

START NETWORK

LOCAL AND NATIONAL PROGRAMME HOSTS:
A CASE STUDY OF ECO-SOCIAL DEVELOPMENT ORGANISATION
HOSTING THE DISASTER RISK FINANCING PROGRAMME, BANGLADESH



Start Network aims for a locally-led humanitarian system, achieved through a global network of locally-led national networks and locally-owned funding mechanisms. This shift from the status quo will see more local and national non-governmental organisations host funding mechanisms for humanitarian programming, a role that up to now has predominately been undertaken by international non-governmental organisations. The role of a host agency is to ensure adequate delivery of project activities to the agency and staff undertaking day-to-day management of the project or programme. Start Network needs to learn how to best support local and national non-governmental organisations as they become hosts. This research explores the case study of a national non-governmental organisation hosting a Disaster Risk Financing programme in Bangladesh.

Acronyms

CARF – Crisis Anticipation and Risk Financing

CBOs – Community-based Organisations

CEO - Chief Executive Officer

DRF – Disaster Risk Financing

EEPW - Energy and Environment Task Group

ESDO - Eco-Social Development Organisation

FCDO – Foreign, Commonwealth and Development Office

HR – Human Resources

HQ – Head Quarters

ICR – Indirect Cost Recovery

INGO – International Non-Governmental Organisation

JD – Job Description

LNNGO – Local and National Non-Governmental Organisation

NGO – Non-Governmental Organisation

SFB – Start Fund Bangladesh, Start Bangladesh as of October 2023

SN – Start Network

SOP – Standard Operating Procedure

TOR – Terms of Reference



INTRODUCTION

Start Network aims for a locally-led humanitarian system, and the transition is already underway through the development of networks (known as ‘hubs’). Start Network hubs are collectives of local, national, and international organisations or humanitarian responders operating in the same country or region. Hubs come together through a vision of system change, to tackle the deep-rooted issues in humanitarian responses within their contexts. They are supported by the Global Start Network but ultimately, they control their resources and define their responses to crises affecting and threatening their communities.

As well as hubs, Start Network supports locally owned funding mechanisms. Examples of locally-owned funding mechanisms include [national Start Funds](#) in Bangladesh (referred to as Start Bangladesh since they began hub exploration in 2023) and Nepal, with another national fund being developed in Ukraine at the time of this report being produced. National Start Funds are rapid emergency funds that activate within 72 hours of a crisis, they are owned by member non-governmental organisations (NGO) in the relevant countries. Member organisations are responsible for governance and decision-making on how funding is spent through participatory decision-making processes led by their local knowledge.

A less explored route to support localisation is through the role of local and national non-governmental organisations (LNNGOs) ‘hosting’ programmes, funding mechanisms or hubs. Where most International Non-Governmental Organisations (INGOs) function in regions through national or regional offices or partnership models, Start Network operates regionally using the support of organisations functioning as hosts. Host organisations provide logistical and financial infrastructure and management support to enable a regional programme to function. Hosts commonly provide services to staff managing programmes, such as Human Resources (HR) support, providing an office to work in, procurement and travel support, as well as managing financial disbursements, ensuring risk and compliance standards are met, and managing relationships with local government and banks to ensure smooth programme functioning.

Typically, Start Networks’ programmes and funding mechanisms have been hosted by INGOs but increasingly LNNGOs have been taking, and will take, on this role. However, Start Network has not yet identified the best practices to follow when supporting an LNNGO to host programmes and funding mechanisms and Start Network has more to learn in terms of how it can ensure hosts are supported in their operational and financial functions.

This research aims to understand the experience of LNNGOs when they are hosting programmes through the case study of ESDO hosting the DRF programme in Bangladesh. Through the case study, Start Network will enquire into the experiences of a local organisation hosting a DRF programme to understand the best practices Start Network should follow in providing operational and financial support. This case study forms part of a research project with the research questions and objectives shown in Table one.

Table one. This case study forms part of a research project with the following research questions and objectives.

RESEARCH QUESTIONS

<ol style="list-style-type: none"> 1. What are the minimum and expected requirements (in terms of operating procedures and programme policies) for LNNGO hosts? Is there room for flexibility in what is required by the donor/ grant custodian? 2. What have been the LNNGO hosts’ experiences from the initial stages to ultimately hosting the financial mechanism/ programme? 3. How could the experience be made better for LNNGO hosts and how could Start Network better support them? 4. How have key stakeholders experienced having an LNNGO as a programme host?
Objectives
<ol style="list-style-type: none"> 1. Identify the motivations and benefits experienced by LNNGOs when hosting a variety of programmes in different contexts. 2. Identify the range of requirements needed to host. 3. Identify challenges in meeting requirements, especially those specific to LNNGOs in varying contexts. 4. Identify the support hosts require to overcome the challenges. 5. Identify the experiences of organisations working and partnering with LNNGOs when they host programmes/ funding mechanisms. 6. Identify the contexts and programmes that are most suitable and beneficial for LNNGOs to host.

Experiences of Local and National Organisations Hosting across the Sector

Speaking with colleagues at Start Network and completing an internet search for the terms ‘local NGOs hosts, local NGOs grant custodians, grant custodians in the humanitarian sector’ it is clear that within the humanitarian sector, the standard model of disbursing funds to agencies globally is usually done via partnership models and regional offices of INGOs and not via ‘hosting’ arrangements. The ‘hosting’ model used by Start Network prevents the need to set up regional offices to transfer funds to agencies in other countries around the world.

Local organisations have hosted programmes and hubs in Start Network, however, ESDO in Bangladesh are the first LNNGO to host a DRF programme within the network. Within Start Network, three LNNGOs have hosted programmes or hubs; the Asociación de Servicios Comunitarios de Salud ([ASECSA](#)) have hosted the Community-led Innovation Partnership (CLIP) programme since April 2020¹² whilst also hosting the [hub in Guatemala](#) (2019-present), the Mouvement International des Droits de l’Enfant , de la Femme , de l’Homme Veuf et leur Promotion Social (Midefehops asbl) hosted the [DRC hub](#), and the [Nexus Platform](#) (a network of predominately LNNGOs in Somalia and Somaliland) and Taakulo is hosting the [Somalia hub](#) throughout its exploration phase. To date, there have been no formal learning reviews or research into these local organisations’ experiences of hosting.

Outside of Start Network, several funding channels, pooled funding mechanisms and networks were investigated³⁴⁵; however, none identified local organisations acting as programme hosts. These included the [CERF Pooled Fund](#) and the Foreign, Commonwealth and Development Office (FCDO) chase grants⁶, the NEXUS Platform, and the [NEAR network](#) of local and national civil society (CSOs) operating in the Global South. The Humanitarian Assistance and Resilience Programme Facility (HARP-F) is a ‘funding facility’ that channels funds to partners in Myanmar, this allows local organisations to directly access funds from the donor rather than via an INGO⁷. The facility provides an alternative approach to channelling funds globally but differs from the role of LNNGO hosts.

The literature review did not identify any mention of local organisations hosting as a method of achieving localisation objectives in the sector. Commonly, the need for equitable partnerships and direct funding to local organisations, as well as their role in decision-making roles, is mentioned in humanitarian literature⁸. The importance of supporting local organisations in leadership, delivery, and capacity, for example, is a key area of the [Grand Bargain](#), initially launched at the World Humanitarian Summit (WHS) in 2016 to identify solutions to close the humanitarian financing gap. An emerging theme is also focussed on rebalancing power in the sector and supporting localisation on the principle that it is equitable⁸. A key aspect of this research will be to explore the role hosting has in supporting the leadership and capacity of local responders, as well as to learn how Start Network can support local hosts to achieve their objectives to contribute to a balanced humanitarian sector.

Background on the Case Study: ESDO Hosting Disaster Risk Financing in Bangladesh

In Bangladesh, a [DRF system](#) has been set up to rapidly release funding for humanitarian interventions. DRF is a way of protecting people in advance of disasters by setting up forecast models, developing anticipatory plans and pre-arranging financing for activities to assist at-risk people. Start Network has DRF programmes in eight countries, some already active and some in development.

The Bangladesh DRF programme is managed by Start Bangladesh (formally [Start Fund Bangladesh](#) before starting hub exploration processes in October 2023), with the national non-governmental organisation (NNGO) ESDO hosting the programme. The host and the programme manager work together to deliver the core elements of DRF programmes:

1. Using science and data to model and quantify risks in advance,
2. Pre-planning and pre-costing a crisis response,
3. Pre-positioning funds according to pre-agreed protocols so that when the conditions are met, funding is rapidly released.

The formal hosting agreement between Start Network and ESDO began in June 2022. ESDO was selected to host following a tendering process managed by Start Bangladesh amongst its members. While the programme manager deals with the day-to-day running of the programme, the host's main role is to support the organisation involved in managing the programme day-to-day and to 'ensure [s] adequate delivery of project activities to the [agency managing the programme] and staff to run and manage the programme successfully.' As well as hosting the DRF programme that this research focuses on, ESDO also host an organisational strengthening programme targeting local NGOs and Community-Based Organisations (CBOs) from Cox's Bazar and the [FOREWARN](#) Bangladesh platform. Specific activities of the host are set out in the formal sub-grant agreement between ESDO and Start Network, with the main responsibilities being as follows:

People and Human Resources

- Recruitment and the administration of onboarding of staff to support with programme implementation, as agreed in the Request for Proposals and in the Job Descriptions (ESDO is responsible for including these staff in their payroll).
- The ESDO APC-Planning Unit & Disaster Focal Person will be act as a Line Manager to attend regular, agreed upon work planning meetings with Start Bangladesh and Start Network focal points, as necessary.
- ESDO will provide a flexible and accessible working environment, as well as tools for staff to complete work, and support collaboration with relevant staff at Start Bangladesh, Start Network, and ESDO (and other related programmes).
- ESDO will provide full Human Resource services to staff such as, but not limited to, staff welfare, professional and personal development, payroll, and contract management.
- Providing support and timely access to relevant systems to enable accurate reporting.

Support to Start Network in Bangladesh:

- Providing an experience-informed workplan to support the registration of the Start Network Bangladesh as an independent entity in Bangladesh. Provide assistance on the creation of relevant documentation and collaborate with Start Bangladesh to facilitate registration.

Audit, Safeguarding, and Regulatory Management:

- Manage incoming queries on regulatory arrangements from the government of Bangladesh.
- Provide security for Start Bangladesh Secretariat staff.
- Provide a safeguarding focal point and support and facilitate the Start Bangladesh Secretariat in safeguarding. Lead on any incident, managing, and reporting.
- ESDO will provide support to Start Network and relevant actors in Bangladesh to meet audit requirements - providing an audit-ready system and approach to programming to facilitate donors' trust.

Workplan Support:



a.



b.

Map of Bangladesh (A) and location in Asia (B). Source: gisgeography.com and [Introduction of Bangladesh \(bdtradeinfo.com\)](https://bdtradeinfo.com)

On the 11th of February 2023, Start Network's Crises Anticipation and Risk Financing (CARF) team conducted an informal review of ESDO's satisfaction with the relationship with Start Network, noting and documenting challenges, and checking in on their capacity to support an expanding DRF system. The key areas discussed in this review were Human Resource (HR) policies for hosted staff, provision of safeguarding training, pre-financing and reporting, capacity strengthening needs, and Indirect Cost Recovery (ICR). The main recommendations made in the health check were:

- Settle ICR [For FOREWARN the ICR was 6%, but DRF is 2% - a lower amount needs to be justified].
- Plan to develop a schedule of delegation between ESDO and Start Bangladesh and of all involved staff.
- Align recruitment of staff to Start Bangladesh to manage DRF programme (hosted by ESDO) to ESDO's recruitment policies.
- Update ESDO's HR policies for working days of hosted staff from six to five to align with Start Bangladesh's.
- Develop the safeguarding and accountability policies and procedures and make Start Bangladesh members aware of ESDO hosting. Start Bangladesh to provide training on safeguarding to members if they have time and resources to do so.

If more funding becomes available, ESDO asked for more capacity strengthening in:

- Staff capacity
- Monitoring and Evidence (M&E) and accountability
- Report writing
- NGO systematic capturing of lessons
- Presentations and advocacy
- Donor feedback

And if they were to receive more funding, they would want support in evidence:

- Report writing
- Structural reports
- Needs-based reports
- Regular donor feedback
- International independent evaluation about safeguarding policy
- How to capture good lessons and exposure
- Kobo Toolbox: Training of staff and partners in how to utilise Kobo
- Potential use of ICR in buying tablets for data collection

Methods and sample

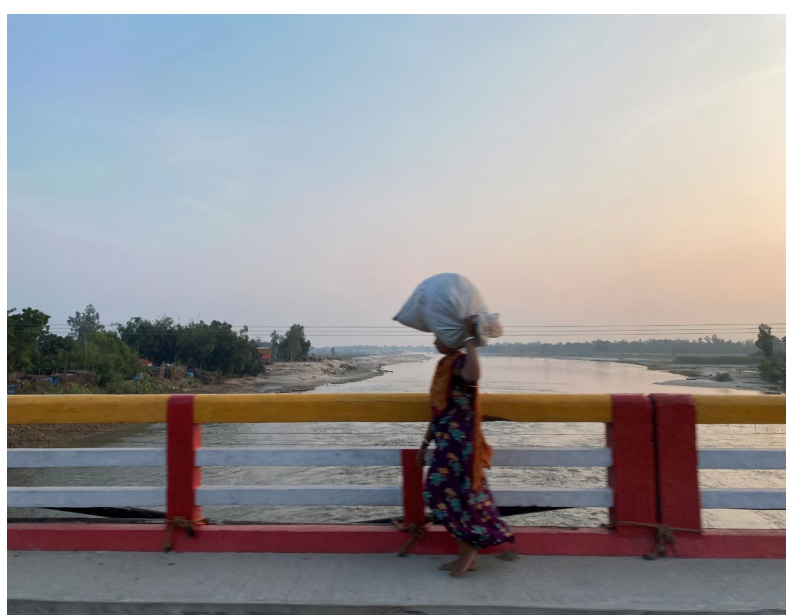
To gather the data about this case study, semi-structured in-person interviews were undertaken in Bangladesh. Semi-structured interviews with relevant key informants were undertaken from three main stakeholder groups: ESDO staff, Start Bangladesh staff and partner organisations of ESDO and Start Bangladesh. The semi-structured interviews for each of these groups were informed by Start Network staff engaged in the DRF programme; predominately staff representatives from the CARF team and resource mobilisation team. Personal communications were also undertaken with two staff members from Start Bangladesh and three staff members at Start Network. Personal communications were occasionally undertaken instead of more formalised interviews if the individuals were not comfortable being interviewed, or if important information was provided in less formal conversations.

In total 19 key informant interviews or personal communications were undertaken. Of those, six were ESDO staff, five were Start Bangladesh staff, four were partner representatives, one was Start Bangladesh's INGO host and three were Start Network staff (Table two). The partners included two INGOs and two LNNGOs.

Table two. Respondents interviewed for this research.

	ESDO	START BANGLADESH	PARTNERS	START NETWORK
Senior staff	4	3	4	1
Staff	2	2	1	2
Male	4	4	4	1
Female	4	1	1	2
Total	4	5	5	3
		<i>Also, staff hosted by ESDO, 2 personal communications</i>		<i>All personal communications</i>

The interviews in Bangladesh were undertaken over two weeks in September 2023. The interviews were undertaken at Start Bangladesh and ESDO offices in the capital Dhaka and at ESDO's headquarters (HQ) in Rangpur. The research trip was planned by Start Network with logistical support from Start Bangladesh and ESDO's project manager. All but one interview was undertaken in English, with a translator from Start Bangladesh being utilised for this. All interview data is confidential and anonymous unless explicit permission has been given to share quotes and attributions by the interviewee.



2023 Ganges river crossing in Rajshahi, Bangladesh. Photo credit: Heather Brown

1. ESDO's partners are confident of their ability to host.

Start Bangladesh and the four partner organisations interviewed are supportive of a local and national organisation hosting. *"There are positives of a LNNGO hosting, we are positive about this from a localisation perspective, usually only INGO's host bigger programmes and it is the first time an LNNGO has hosted, it is good for us, we are also working at a national level and if ESDO makes a good example it will motivate other [local and national] agencies to take part [in hosting]"* - Tasnima Mukit, Program Officer, Centre for Natural Resource Studies (CNRS). As far as this research could find, it is the first time a LNNGO has hosted a DRF programme in the region, and possibly globally.

Partners of ESDO are confident that when a trigger is met ESDO will fulfil their hosting responsibilities from disbursing funds to reporting. Although partners mentioned their confidence in ESDO hosting, they also noted that, as of yet, DRF had not been activated, although ESDO has disbursed 'National Reserve Funds' to the value of approximately £300,000 GDP to LNNGO partners in Bangladesh for flooding and cyclone readiness activities. Due to government policy, ESDO is not able to disburse funds to the INGO partners interviewed for this study, instead Start Network/ Save the Children Bangladesh will manage disbursements to INGOs.

2. ESDO has good stakeholder relationships and the ability to pre-finance which enables them to host DRF effectively in Bangladesh.

ESDO and Start Bangladesh staff widely reported that ESDO has good relationships with stakeholders, for example, the government (National Disaster Management) and the NGO Bureau. These relationships are important so that contingency plans and response plans can all be signed off and enacted quickly when triggers are met. *"ESDO have links with more than 40 government [offices], NGOs, and civil society. When we are hosting, we are using that network in different ways. [For example] Each district needs to be sent the details and the government needs to give us clearance [to work in that area]. These relationships are important to support us to host"* - Md. Mosheur Raham, Head of Planning and DRR Unit, ESDO. Having lots of connections with the local government is one aspect that has been noted by interviewees as a benefit of local hosts.

The economic strength of ESDO has enabled them to agree to pre-finance disbursements when DRF is activated: up to 100M Taka or approximately £800,000. Due to the nature of DRF programmes, pre-financing is required by the host to ensure that partners are able to act before a crisis happens. Without pre-financing, disbursements from Start Network to Start Bangladesh members may take too long to enable them to act ahead of a crisis. *"Fund release from Start Network to ESDO takes time, 10 days, and the first time it took one month, but we have a contingency plan. They have the capacity to provide a loan to the project if needed"* - Md. Zillur Rahman, Finance Controller & Head of Compliance, ESDO. ESDO's ability to pre-finance has enabled delays in funding transfers to be avoided. Personal communications with staff at Start Network and Start Bangladesh made it clear that delays in funding transfers between Start Network and ESDO were partly due to Start Network's financial systems and stringent and unavoidable banking processes in Bangladesh. Secondly, some rules make returning underspend to Start Network challenging. The ability of ESDO to pre-finance in Bangladesh means that Start Network can reimburse the final amount utilised, removing any underspend. For the reasons listed above, the ability of ESDO to pre-finance is valuable in Bangladesh for DRF. In other contexts, the ability of hosts to pre-finance may be less important.

3. Hosting the DRF programme has benefits for ESDO: it widens the opportunity for ESDO to engage in national networks in Bangladesh and in decision-making spaces, develop their organisational capacity and is perceived to be an honour to them.

The opportunity to host provides ESDO with chances to network and engage in policy decision-making. *“Hosting widens the scope for NGOs in terms of policy decisions, getting involved in fund distributions, engaging the wider platforms. The NGOs in Bangladesh are supportive and are creating an enabling space. It’s our first time working with the wide network of NGOs in Bangladesh, we usually work with Community-Based Organisations (CBOs)”* - Dr. Md. Shahid Uz Zaman, Founder and Executive Director, ESDO. For the first time, hosting has enabled ESDO to engage with the network of NGOs working across Bangladesh as opposed to organisations that are smaller and working more locally than themselves. This enables ESDO to engage with national policy and decision-making that affect Bangladesh’s humanitarian sector.

Through engaging with the network of NGOs in Bangladesh, ESDO staff stated that partnerships and consortiums have formed which have increased their opportunity to approach donors with funding proposals. Md. Mosheur Raham, Head of Planning and DRR Unit at ESDO also stated that the number of donors has increased since and due to hosting the DRF programme: *“We are receiving funds from 49 donors. This enables us to raise donors’ confidence in us. After hosting ESDO has received some new donors funding and engaged with many new networks like Anticipatory Action Technical Working Group (AA-TWG) which comes from hosting.”*

As well as developing partnerships, hosting has supported ESDO in developing its organisational capacity. *“We have been strengthening the organizational operations and policies such as safeguarding through continuous support from the secretariat [Start Bangladesh]. For instance, currently, we have full-time dedicated safeguarding focal and this was the first time for the national NGOs in Bangladesh!”* - Ayrin Akter, Head of Safeguarding and Protection from Sexual Exploitation, Abuse and Harassment (PSEAH) Unit, ESDO. As a requirement of the hosting arrangement, ESDO hired a safeguarding focal staff member to manage the safeguarding policy and process at ESDO and for the DRF programme. According to a staff member of ESDO, having a dedicated focal point for safeguarding was a first for a national or local organisation in Bangladesh and is on par with the organisational strength of INGOs.

As well as hosting providing tangible opportunities, it was also perceived to be an honour to ESDO staff. *“Start Bangladesh is a big network in Bangladesh, it’s an honour for ESDO to host Start Network in Bangladesh. We don’t think about the financial benefit but about the other values and the honour that comes about from hosting”* - Md. Zillur Rahman, Finance Controller & Head of Compliance, ESDO. This suggests that one of the main drivers for ESDO to host is the honour they feel. Furthermore, ESDO staff stated that hosting shows they have high organisational capacity on an international stage: *“[Hosting gives ESDO] recognition from the international community, [it is] the best example of the capacity of an LNNGO to host”* - Dr. Md. Shahid Uz Zaman, Founder and Executive Director, Eco-Social Development Organisation (ESDO). ESDO value the opportunity to receive recognition of their organisational capacity at an international level, and they claim that hosting as opposed to managing programmes or speaking at events is the best way to show their strengths.



2023 Women fishing at the border with India, Thakurgaon, Bangladesh. Photo credit: Heather Brown

4. There are multiple challenges ESDO faces when hosting the DRF programme that would apply to other contexts: low ICR rates and limited resources, complex financial reporting, lack of policy on exchange rates and reimbursements, and human resource challenges with hosted staff.

The amount of Indirect Cost Recovery (ICR) ESDO receive was reported to be a challenge. When questioned on the matter for this research some ESDO staff mentioned that the rate of ICR they receive (2%) does not cover all the costs of hosting, such as increased time of staff spent on administration by ESDO and programmatic costs such as 'gain and loose money' (the amount lost or gained during international transactions due to changes exchange rates). *"ESDO has to compensate some costs to host the programme because it is not covered by ICR, ICR doesn't cover all their costs, if the % of ICR was more it would be better."* Md. Zillur Rahman, Finance Controller & Head of Compliance, ESDO. Start Bangladesh staff informed the research that ESDO suggested the rate of ICR to be 2% in the tendering process, and this was the final amount agreed. ESDO staff stated they have raised ICR as an issue however the amount is fixed for the time being. Start Bangladesh staff mentioned in personal communications during the research that as well as ICR there are other overhead and programmatic costs to consider, and they are in conversation with ESDO to ensure all these aspects are fit for purpose. They also mentioned that they allowed ESDO to set the ICR rate based on their knowledge of programme expenses and overhead costs. Going forward, Start Network and other stakeholders must continue to decide the ICR rate in collaboration with the host. Although there is no evidence this occurred in this case, it is important to recognise that the host may be pressured to apply in a competitive tendering process with a lower amount than is reasonable. Another important recommendation is for stakeholders to consider whether the fixed ICR rate could be more flexible, or whether there are any other workarounds to ensure the host has their overheads and programmatic costs fairly covered.

In one example, an ESDO staff member mentioned limited resources would stretch safeguarding resources across all of ESDO's programmes. *"A limited budget means it's hard to complete all plans for video documentaries of training and auto-certification, we want to make notebooks/ pamphlets and banners to support the community hotline number.... manpower is low, it's hard to investigate all reports, 27 members could access DRF funding... safeguarding and investigation are stretched across many programmes"* - Ayrin Akter, Head of Safeguarding and Protection from Sexual Exploitation, Abuse and Harassment (PSEAH) Unit, ESDO. Although ESDO has a safeguarding focal point through the hosting arrangements staff at ESDO suggested staff capacity and resources for safeguarding should be increased. However, the likelihood that 27 members could access DRF at one time, although possible, is low. Start Bangladesh has pre-selected six LNNGO members who are likely to access DRF for flooding and seven LNNGO members have been pre-selected to act ahead of cyclones. As the triggers have not been met in the 2023 season, they have only disbursed funding for readiness programmes.

For the time being, reporting to multiple donors is a challenge that ESDO have overcome, although it is not clear how they will fare when the DRF is activated. One element of this is that the requirements are complicated and the guidance from Start Network on how to report is not clear. *"It's very complicated reporting, there are lots of funding streams, donors, and agencies reporting and sometimes reports are per donor and are not consolidated – it's important to meet with colleagues at ESDO that will be writing the reports to ensure they really understand. If you find the agreement, you will find there is a schedule for the reporting narrative report on the financial report. But there is no clear indication"* - anonymous interviewee. Although not raised as a challenge, ESDO's staff stated they do not have specific financial tracking software and instead, they use Google or Excel spreadsheets. And, although ESDO staff feel confident to report after receiving support and training from Start Network, other partners are not clear how they will fare when DRF is activated: *"Until now the DRF Start Ready pooled fund is not activated, we don't know how we will manage it when it is activated. If we find 10 (3 INGO and 7 LNNGO) organisations access funds for activation we don't know if ESDO can manage them and manage the reporting."* - anonymous interviewee.

ESDO staff members and Start Network staff mentioned Start Network had no formal or written policy on how to manage exchange rates and reimbursements. Currently, ESDO has agreed to pre-finance the Start Ready disbursements, although they are not aware of any policies on reimbursements and how the amount will change due to changes in exchange rates. Currently, through an unwritten policy between Start Network and ESDO, the member absorbs the exchange rate loss. However, personal communications with CARF staff revealed that in reality, the CARF team would attempt to reduce activities to cancel out any loss in the exchange rate. If there is an exchange rate gain, the unwritten practice depends on the donor. CARF would usually ask the member how they would use that gain in an effective way that relates to the programme and the host would be able to feed any gain funding into programming. Going forward staff at Start Bangladesh, ESDO and CARF mentioned the exchange rate policies should be written and formalised.

Hosted staff face challenges, from tensions over differences in working conditions, to not feeling a sense of belonging within the host agency. ESDO aligned the policies of the hosted staff to Save the Children Bangladesh and Start Bangladesh's working conditions. However, this causes disparity as working conditions differ between hosted staff and ESDO staff. For example, ESDO staff work six days while Start Bangladesh staff work five days a week which was noted by a handful of Start Bangladesh staff as causing some tensions. As well as tensions between hosted staff and ESDO staff due to the differences in working conditions and practices, an interviewee mentioned that through *"Capacitate[ing] ESDO on how Start Network works and on the decision-making process, [it would] support the hosted staff [to feel] more accepted and [it would] make the hosting arrangement smoother - [there is a need to do] something to allow more harmonisation between ESDO staffs and hosted staffs."* - Marwa Tasnim, Analyst, Start Bangladesh. Personal communication with Start Bangladesh and CARF staff showed that hosting is a continuous challenge and recognised these issues could be resolved when all programmes are functioning under an independent Start Bangladesh hub. In the meantime, suggestions were made by interviewees to improve the hosting relationships including: 1) Start Network and the host should identify human resource policies to follow before hosting begins, 2) to foster a sense of understanding amongst staff in the host organisation they should be made aware about what Start Network and the DRF programme is, as well as what their roles and responsibilities are as staff members of a host agency.

5. The hosting arrangement also has local and contextual challenges to overcome amendments to the contract and blockages on LNNGOs transferring funding to INGOs.

Amendments to the sub-grant agreement damaged relationships with the government and took up staff time at ESDO. Two ESDO staff and CARF staff mentioned challenges with multiple amendments required to budgets and activities (e.g. if the team were to request more money to do an additional piece of work) that were approved by the government. *"We have amended the approval twice already which makes our relationship with the government hard, it takes time and costs [for our compliance team] when changes and extensions are needed - we need to reduce the time contracts are amended with the government"* - anonymous interviewee. Although some amendments to the sub-grant agreement are expected when setting up a new host, in the future the challenges amendments cause should be considered and the number of amendments should be as few as possible. An ESDO staff member recommended that Start Network should aim to understand and work flexibly or innovatively to reflect the local context in which agencies are working. For example, in Bangladesh, it would have been beneficial to ESDO's governmental relations for an agreement to have been provided for a period longer than two years to reduce work with the NGO government bureau.

In Bangladesh, due to government and banking rules, NGOs cannot transfer to INGOs. *"This challenge came from the government since 2022 LNNGOs can't distribute funds to INGOs. There is very little opportunity to overcome this challenge. We are trying with the government as we have relationships with policy-makers in the government"* - Dr. Md. Shahid Uz Zaman, Founder and Executive Director ESDO. Unfortunately, in Bangladesh, there is no way for ESDO to overcome this challenge, although they are in communication with the government about this. In the meantime, Start Network will disburse funds to INGO members as required.



2023 Hustle and bustle in Dhaka, Bangladesh. Photo credit: Heather Brown.

6. Limited orientation of staff and capacity of departments limits ESDO's ability to host.

There was a feeling amongst ESDO staff that they had figured out aspects of hosting themselves. Despite this, it would have been easier and better if Start Network had set out guidance or even a 'checklist' at the beginning and from these provided targeted and specific training and orientation and set out the roles and responsibilities of ESDO's staff. *"So far ESDO is learning by doing, and we could receive more initiations. Start Network should provide capacity building and specialised training to staff when NGOs host in the future. We have developed our policies for some issues, but it would be easier if Start Network already had the guidance in place. They stated the role of ESDO, but they didn't give Job Descriptions (JD) for staff in ESDO. Specific training and guidance for each focal for finance, and safeguarding, Human Resources and Executive director would have been useful"* - Md. Mosheur Raham, Head of Planning and DRR Unit, ESDO.

Setting out policies and processes at the start would also have ensured the host and Start Network were 'on the same page'. One interviewee suggested guidance and a checklist of requirements for the host. *"Set criteria or checklist or guidance note for the host, before handing over hosting there needs to be an orientation for 3 days on how Start Network wants them to host, and a checklist or guidance note or template on reporting. Or Start Network can ask for guidance notes from the host so both are on the same page, about how the programme will run"* - anonymous interviewee. The recommendation here is for Start Network to provide future hosts with a checklist of requirements and responsibilities of staff members before hosting, if there are any gaps in the hosts' capacity based on these requirements, Start Network should provide capacity-strengthening support.

ESDO staff stated they received support in areas such as technical and financial systems and guidance on financial reporting from Start Network and Start Bangladesh. Start Network staff stated some basic orientation was provided with key staff at ESDO on reporting and grant management. However, this was not a formalised or in-depth process. Although orientation was provided, it was mentioned by ESDO staff that this could be done for longer periods to more staff, or in more depth, especially for technical areas like finance and donor reporting. ESDO staff indicated areas where they could benefit from specific and targeted capacity strengthening of staff and systems. *"We have linguistic, Monitoring and Evaluation (inc. software), reporting, knowledge management, and social research limitations. We would value support capacity building of staff working on hosting programmes in these areas. We have received some support which has benefitted us but we could have more in these areas"* - Dr. Md. Shahid Uz Zaman, Founder and Executive Director, Eco-Social Development Organisation (ESDO).

Furthermore, where ESDO staff tended to mention specific areas of support required, one staff member mentioned that they would benefit from improving their systems and software. *"There are lots of modern technologies we could learn from Start Network to track data to capture issues and identify issues and learn. We have done 34 anticipatory actions so we have experience doing MEAL for that but we could improve our predictions. We could improve doing MEAL for very fast Start Fund responses too. We could have more support to evaluate the triggers when they happen"* - anonymous interviewee. This shows that ESDO would benefit from staff training and support to improve their systems and software.

The limited capacity of staff not directly involved in hosting the DRF programme limits communication between Start Bangladesh and ESDO and means decision-making processes can become centralised.

Interviews with ESDO stated that only staff working directly on DRF received orientation and other staff at ESDO are unlikely to know what Start Network is, meaning Start Bangladesh staff are limited in who they communicate with at ESDO and institutional knowledge is limited to few people.

Furthermore, a staff member of Start Bangladesh felt that all procurement requests have to go via the programme manager and there are no online trackers to visualise procurements or travel giving individuals more agency and requiring less oversight from the programme manager. *“Donor reporting, finance management, with Start Network can be over-complicated, the finance team need to have more comprehensive understanding about how the different chains work and manage them, that would benefit us greatly... without having clear instructions, procedures and policies set in place it can be very detrimental”* - Marwa Tasnim, Analyst, Start Bangladesh. The limited capacity and orientation of staff limits the people Start Bangladesh can work with. *“ESDO is a very large organisation with many projects and staffs.... with the arrangement of hosting being introduced to them ... it is not clearly understood by them ... Start Network and the different programmes are a small part of what they do... [I am] not sure if the staff at ESDO understands the modality of Start Network and our work - also there are no ways of working with different departments at ESDO”* - Marwa Tasnim, Analyst, Start Bangladesh. A recommendation is for training to be provided to wider staff and systems beyond those directly used in hosting, and for systems/ software to be put in place to give departments and individuals at ESDO and Start Bangladesh agency to make decisions.

Perhaps due to a lack of capacity to scrutinise key documents or through a willingness to further the programme and respect inter-organisational relationships, ESDO were almost ‘too flexible’ to some of Start Bangladesh’s requests. In some cases, Start Bangladesh staff stated that ESDO approved requests for procurement and staff recruitment when they should have further scrutinised them. *“At the beginning, they were too adaptable, they never said no”* - Marwa Tasnim, Analyst, Start Bangladesh

Alternatively, an ESDO staff member stated that ESDO has stepped in and prevented some cases of deviation from the policy: *“At an event, they [Start Bangladesh] raised a Purchase Order [PO] and I issued an email that the PO should not have been done in this way... This helps us to ensure compliance. The host and the secretariat need to work as a team to implement the policies and protocols.”* - anonymous interviewee. Going forward it is important to recognise the strength of LNNGO hosts in that they can be less bureaucratic than an INGO host, but also to respect their capacity and wish to protect inter-organisational relationships by removing red tape. As suggested, the agencies hosting and managing programmes need to ensure communication and collaboration to prevent compliance issues.



CONCLUSION

Conclusion

Overall, ESDO is fulfilling its role as a host. They have a flexible, hands-off, and trust-based relationship approach, supporting Start Bangladesh to manage the DRF programme with as few bureaucratic processes as possible. Members of Start Bangladesh are confident in ESDO's hosting abilities, and although DRF triggers have not been met, and Start Ready activations have not yet been implemented, ESDO has successfully disbursed Start Ready readiness funding to its LNNGO partners. Key qualities of ESDO that make them a suitable and effective host in Bangladesh include their good relationships with the government and their ability to pre-finance.

Hosting has benefits for ESDO, it widened the opportunity for ESDO to engage in national networks in Bangladesh and in decision-making spaces, develop their organisational capacity and has been perceived to be an honour to them. The opportunity to host was described by one ESDO staff member as the best opportunity to show the sector they have capabilities on par with INGOs hosts, for example, to manage funding, pre-finance, ensure compliance, safeguarding, and operational processes are met and to complete financial reporting and monitoring, evaluation, and learning.

Although they are performing well, it was recognised by ESDO and Start Bangladesh staff that ESDO would benefit from the increased orientation of staff and increased capacity strengthening, improved systems, and software, and more resources for financial management and reporting, safeguarding, monitoring, evaluation, and learning. Improved capacity strengthening of staff and the organisation is important to ensure improved communication between more departments and staff at ESDO with Start Bangladesh, understanding of Start Network to support hosted staff feel belonging, and decentralised decision-making within ESDO.

This research has highlighted the important role Start Network has in supporting local hosts. The following recommendations have been identified by this research as ways Start Network can support future local hosts.



2023 View of a village in Thakurgaon, Bangladesh, taken from ESDO's office. Photo credit: Heather Brown.

Recommendations

The following recommendations are proposed by Start Network. To form these recommendations, the key issues and good practices raised in the interviews, along with recommendations given by interviewees, have been drawn upon.

The first recommendation, and overall recommendation of this research, is that Start Network should continue to support and encourage local organisations to host DRF programmes and funding mechanisms. However, consideration should be given to the support local hosts require in terms of operations and financial management, with steps needing to be taken to collaboratively identify and mitigate challenges.

To mitigate the challenges faced by local hosts and to encourage best practices, the following recommendations set out ideas to support the process of developing a hosting agreement and the management of hosting relationships.

Setting up the hosting agreement

1. Ensure the selected organisation understands what is required of them as a host before they sign any agreements. One tool mentioned by ESDO staff to aid this was a checklist of requirements, policies and, staff responsibilities that could be shared with the potential host before agreements are signed. Develop the checklist of responsibilities and requirements in collaboration, ensuring that the agency has the freedom and empowerment to say no to anything they are not comfortable with or be able to ask for more support in certain areas.
2. Understand key challenges the local host may face during the agreement and mitigate these challenges, especially considering local and contextual challenges. e.g. for ESDO in Bangladesh modifying the agreement signed by the government multiple times took up ESDO's time in the compliance team and had the potential to damage their relationships with the government.
3. Provide in-depth orientation not only to staff working on the hosting tasks but to all staff across the chosen host organisation, and work with staff at the host and at the managing agency (e.g. Start Bangladesh) to identify processes and systems that could be improved in the host organisation to support the agency to host, e.g. financial and reporting systems.
4. During business planning, incorporate budget lines for organisational strengthening for the host to utilise.
5. Set up policies for exchange rates and re-imburements when a local host agrees to pre-finance.
6. Collaboratively develop an ICR rate that is fair to the host and is predicted to cover their overhead costs. Build in opportunities to review and edit the rate if it is not accurate to the costs used to host.
7. Consider how the working conditions for hosted staff will differ from the conditions of staff employed by the host agency and work with the host agency to develop ways to mitigate potential issues between staff and to increase the feeling of belonging for hosted staff. Some ways to improve the experiences of hosted staff included training for staff in the host agency to ensure they understand the role of the hosted staff.

Supporting the hosting arrangement

1. Continue regular check-ins with local hosting agencies to have transparent conversations about what is going well and what could be improved. These conversations should occur at the senior leadership scale but also at the officer scale/ with those working on hosting day-to-day.
2. Training and capacity development support may need to be continued at ongoing intervals until the host is confident in meeting the hosting requirements. For example, ESDO orientation was undertaken long before any Start Ready disbursements were made, in which time requirements for capacity strengthening or training may have changed.

Limitations and future research

This case study focuses on one example of a national organisation hosting a programme. Further research into local organisations hosting in different contexts (i.e. in different countries and hosting different programmes) would provide an increased understanding of the benefits of local hosts, the challenges faced by local hosts, and the support Start Network could be providing them. This understanding will be crucial as Start Network begins to make plans for local organisations to host other programmes in other contexts, for example, hubs and the national fund in Ukraine.

At the time of this research, ESDO has disbursed readiness funding under Start Ready, DRF has not been triggered. Although staff members were confident about their ability to host their ability to disburse funds, undertake safeguarding and compliance checks and undertake auditing and reporting had been undertaken for the readiness fund and not in response to DRF activation. Continued exploration of ESDO's experience following a DRF trigger would ensure the full expanse of DRF programme hosting experiences had been researched.

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