflict-affected contexts. The interlinkages between the CEO, programme staff, MEL officers, fundraisers, and finance and administration officers have direct implications for the ways in which a bilateral donor agency collaborates with an INGO, and the ways in which that INGO collaborates with national NGOs – and, crucially, how this influences the space for local agency and power. Also, the link between headquarters and country offices often adds layers of administrative and financial management costs, which implies less funding for local actors. For example, an INGO that is part of a global confederation might receive 7 percent of the total grant for overhead costs and not transfer a part of this to the country office, along with the programme funding.

INGO

MEMBERS

BOARD

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PROGRAMME DIRECTOR   FINANCE MANAGER

MEL MANAGER   HUMAN RESOURCE MANAGER

REGIONAL MANAGER   FUNDRAISING MANAGER

PROGRAMME MANAGER   FINACIAL OFFICER

COUNTRY DIRECTOR   COUNTRY DIRECTOR

MEL OFFICER   FINANCE OFFICER

PROGRAMME OFFICER   FUNDRAISING OFFICER

TECHNICAL ADVISOR   ADMINISTRATION OFFICER

PROGRAMME ASSISTANT   HR OFFICER

PROJECT OFFICER   PROGRAMME OFFICER

NATIONAL NGO

LOCAL NGO

In bilateral donor agencies that have large organisational structures with specialised departments, there is often limited dialogue between these various departments, such as between MEL, human resource management, procurement and contracts. It can also be the case that different departments have different portfolios and types of funding mechanisms. In this context, the challenges in how funding is managed and the various ways of working from one department to another may be more difficult to detect. Each organisational area or level might know too little about the other levels (above and below) to see the bigger picture of organisational structures and practices. It can be difficult to understand how one part of the system connects to the final aim of providing support to civil society actors in conflict-affected countries. Back-end operations are often not meeting front-end needs.

Thus, change processes in these organisations have to be mandated by leadership acknowledging that systems change must be rooted in the needs of local actors pursuing sustainable development and peace. As a progressive head of a donor agency summed up a conversation:

'So what we need to do is to start a process of organisational change from below, by asking local actors what they need, and then use this starting point for our organisational change process.'

In recent years, several private foundations have reviewed their entire operational procedures from the perspective of providing support to local actors in more relevant ways. While it has proved rewarding yet challenging to embark on such processes at these private foundations, it seems far more challenging to undertake similar organisational reviews at bilateral donor agencies due to the politically mandated and often more hierarchical nature of these organisations.

INGOs typically consist of smaller organisations than bilateral and multilateral donor organisations, which makes it easier for management and staff to understand how ways of working in different parts of the organisation are interlinked. Smaller INGO size also makes it easier to appreciate that all parts of the organisations have a role to play in either enabling or constricting local agency

and power. Nonetheless, persistent patterns are difficult to change. In developing a funding proposal for a donor, for example, the programme director, country manager or fundraising officer often leads a process in which technical and context specialists develop and formulate the narrative, MEL officers lead the process of developing the results-based framework, and financial managers lead the process of developing budget and financial reporting modalities.

In best case scenarios, this is all done through locally led or locally consulted design processes, with INGO staff trying to navigate donor demands and protect local organisations from requirements that restrict local priority setting and limit local leadership in such processes, while simultaneously trying to ensure the greatest chance of funding success. The worst case scenario is when a funding proposal is developed at headquarters with limited consultations, and when programme development involves setting up a results framework that limits the flexibility of local actors, focuses on quantitative measures of success, and involves extensive reporting. Unfortunately for both donors and INGO grant seekers, the latter is sometimes the case due to short timeframes for developing a funding proposal.

Clearly, different areas of work or different departments in an organisation are interlinked. Through these interlinkages, these organisations either contribute to a more enabling or more inhibiting space for local actors. For systems change to happen at INGOs, as well as organisations consisting of multilateral actors and bilateral donors, it is necessary to put the needs of local actors at the forefront of the change process. The change processes at INGOs likewise demand support from donors as the relation between local needs and donor requirements needs to be renegotiated and re-established for transformative change to take root. While some donor agencies require INGOs to channel a designated amount of funding to local organisations, it may also be relevant for donor agencies to be attentive to the degree to which INGOs scrutinise their ways of working to accommodate the needs of local actors. In addition, there is a need for donors to create flexibility for INGOs to meet the needs of local actors; for example, by providing core and/or unrestricted funds.
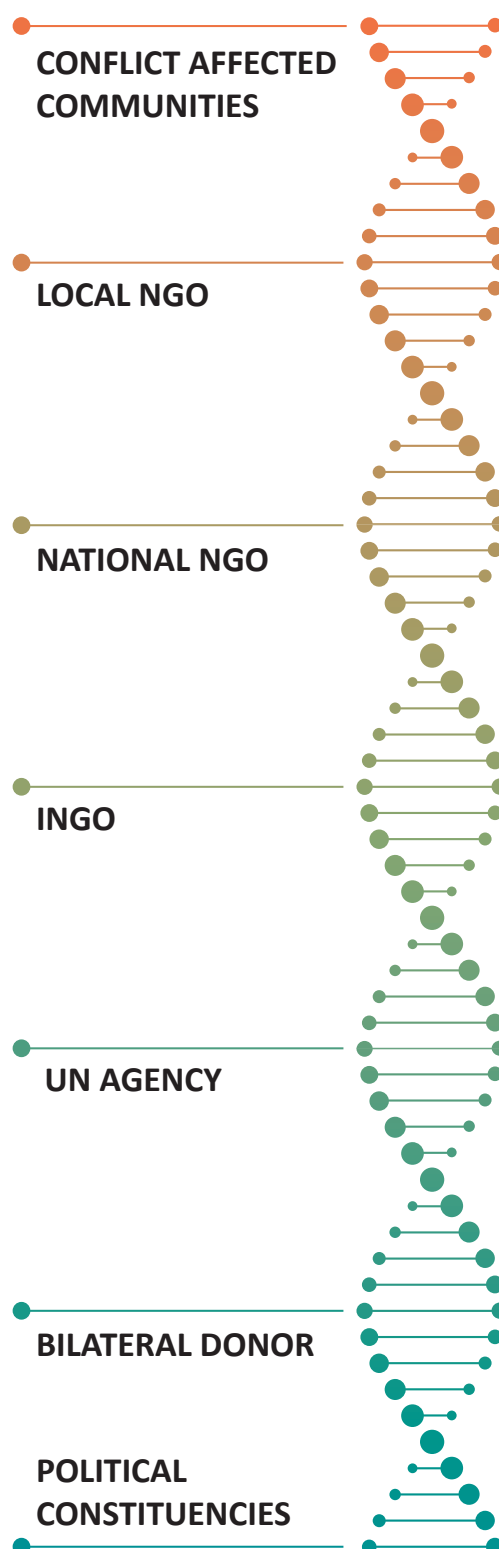
Reversing the Chains of Influence

If seeking to radically and sustainably change the system to be better able to create a conducive space for locally led development and peacebuilding, the Chain of Influence Framework must be reversed, or turned upside down, such that the needs of local actors become the foundation for international systems change.

There are at least four main avenues for international organisations to reverse the flow of chains of influence in order to work towards systems change that shifts power to local actors.[6] These are not mutually exclusive. On the contrary, they are likely to work in parallel as success in facilitating broader systems transformation lies in the complementarity between these avenues.

First, change can be facilitated by **incremental changes in international organisations** as stepping stones for broader systems change. Such changes cannot only be innovations in separate parts of the system and at specific levels of the system, however. They must also seek to create change in the vertical dimension of an organisation or inter-organisational relation. In this avenue, change agents and networks of change agents at various levels of both the system and the organisations play a crucial role to innovate and promote change. An example of this is the one Campbell (2018) provides (see page 7). This type of change carries the inherent challenge of multiple change initiatives neither complementing one another nor amounting to broader systems change.

Second, **international organisations take on broader processes of organisational change** mandated by their leadership. Such processes are currently being initiated at private foundations, and to some extent at INGOs. While some bilateral donors are very process oriented in pursuing better mechanisms to support local leadership, internal change processes that consistently support such change are more challenging. This requires profound and organisation-wide change in structures, practices and norms that not all (including the political system) may be willing to pursue. Different types of organisational processes are taken forward by INGOs, with Diversity, Equality and Inclusion (DEI) processes prevalent among individual INGOs. Systems change processes to shift power to locally led peacebuilding are also the focus of several reimagining processes. For this type of change to happen, it is important that top-level management understand the logic of and need for systems change.

CONFLICT AFFECTED COMMUNITIES

LOCAL NGO

NATIONAL NGO

INGO

UN AGENCY

BILATERAL DONOR

POLITICAL CONSTITUENCIES

Organisational development managers must also be on board in designing change processes that are based on the needs of local actors. Finally, it is necessary for all staff members to engage in the change process, regardless of their role at the organisation.

Third, systems change can be approached by **connecting all the parts of the system and reversing the chains of influence** within and among international organisations. This requires that top-level leadership of multiple influential organisations in the global system agree on the direction of such change processes. Joint identification of pathways to change can be promoted through processes such as global reimagining, scenario co-creation and cross-cutting development of actionable avenues for change. Directors of operations from different types of international organisations can be key figures in facilitating organisational and broader systems change through negotiating between local needs and donor requirements (embedded, for example, in modalities for contracts, procurement, budgeting, financial due diligence and financial reporting). Such actors are, however, rarely part of discussions about how the needs of local actors are best met, and what this means in terms of internal ways of working of international organisations. Directors of operations need to be part of that discussion, as is increasingly the case at private foundations.

Fourth, systems change can be influenced by **change at the personal level.** This approach cannot be demanded of everyone, and individuals have very different capacities for and approaches to personal change. On the one hand, this avenue for systems change requires personal change in practices and attitudes. This can be nurtured by system-wide recognition of the challenges and by broader organisational culture change, both of which are long-term processes. On the other hand, this avenue requires that the persons within organisations ask the same question as a bilateral donor representative asked in a recent conversation on decolonising aid:

'What can I do from where I stand?'

While this is a question about personal practices and attitudes, it is also a question about how a change agent can influence others in the system – from where they stand. These four avenues for change are interconnected and complement one another. Beyond the aim of reversing chains of influence, we propose a scenario in which chains of influence eventually become less hierarchical. Instead, they become a configuration whereby the system turns sideways, with international organisations interlinking with local organisations in multiple ways. This is our final illustration of the global system – this time as an aspiration for the future.

A future scenario where chains of influence are less hierarchical, and the collaboration between international and local organisations have been reframed towards greater reciprocity and mutual sharing and learning.

Incentives and Disincentives for Systems Change

In recent years, there has been a significant increase in interest in and momentum for systems change among international organisations, local actors and in the broader system. The momentum for change looks radically different in different parts of the system, however. At the centre of the agenda for systems change to shift power to local actors lies a rapidly growing community of individuals and organisations.

Yet, in these very same organisations, and across the system, there are people who do not see a need for change. Moreover, they are concerned by the challenge systems change presents to the status quo. These actors serve as gatekeepers and are typically resistant to change. In contrast, there are increasing numbers of people working at international organisations who feel compromised by the ways of working in both their sector and the system as a whole. These actors are reaching a threshold, moving from recognition of the challenges to playing an active role as change agents in facilitating systems change that shifts power to local actors.

An important observation emerges from the intensified focus on this change agenda over the past several years. That is, a proponent for systems change and shifting power carries less risk in speaking out and taking on this agenda, if positioned higher up in the system, both in terms of the hierarchy between and within organisations. If a donor agency, with the backing of top-level leadership, takes on this agenda as a core priority, it receives applause and recognition. If a lower-level staff member at the same organisation advocates for change without the backing of leadership, that person is investing his or her political capital, and possibly putting a straight career path at risk. This is less and less the case as more and more people speak up about the dysfunctionalities of the international system of support to local actors in conflict-affected contexts and the need to shift power to local actors.

To some extent, INGOs are experiencing similar dynamics, but with an additional layer of risk taking, with implications for incentives for systems change. As a leader of a mid-size INGO notes in a discussion on systems change as part of PeaceCon, an annual conference convened by the Alliance for Peacebuilding (AfP):

'When we speak out about these issues, we risk being seen as someone not quite as equipped and professional as the rest of the sector. Speaking about challenges and power inequalities indicates flaws in the way the organisation operates, although everyone in fact knows this is not the case. This can entail less confidence from donors, and thus less possibility of obtaining sustainable funding.'

The dynamics of reputational and organisational sustainability risks are somewhat countered if the INGO has strong backing from funders sharing their vision for change. The same dynamic can play out in the inter-relation between national NGOs and local NGOs.

The sum of the disincentives and incentives, however, seems to move towards a situation where the international aid system, consisting of humanitarian, development and peacebuilding sectors, is on the brink of transformative change that will result in a more enabling environment for local civil society actors. We foresee change towards more equitable collaboration and relations between international and local organisations. This will be facilitated by increasing momentum for change in the global and local space prompted on the one hand by demands from international actors pursuing alternative ways of working and on the other hand by local actors coming together in stronger networks to demand change. The vision is that the Chain of Influence Framework will help the international aid system to transform itself and redefine its role in supporting local leadership and enabling sustainable development and peace.
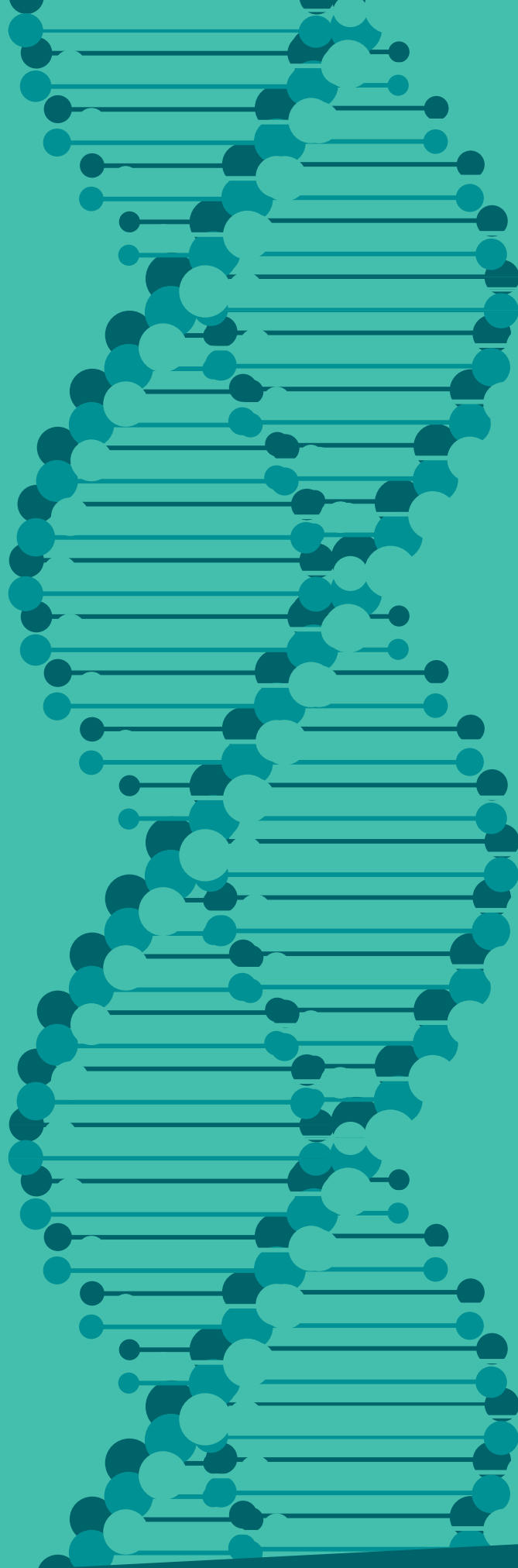
Recommendations for international organisations supporting local civil society actors

Overall Recommendations

- **Take forward and double down on processes to reverse chains of influence**
Design and implement organisational change processes that take as a starting point the needs of local actors in conflict-affected countries. Use the Chain of Influence Framework to inform the way each organisational level is part of the change processes, with attention to structures, practices and normative changes.

- **Wherever you are in the system, look up**
As a change agent who innovates new ways of working order to better enable local leadership, focus on how the other levels of the organisation may need to change. This can include facilitating and/or initiating meetings between different levels of the internal organisational chains of influence to catalyse systemic change.

- **Use existing innovation initiatives as stepping stones for sustained systems transformation**
Recognise that systems innovation intended to address current challenges in the ways of working (such as new funding mechanisms that create more flexibility, lessen donor demands and reach more local actors in better ways) are not sufficient to bring about broader systems transformation, as this is understood in the Chain of Influence Framework.

- **Promote a common understanding of and a culture of flexibility for systems innovations** and broader organisational change across the whole organisation. With multiple departments in international organisations – for example programmes, policy, MEL, finance, human resources and so on – it is necessary to embed this type of change in broader organisational change processes.

- **Analyse chain of influence impact and unlock possibilities across involved organisations** when designing and establishing support modalities. Such analysis should seek to account for impacts across their respective chains of influence and mitigate constraining factors on space for local leadership. Consistently apply a Chain of Influence Framework lens to donor and intermediary organisation requirements for programme development, reporting, risk management and due diligence, minimising and aligning requirements both horizontally and vertically towards local actors.

- **Ensure strong and sustained global policies** on how to strengthen support to local actors,[9] especially civil society actors, as they are under pressure due to shrinking civic space, the conditions created by the COVID-19 pandemic, donor priorities that are increasingly focused on national interests, shifting funding patterns, etc. Recognise that policies alone do not create systems change.

- **Promote changes in political practices, bureaucratic procedures and national legislation** in donor countries that prompt inequitable power structures between international actors and their local partners, including political priority setting and reporting requirements that shrink the space for local actors to identify key focus areas and sustain their efforts over time.

- **Shift the terminology of 'localisation' to 'locally led',** as the term 'localisation' carries connotations of localising externally driven agendas. This terminology emerged at a time when the decolonising aid agenda had not yet taken root. At the same time, be aware that a shift in terminology does not in and of itself entail a shift in structures, practices and attitudes. Thus, a process to pursue such change process must follow.

- **Create and sustain vertical and horizontal multi-stakeholder spaces for learning** and collaborative analyses and action on concrete practices across chains of influence that builds momentum for change and facilitates broader system transformation.

- **Strengthen equity in organisational governance frameworks and decision-making processes** by scrutinising internal organisational structures, practices and attitudes to better understand and address power dynamics that impact inequality and inequity among staff and ways of working.

Apply a Chain of Influence perspective on Funding Modalities

- **Apply an intra-organisation chain of influence lens to design and establish funding mechanisms,** basing design foremost on the needs of local actors. This should be done through the application of a Chain of Influence Framework lens, engaging all the various intra-organisational levels vertically that need may need to change accordingly to enable greater local leadership for funding.

- **Enhance access to funding and other support** for local actors, organisations and networks by reducing demands across the chains of influence that constrict eligibility for support. This may entail assessing chain of influence impacts related to due diligence and documentation of past financial management of a specific level of funding. Give space to intermediaries and partners to reduce requirements linked to programme development and reporting; for example, allowing different languages, formats (including oral applications), shorter proposals and/or the provision of support to proposal and programme development.

- **Move towards core funding rather than project-based funding,** which means unpacking the implications of each action across the respective chains of influence (indirectly, through providing opportunities for international organisations to channel core funding to local actors/organisations), reducing risk measures and reporting demands, and allowing more flexibility to adapt programmes according to changing conditions in the conflict-affected context.

- **When designing and implementing funding instruments such as multi-donor and pooled funds, assess donor requirements** for programme development, reporting requirements, risk management and due diligence. Bilateral donors should be attentive to the fact that many joint donor instruments end up being structured according to requirements that are the most demanding for local organisations.

Apply a Chain of Influence perspective on partnership modalities

- **Further develop and strengthen the dimensions of partnership modalities** that have equity, reciprocity, mutual learning and respect at their core. Ensure the translation of values into concrete ways of working, including in knowledge sharing, learning processes, and processes of dialogue and convening.

- **Ensure appropriate terminology is used to describe partnership modalities** and the values embedded in them. This includes avoiding descriptions of national and local actors/organisations as implementing partners. As discussed above, this type of terminology may indicate a dysfunctional relation between international organisations and local organisations, whereby objectives, priorities, programme design and approaches are set by the INGO and/or the donor providing the funds. This partnership challenge must be addressed in ways that go beyond a change in terminology.

- **Work towards partnerships that embody a reversed chain of influence,** which would mean a focus on bringing local needs to the forefront of engagement and the type of support. While many international organisations default to building the capacity of local organisations in developing proposals that meet the standards of donors, intermediaries should instead work with funders to change the demands for proposals to better meet the existing capacities and needs of local actors.

Apply a Chain of Influence perspective on accountability, learning and knowledge management

- **Avoid adding additional layers of due diligence, financial management and reporting requirements** to existing demands imposed by the level above in the chain of influence. This includes establishing MEL frameworks that do not limit local actors in setting priorities and adapting to changing circumstances in the context. A key role of INGOs and other intermediaries can often be to protect national and local actors from strenuous donor requirements by taking on some of the work, but more importantly, by negotiating a reduction of the requirements set by donors.

- **Promote inclusive and participatory development of data collection methods,** with local actors in the lead (because they know their context best). Support them to devise MEL indicators and data collection methods that can effectively capture relevant information about the impact of their peacebuilding activities and measure change over time. In particular, facilitate processes that allow for joint definition of the term 'success' for a given project.

- **Re-consider what is considered relevant knowledge and capacity** held by local and international actors, respectively. Champion ways of working that recognise that local actors have equally valid and often far more relevant knowledge and capacity on knowledge development than other actors engaged in the peacebuilding and development engagement. Work to break paradigms where local actors provide stories and international actors provide proper analysis or where local actors as seen as having only primarily contextual knowledge, while international actors have technical peacebuilding and development knowledge.

Endnotes

1 See: Development Initiatives (2021) Global Humanitarian Assistance Report 2021.

2 See: Conducive Space for Peace (2022, forthcoming), 'Promising Practices for Systems Change for Local Leadership'.

3 See: CSP (2022, forthcoming), 'Systems change is done by people: The role of change agents and networks of change agents in systems change'.

4 See Rob Ricigliano (27 September 2021) The Complexity Spectrum.

5 Some bilateral and multilateral donors require that a specific amount of the budget they have financed be given to local partners. They often use the total percentage of funding provided to local actors to make the case for taking forward a locally led approach. Framing the total amount of funding provided by a given donor to local civil actors, particularly as a means to demonstrate shifting power relations, is potentially misleading, however. A percentage or a funding figure alone does not say anything about the extent to which local actors have agency. That is, the funding in question may just be the activity costs for an INGO-led project in which implementation is outsourced to local partners, which then incur these costs. Likewise, a figure based on total financing to local actors does not offer detail on the quality of relationships with those local actors, nor does this indicate the extent to which local partners are able to define the activities per se and how they are implemented.

6 In addition to the avenues of systems change led by international organisations, there are important avenues for change led by local actors, including networks on trans-locally learning, sharing and increasing approaches to support that are not reliant on international actors. Another critical avenue led by local civil society is their advocacy and influencing efforts in international spaces, focusing on addressing both inequalities in the system and obstacles to providing relevant support to local actors.

7 Reimagining INGO (RINGO) by Rights CoLab and Reos is a social lab initiative interrogating the purpose, structures, power and positioning of INGOs, and developing and launching prototypes that can transform INGO institutions and the systems of which they are a part. Similarly, Reimagining Peacebuilding (facilitated by Conducive Space for Peace and Humanity United) is an effort to shift power to local civil society by creating space for them to collaboratively explore and envision the future of global peacebuilding and the peacebuilding system, and support their role in various efforts contributing to that future.

8 Many of these recommendations may be relevant for other types of funders, such as private foundations, international development companies and a range of UN agencies. Large-scale national NGOs based in capital cities in conflict-affected countries may also draw inspiration for their own role in navigating the international system to facilitate conducive spaces for sub-national and smaller local NGOs.

9 See, for example: UN Community Engagement Guidelines (2020), USAID Local Capacity Development Policy (2022), elements of the 2030 Agenda, UN Security Council Resolutions related to the Youth, Peace and Security (YPS) and the Women, Peace and Security (WPS) agendas, Doing Development Differently, New Deal (2011), Grand Bargain and others (2016).

About Conducive Space for Peace

Conducive Space for Peace is an international NGO registered in Denmark. The organisation's mission is to transform the global peacebuilding system to better enable local leadership and equitable partnerships. CSP works as a connector and accompanier, taking forward initiatives for change through analysis, network building, training and reimagining processes that catalyse systems change for locally led peacebuilding.

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