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# Can managing contractors contribute to localisation?

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Panel 4a

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Speakers are speaking in their personal capacities – not representing their companies





There are two sides to this story:  
What do *you* think?

01

Framing: is it possible or is it a pipedream?

02

People

03

Culture

04

Incentives

One year ago, at the 2022 AAC, Anna Winoto (“local but good”) and Fremden Yanhambath (Team Leader, Vanuatu Skills Partnership), gave two great presentations

They (rightly) received a standing ovation

For what?

For extolling the virtues of having a ‘local’ team leader

So, is having a local team leader the best we can do? I fear it may well be



**Localisation:** a definition  
(a definition – not the  
'only' definition)

**Two elements are key:**

- the transfer of power and authority to local individuals, organisations, or actors; and
- an increased (and increasing) use of local systems and processes



So, let's do a thought experiment

Let's run through all the steps a donor (such as – but not only - one not far from here) goes through in taking aid decisions

**Shout out** at the point you think power and authority is transferred, or when you judge local systems and process to are being used....





- Which countries should receive ODA?
- How much to allocate to each?
- Which sectors to invest in?
- Which sub-sectors?
- Funding among sectors?
- Investment ideas?
- Authorisation of ICNs?
- Approval of ICN?
- Drafting IDD ToRs?
- Selection of design team?
- Investment options?
- Investment modality?
- Approval of IDD?
- Selection of Managing Contractor?
- Negotiation of contract?
- Establishment of MC office?
- Selection of national staff?
- Choice of Team Leader?
- Terms and conditions of local staff?
- Preparation of AWPB?
- Implementation of six-month plan?
- Reporting
- Mid-term review?
- End of program evaluation

	Incentives for localisation	Incentives against localisation
<b>Donor</b>	To go with the zeitgeist	<ul style="list-style-type: none"> <li>• We are spending our money</li> <li>• We are pursuing our own national interests</li> <li>• We must report to Parliament and Senate Estimates</li> <li>• We must protect against fraud and malfeasance</li> <li>• We must deliver best value for money for the Australian taxpayer</li> <li>• We must respond to multiple domestic lobbies for funding (including Managing Contractors)</li> </ul>
<b>MC</b>	To go with the zeitgeist	<ul style="list-style-type: none"> <li>• We want to promote the growth of our company</li> <li>• We want to protect the jobs of our employees</li> <li>• We want to increase our profitability</li> <li>• We want to protect our reputation</li> </ul>





You may think me cynical. If so, you would be correct. And the following quote explains why. If you are not a cynic, then we will indeed be doomed to Team Leader being the highpoint of localisation.

“But at its best, cynicism is a greater force for progress than optimism. The optimist underestimates how difficult it is to achieve real change, believing that anything is possible and it's possible now. ***Only by confronting head-on the reality that all progress is going to be obstructed by vested interests and corrupted by human venality can we create realistic programmes that actually have a chance of success.*** Progress is more of a challenge for the cynic but also more important and urgent, since for the optimist things aren't that bad and are bound to get better anyway”

**theguardian**  
australia edition

*Julian Baggini, 'In Praise of Cynicism', 11 July 2013*





This is a new  
context not just  
revival of an old  
idea





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## What are donors saying?

- **OECD DAC:** Shift and share power to ensure local actors have ownership over, and can meaningfully and equitably engage....
- **DFAT:** Locally led development is a powerful means of leveraging Australia's development assistance...
- **FCDO:** It is right for development to be increasingly designed and delivered by local people and organisations...
- **USAID:** We are creating space for local actors to lead, strengthening local systems and responding to local needs. These efforts will shift leadership away from USAID and to our implementing partners



What drives  
managing  
contractors?







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What drives  
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What drives managing contractors?







## We are development actors with agency



Choices we make can either contribute to LLD *or not*:

- Who we hire
- Who we promote
- How we remunerate
- How we judge “performance”
- Who we talk to and take advice from
- How we make decisions
- Who are networks are
- How we project ourselves
- How we influence





## There's never been a better time than now, right?

- LLD is a policy priority and commitment
- The door is open for ideas, approaches, changes needed
- Let the buyer beware: this means serious change and disruption – on all sides!
- So, let's talk: people, culture, incentives



THAT  
GENIE  
IS OUT  
OF THE  
BOTTLE

Idioms Explained



# Debate 1: People

## *On the Affirmative.....*

- MCs can use their position and resources to mentor developmental leaders
- More local people in senior roles on development programs is possible and makes a difference
- MCs can change recruitment practices, job descriptions, team compositions
- MCs can have remuneration and HR policies that better attract and retain local talent

## *On the Negative.....*

- Senior roles on development programs are geared towards those with international experience
- Jobs focused on meeting donor requirements in compliance, reporting, public diplomacy are not attractive to nationals
- Remunerating nationals the same as internationals distorts the local market and takes top talent away
- Donor wants VfM: often unwilling to invest in professional development



## Debate 2: Culture

### *On the Affirmative.....*

- MCs can create spaces for staff to examine their unconscious biases, and discuss how these may play out in work practices (eg who speaks at meetings?)
- MCs can work towards more empowering and inclusive practices for local leadership
- MCs can learn what's working, why and integrate into practice

### *On the Negative.....*

- It is not in the interest of MCs to create disharmony within their teams – this is too risky when everyone is busy and there is a program to deliver!
- Risk that increasing competition among local actors can wear down their incentives for collaboration



## Debate 3: Incentives

### *On the Affirmative.....*

- MCs who want to impress their donor client will press hard to progress LLD however they can – they will innovate, be creative and provide solutions
- MCs want to demonstrate and foster long-term sustainable outcomes

### *On the Negative.....*

- Each program works to a different activity manager who has their own priorities – LLD is not necessarily one of them
- There are a lot of priorities in the NIDP and LLD is only one of them
- MCs have to trade-off between speedy implementation vs local tailoring of interventions





Localisation...  
Blue sky or  
the future of  
aid?

