



**Türkiye National Reference Group  
WORKSHOP REPORT ON  
“OVERHEADS/ICR FOR LOCAL  
AND NATIONAL NGOS”**

**26 June 2024  
Ankara**

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# Abbreviations

|               |  |
|---------------|--|
| <b>DI</b>     | Development Initiatives  |
| <b>ICR</b>    | Indirect Cost Recovery   |
| <b>NEAR</b>   | Network for Empowered Aid Response                               |
| <b>NRG</b>    | National Reference Group   |
| <b>LAG</b>    | Localization Advocacy Group, Türkiye                             |
| <b>TMK</b>    | Refugee Council of Türkiye                                       |
| <b>LHF</b>    | Local Humanitarian Forum   |
| <b>GB</b>     | Grand Bargain  |
| <b>INGO</b>   | International Non-Governmental Organization                      |
| <b>RLO</b>    | Refugee Led Organization   |
| <b>IASC</b>   | Inter Agency Standing Committee                                  |
| <b>UN</b>     | United Nations   |
| <b>CSO</b>    | Civil Society Organization                                       |
| <b>UNHCR</b>  | United Nations High Commissioner for Refugees                    |
| <b>IOM</b>    | International Organization for Migration                         |
| <b>UNFPA</b>  | United Nations Population Fund                                   |
| <b>WFP</b>    | World Food Program   |
| <b>PSEA</b>   | Protection from Sexual Exploitation and Abuse                    |
| <b>UNICEF</b> | United Nations International Children's Emergency Fund           |
| <b>FAO</b>    | Food and Agriculture Organization of the United Nations          |
| <b>ECHO</b>   | European Civil Protection and Humanitarian Aid Operations        |
| <b>IFRC</b>   | International Federation of Red Cross and Red Crescent Societies |

## Background

At the global level, there are growing policy discussions and commitments around the issue of fairer indirect cost recovery (ICR) for local and national actors. These refer to costs that are not related directly to a specific project, but that support the efficient, effective, accountable, and safe running of an organisation. This is also key for risk sharing among partners.

There is widespread agreement that local and national actors should be provided with overheads or indirect costs. Local and national actors urgently need to see a change in the funding modalities and behaviour of their international partners, which is critical for promoting and sustaining local leadership as the foundation for locally-led response, recovery and development.

The Localisation Advocacy Group (LAG) and Refugee Council of Türkiye (TMK) have long advocated on this issue in Türkiye, which has led to some progress in the transfer of overheads/ICR to local organisations. With the launch of the National Reference Group (NRG) in Türkiye in January 2023 under the framework of the Grand Bargain, there is increased opportunity and commitment to make further progress on this issue in the country.

Research conducted between 2021-2023 by Development Initiatives (DI) in partnership with UNICEF, Oxfam, and NEAR network (Network for Empowered Aid Response) informed the Inter Agency Standing Committee (IASC) Guidance on the Provision of Overheads to Local and National Partners.<sup>1</sup>

Many international organisations and donors are currently engaged in critical self-reflection, aligning their practices with the evolving standards within the aid sector. NRG in Türkiye believes that keeping the momentum around the issue of fair overhead practices is an ongoing endeavor if the global community is genuine about making significant change in localisation policy and practice.

Given recent global policy developments on overheads, the NRG in Türkiye decided to organise a workshop on "Overheads/ICR for local and national NGOs" to address and advance the policy and practice of transferring overheads to local and national NGOs in program partnerships in the country.

## Aim of the Workshop

Workshop on "Overheads/ICR for local and national NGOs" was convened by the National Reference Group (NRG) on 26 June 2024 in Ankara in the form of an in-person, multi-stakeholder event. It was organised by the LAG and TMK, two local networks currently acting as the NRG secretariat.

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1 <https://interagencystandingcommittee.org/humanitarian-financing/iasc-guidance-provision-overheads-local-and-national-partners>

Program support was provided by DI, Oxfam and NEAR network. Financial support was provided by UNICEF and STGM (Civil Society Development Center).

The aim of the workshop was to develop a common NRG pathway on overheads/ICR and risk sharing in Türkiye by presenting the outcome of global research and guidance, taking stock of the current practice in Türkiye, and facilitating discussion on ways forward to ensure that overheads are provided as standard practice to all local and national organisations.

The specific objectives of the workshops were to:

1. Provide an overview of the current policy debates on overheads/ICR, including commitments made by international actors as endorsed in the IASC Guidance, in order to bring all stakeholders up to the same level of knowledge;
2. Take stock of the progress, policy and practice around overheads/ICR in Türkiye;
3. Collectively develop a pathway on overhead/ICR policy and more generally on funding mechanisms and how they relate to equal partnerships between local/national and international actors, to be taken forward by the NRG in Türkiye.

## Workshop Programme

|               |  |
|---------------|--|
| 09:00 - 9:30  | Coffee and registration  |
| 09:30 - 10:15 | Welcome and opening remarks / introduction to the workshop                             |
| 10:15 - 11:15 | Introduction to the topic: What, How and Why Overheads                                 |
| 11:15 - 11:45 | Tea/Coffee Break   |
| 11:45 - 12:45 | Current policy and practice around overhead provision: global and Türkiye perspectives |
| 12:45 - 14:00 | Lunch  |
| 14:00 - 15:00 | Group discussions on the pathways to change in Türkiye                                 |
| 15:00 - 15:30 | Tea/Coffee Break   |
| 15:30 - 16:30 | Wrap up: group feedback on next steps for the NRG in Türkiye                           |
| 16:30 - 17:00 | Closing remarks  |

## Participant Profile

A total of 74 representatives from 53 stakeholders participated in the workshop.

Representatives from 13 international organisations, 34 local and national organisations (including but not limited to the members of TMK, LHF, and LAG), along with UN agencies, Embassies/donors and the European Union Delegation were present at the event. The workshop also saw participation from the Grand Bargain Secretariat and NEAR Network.

The full list of participants is available in the Annex.

## Session 1: Welcome and opening remarks

The workshop began with opening remarks from NRG Funding Working Group co-leaders Burçak Sel and Musab Alsayd, representing local organisations. Following the NRG representatives, participants were welcomed by Bjoern Hoffman, advisor to the Grand Bargain.

Opening remarks by NRG Funding Working Group representatives are listed below:

### **Contribution of Local Organisations:**

The success of humanitarian aid efforts was largely attributed to the significant contributions of local organisations. Syria crisis response and the 6 February earthquake recovery would have been very different without their involvement.

### **Addressing Power Imbalances:**

The need to address power imbalances in accessing financial resources is critical. Channeling more resources and support to the local level is a must if the international community is serious about triggering locally-led response.

### **Funding Challenges:**

Quality and quantity of funding is a major obstacle to localisation, with a noted decrease in available resources. The goal of local organisations is to deliver impactful messages to donors, UN agencies, INGOs and others about their work with affected communities, refugees, and other at-risk populations. It is crucial that the voices of these organizations are heard, and their advocacy messages reach beyond Türkiye.

### **Progress on Localisation:**

Despite the 2016 Grand Bargain commitments<sup>2</sup> towards localisation and the strong local leadership in Türkiye, progress has been minimal. The workshop is convened in the hope to foster more progress by considering more concrete solutions and actions specific to Türkiye.

Opening points highlighted by Bjoern Hoffman were as follows:

### **Accelerating Progress on Grand Bargain Commitments**

Before the 10-year anniversary of the Grand Bargain (in 2026), there is a need to accelerate progress on the commitments made. This includes mainly localisation, accountability to affected populations, and quality financing. Specific guidance documents, such as those on overheads/ICR, have been adopted in various discussions and need to be honoured and implemented by all GB signatories. For this, it is important to bring together local and national actors, donors, UN agencies, INGOs, and the Red Cross/Red Crescent movement.

#### **Localisation:**

Localisation is identified as a key priority by the Grand Bargain. It was highlighted that over the next two years, GB will make efforts to strengthen NRGs with more energy and interaction on this topic, demonstrating how a global process has translated into change at the country level. The GB annual meeting in October 2024 will focus on this.

#### **Focusing on ICR Policies:**

Peer-to-peer learning and exploring different approaches to improved practice in ICR will be initiated and promoted by the GB. Plans are made to reach out to key stakeholders to garner political will for these changes.

#### **Engaged Civil Society:**

For success, the significance of an engaged civil society is obvious. These organisations are not only operational but also actively participate in shaping policies and strategies. They play a crucial role in advocating for the needs and rights of affected communities, ensuring accountability, and promoting the principles of localisation. The GB will build on their active participation in future meetings to strengthen the impact and reach of their efforts.

## **Session 2: What, How and Why Overheads**

This session aimed at discussing the definition of overheads (also called ICR - indirect cost recovery), its characteristics, how it is used and why it is important to bring all stakeholders up to the same level of knowledge and practice. A power presentation provided an overview of the various aspects of overheads/ICR, as a predecessor to the following discussions.

### **Definition of overheads**

- Within the humanitarian system, there is no single definition of what constitutes an 'indirect' cost versus a direct project cost, thus donors and international organisations take different approaches.

- Many different terms (ICR, overheads, support costs, administrative costs, core operations costs, etc.) are used for the same idea with slightly different meanings, which can lead to confusion as well as increased workload for grant recipients who have to detangle organisation costs in different ways for different donors.
- Without a common definition it is difficult for those needing them to know what they are entitled to while these costs are important to their survival.
- A few existing definitions are as follows:
  - “A percentage charge applied to an organisation’s expenditure for programme-related costs that are not directly attributable to a specific programme.” (DI, 2008)
  - “The necessary and reasonable costs incurred to manage the organisation as a whole, provide oversight over all its activities and put into place the overarching policies, frameworks and systems that enable it to operate.” (Money Where It Counts protocol, 2019)
- There is an assumption that overheads take away from funds that would otherwise be used for programme/activity costs, and so overheads should be reduced to ensure a larger share for project activities. However, it is more realistic to consider that organisations have three different types of costs to deliver on:
  - direct costs of implementing a project,
  - direct costs that are shared across different projects (such as office facilities, finance staff), and
  - indirect costs that cannot be directly linked to a project or programme.
- An organisation’s overheads is contributed by each project or grant, and if one project fails to include overheads, this has a significant impact on the entire organisation.
- Overheads should be unrestricted and not be time-bound and not undermine direct project costs. There is a risk that donors may expect local organisations to reduce their direct project costs if overheads are provided. This reinforces the need to have clear definitions in order to prevent a negative impact on project quality.

### **Importance of overheads**

- Overheads are an intrinsic part of running any organisation. They help organisations run efficiently, professionally, and safely.
- Overheads allow organisations to:
  - Invest in and retain staff: being able to cover the salaries of staff between one grant stopping and another beginning, investing in staff training and development, being able to implement fair labour practices, reducing an over-reliance on volunteers or staff members using their own savings, working on weekends, under-managing security or operational risk;
  - develop institutional policies, including safeguarding/ PSEA, risk management,



complaint mechanisms, monitoring and evaluation, and organisational strategies and plans that donors often ask as a prerequisite;

- invest in and improve processes like financial management and internal control systems;
- to build sustainability, partly through building reserves, which means they are better positioned and prepared to flexibly adapt to changing needs and priorities of the communities they support;
- fund certain positions such as advocacy positions that allow organisations to participate in and influence humanitarian coordination, response and strategy beyond delivery – for instance participating in national/global cluster meetings and in global policy making spaces and conferences.

After the presentation of the above highlights, the following comments/feedback were shared from the audience:

Most of the local organisations who participated in the workshop were in consensus that overheads should be provided to cover long-term institutional costs that are not project specific. However, the fact that different international actors have different perspectives, definitions and practices on overheads oftentimes constitutes an obstacle to reaching a common understanding and agreement around ICR.

Most operational costs – and some at the field office level - such as office supplies, communication costs, hosting guests, cleaning, security, and so on are considered by many international partners to be non-project costs, thus putting burden on the indirect costs that are truly non-project related. So the 3-tier definition mentioned in the presentation is a reference that should be adopted by all funding partners.

The relation between overheads and sustainability was pointed out, noting that the short-term nature of projects makes it difficult to plan for the transition to long-term recovery and development. Similarly, maintaining quality staff necessary for quality services is almost impossible when international organisations make better salary payments and benefits.

Overheads are considered by participants as important also for “rainy days” when unpredicted expenses need to be made in the face of risks and fragile circumstances such as hyper-inflation and rapidly changing exchange rates. Not having a reserve fund from which government liabilities can be covered is a serious risk for civil society organisations operating in Türkiye.

It was underlined that receiving overheads (if at all) at the current low rates do not allow organisations to invest in staff, develop organisational strategy, risk management, etc. especially when project funds are shrinking. There is need for increasing the rates of overheads if local organisations are to add value in a truly safe, principled, and sustainable way.

It was mentioned that covering overhead costs was only one step for establishing equitable partnerships and that there is a need for discussing complementarity, quality of communication, as well as the other multiple layers of challenges around quality funding.

## Session 3: Current policy and practice around overhead provision: Global level and Türkiye

This session aimed at providing an overview of the current policy debates and developments at the global level, along with policy and practice at the country level in Türkiye. The session started off with a powerpoint presentation, followed by a plenary discussion for the participants to share their insights and comments.

### Policies and practices at the global level:

At the global level, there are several commitments of donors and international organisations through the IASC, Grand Bargain, Charter for Change, and Pledge for Change, among other initiatives:

- Members of the IASC have endorsed the official 'IASC guidance on the provision of overhead to local and national partners',<sup>3</sup> which acknowledges past unfair funding practices where local partners could access funding only for direct project activities. The guidance gives examples of good practices and ideas of what new policies have included and the way forward for a more equitable and fair share of overheads between partners.
- The Grand Bargain caucus on the role of intermediaries<sup>4</sup> developed an outcome document that includes a commitment to allocate overheads to local actors.
- Pledge for Change signatories are committed to provide a fair share of overheads under the Equitable Partnerships pledge.<sup>5</sup> Charter 4 Change also advocated for adequate and consistent support for organisational overheads.

According to the mappings of UN agency and INGO policies that DI conducted in 2022 and 2023:

- There have been some positive developments: most INGOs either have a new policy or are developing their policy for transferring overheads to local partners. Since 2022, 6 organisations developed new internal policies on overhead transfer, and a further 10 organisations were in the process of developing a policy. However, the downside is that they generally pass on very small percentages.
- UNHCR put a new policy in place in 2019 (4% to local partners as opposed to 7% to INGO partners). UNICEF also started implementing a new policy in 2023, which still needs to be clarified and streamlined in practice.

Donors have a key role in leveraging change and influencing the funding practices of their international partners as well as challenging restrictive overhead percentages.

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3 <https://interagencystandingcommittee.org/humanitarian-financing/iasc-guidance-provision-overheads-local-and-national-partners>

4 <https://interagencystandingcommittee.org/grand-bargain-official-website/caucus-role-intermediaries-final-outcome-document-august-2022>

5 <https://pledgeforchange2030.org/metrics-accountability/>

DI together with UNICEF therefore carried out a series of interviews with donors to understand their approaches and current policies:

- Interviews with donors reveal limited knowledge of donors about the practice of their intermediary partners, pointing to limited transparency around the provision of overheads to local organisations.
- Key takeaway is that very few donors currently have policies, requirements or guidance on the pass-through of overheads from their international partners and few incentivise such practices. The information is generally not reported back – donors do not currently know whether overheads are being provided or shared by their international partners.
- While some donors have started defining their policy around overheads, others felt this was an important issue but that it was quite new to them, and they perhaps looked to larger donors to set a precedent. Donors have a more advanced discussion about overheads with INGO partners compared to UN agencies, most of whom receive unearmarked funding from their donors.

### **Policies and practices in Türkiye:**

In preparation for this workshop, NRG secretariat launched two online surveys. One targeted local/national civil society organizations, and the other targeted international actors. The aim was to understand the practices and experiences of organisations in Türkiye regarding overheads.

A total of 43 responses were received, of which 29 respondents were from local/national organisations and 14 respondents were from international actors. The main findings were summarized as follows:

- Local/national organisations cited receiving project funds from 48 different donors, reflecting the diversity of their funding sources. UN agencies, namely UNHCR, UNICEF, IOM, UNFPA, WFP and FAO, were mentioned 29 times. This high prevalence can be explained by the fact that while about 60% of global humanitarian funding flows through UN agencies, most UN entities in Türkiye have a policy of partnering directly with local and national NGOs.
- The majority of the respondents from donors and INGOs (11 out of 14) indicated that their organisation has an overheads policy.
- Among the local/national organisations that responded to the survey, levels of satisfaction with the current overhead policies and practices of their funding partners was reported to be low.
- On the other hand, international actors appear to be more positive about the effects of their overhead practices. The majority of international organisations believe that their policies and practices enable local partners to recover their indirect costs and contribute to an equitable partnership.
- Regarding the question about the flexibility of country offices in defining and setting rules on passing overheads to local partners, an average of 3 was received over a scale of 5, indicating that country offices have a mediocre level of decision making when it comes to passing of overheads to their local partners in country.

- Opinions on the ability to have an open and honest dialogue on overheads diverge between local/national organisations and international actors. While local/national organisations do not report a positive experience of dialogue, international actors rate themselves high in that they believe they create a positive environment, reporting that the issue of overheads can be openly discussed.

After a brief presentation of these findings, the following comments and feedback were shared by the workshop participants:

After years of focusing only on the needs of affected communities and implementing 6-12 month project cycles, local organisations have come to realise that they also need to cover their risks and find ways of investing in overcoming the multiple challenges that they face as they scale up their operations. This workshop has been important in clarifying for local organisations that they have the bargaining power and the right to receive overheads, just like their intermediary partners, which in turn can be used for their organisational growth and risk management.

Even though almost all UN agencies seem to have global policies for the provision of overheads, it is still a struggle for local partners in Türkiye to access this budget line, along with the rate and conditions upon which overheads are granted.

There is much room for improvement in INGOs' policies on passing of overheads. As global and in-country policies are defined, a system needs to be established for better dialogue and communication between INGOs and their local partners.

The top-down approach of international actors was mentioned as a factor negatively affecting the dialogue between them and local/national organisations. Local counterparts usually feel intimidated about bringing up the topic of overheads, and therefore do not know where to start when it comes to establishing and building more equitable and transparent relationships.

Local/national organisations oftentimes lack the skills and advocacy approach to negotiate with their funding partners. Clear position and policy on this will make it easier for local actors to claim overheads in their project funding.

Practice of passing on overheads to local partners should be scrutinised and systematised in Türkiye. There is need for mobilisation and advocacy by local organisations around the issue of overheads.

It was suggested that donors have open and assertive dialogues with their governments and parliamentarians about covering the indirect costs of local implementers and providing broad support to local civil society.

## Session 4: Group discussion on the pathway to change

The global research on overheads policy and practice resulted in the drafting of the 'Inter Agency Standing Committee (IASC) Guidance on the Provision of Overheads to Local and National Partners'. The fourth session opened with the presentation of the IASC Guidance.

To be able to create an enabling environment for improved policy and practice on overheads, various levels and pathways of potential change were shared with the workshop participants. Brief examples were provided of country level and HQ/global level change as well as collective action that can be taken.

Two specific agency examples were presented, one from IFRC and one from Concern Worldwide.

Jessie Thompson, Head of Delegation for IFRC in Türkiye, shared the information that IFRC is investing in sustainable locally led action and has developed a national society costing policy for members in the IFRC network. Previously national societies were negotiating overheads in diverse ways. Now, the overall policy is to fully recover the costs of desired action (both direct and indirect costs); to invest in sustainability in parallel to delivering impact; and to leverage the knowledge and comparative advantage of the IFRC network members for economies of scale. She concluded by saying that if international actors are not financially investing in local and national organisations then it will prevent them from being truly locally led in their work.

Andrew Clenaghan, Senior Global Advisor for Concern Worldwide, presented the organisation's journey towards supporting locally led action. Having produced a position paper on localisation, Concern is now working on an organisational strategy with 5 pathways, including the components of partnerships, funding, capacity strengthening, voice and visibility, and community agency. Concern recently formally adopted an organisational policy on indirect cost recovery for local partners into which accountability measures will be integrated, including metrics and performance indicators, to evidence the impact of increased on-granting and ICR funding to local partners.

Concern Worldwide is currently carrying out a global localisation research project funded by USAID's Bureau for Humanitarian Assistance, the outcome of which will hopefully inform global policy on overheads, among other localisation-sensitive practices.

### Group Work: Pathways to Change

Given as reference the IASC Guidance on the Provision of Overheads to Local and National Partners, workshop participants were divided into groups to work on the following three questions:

1. What are the main issues we need to tackle to move forward on covering the

indirect costs of local organisations?

2. What concrete steps can we take?

- What spaces and initiatives already exist that we can build on?
- What new actions need to be taken both individually and collectively?

3. How do we follow up on the progress?

Each group included equal representation from donors, UN agencies, INGOs, and local organizations. Notes taken during the group work and discussions held during the plenary session afterwards are presented under these three questions.

### **1. What are the main issues we need to tackle to move forward on covering the indirect costs of local organisations?**

#### **Contractual and project-related issues:**

Recurring project agreements are useful for the continuation of activities that create impact for affected communities for a longer period of time, however these agreements pose a risk to local organisations when indirect costs of partners are not covered. Any delay in the signing of the follow-up agreement or any last minute significant changes in the follow-up budget results in additional expenses for local organisations that put severe strain on their institutional well-being.

Recurring projects also means staff are employed over a longer period, beyond the short duration of any single project (6, 9 or 10 months). Once the same staff member has passed the 12 months employment mark, the employer is obliged to create a reserve fund for severance payments. This is an expense that is often not covered through project budgets but becomes a serious long-term liability for local organisations that continue to implement projects and employ the same staff over multiple years. This is an expense that needs to be covered partially or fully under indirect management costs.

Time sheets and cost sharing poses a serious risk to local organisations when they are unable to change percentages of cost sharing based on changes in projects. When costs go down, funding partners are happy to accept the cut, but when shared costs increase, funders oftentimes do not accept to increase shared costs with the explanation that upper limits for project are fixed upon signing of project agreement and no overspending is allowed.

#### **Regulatory and policy discrepancy:**

Türkiye has a strong legal framework when it comes to labour law and law of associations and foundations. Donor rules vary significantly and some are in contradiction to Turkish laws and regulations, causing confusion and posing a risk for local organisations. During external audits, especially audit firms coming from outside the country that have little knowledge of the local law can come up with findings that do not take into consideration the liabilities of Türkiye-based organisations.

Donors and intermediaries are highly risk averse and have high standards for compliance that only a handful of local and national organisations are able to cover.

Imposing such high standards without the necessary investment in internal systems is a problem that the humanitarian system has to solve.

When a portion of project funding does not go into setting up and maintaining the internal systems of a local organisation, then funding partners are in fact putting additional strain and risk on the project funds they are transferring to local organisations. Because insufficient investment goes into the internal accountability and autonomy of local organisations, intermediaries instead end up putting too much funding into setting up their own internal control and monitoring mechanisms, which leaves little room for local partners to learn and become empowered. When donors do not question this approach, their funding does not go towards strengthening local civil society and supporting locally led action.

Donors and intermediaries are too intrusive of the institutional policies and practices of their local partners. Putting ceilings on how much local organisations can pay their staff in terms of salaries or what benefits they can provide is a major problem, as this overpowers the institutional sovereignty of local organisations.

Not accepting to pay for costs related to staff well-being, team building, safety and security management, capacity sustenance, complaint and grievance mechanisms, ethics committees and investigation costs are all expenses that some local organisations need to cover from unrestricted funds that they do not have.

### **Partnership-related issues:**

Even for agencies that have a global policy on overheads, there is unclarity as to what costs are covered under overheads as they are unwilling to share the details of that policy. As a result, this is almost always left for negotiation between the funding partner and the local organisation.

Funding partners are inclined to ignore the subject of overheads unless local partners bring up the issue in their partnership discussions or project agreements, which is not easy for local and national organisations to do. This is especially the case when local organisations are struggling to cover their full project-related costs.

Even for organisations that manage to receive overheads, ensuring this as consistent practice is challenging. Funding agencies are inclined to change their overhead rates from one project to another, which makes it a constant struggle and negotiation for local organisations.

## **2. What concrete steps can we take?**

Group discussions around the second question are outlined below based on whom these actions can be taken by.

### **Local actors and their networks:**

- Each local organisation can bring up the issue of overheads with their bilateral partners and initiate an open dialogue for change.
- Through local platforms such as the LAG, TMK and LHF, local organisations can design a joint advocacy plan to promote overheads with their funding partners.

- A working group on overheads can be established to develop a common overheads framework from the perspective of local organisations, based upon which joint advocacy can be carried out.
- 'IASC Guidance on the Provision of Overheads to Local and National Partners' can be brought up in all relevant fora for improved awareness and commitment among international partners.
- A monitoring mechanism can be developed to monitor the quantity and quality of overheads being shared between international organisations and their local partners.
- Especially based on the giving provided after the Kahramanmaraş earthquake disaster, a comprehensive research can be carried out with philanthropic foundations in Türkiye to map out some of the good practices around flexible funding and core organisational support to local civil society.
- Local civil society networks can advocate to donors, bilateral/multilateral development banks, technical agencies, and other international financial institutions to form more direct partnerships with local civil society, increase direct funding to local actors, and support the institutional sustainability of local civil society for broader outreach and greater impact.

#### **Intermediaries:**

- Each intermediary can ensure clarity around their organisational definition and policy on overheads and can communicate that in a transparent way to local partners by opening space for dialogue.
- Intermediaries need to adopt an appreciate approach to the capacity of local organisations and be frank about the intention to support institutional well-being and sustainability, alongside project outcomes.
- Reflecting on their role as intermediary between the donor and the local organisation, funding partners can achieve progress by becoming clear on their complementarity and then supporting the agency of their local partners accordingly.
- Where HQ policy on overheads is missing, intermediaries can take initiative as the country office to provide overheads to local partners.
- International partners can provide funding to local organisations and their networks to enable them to take the lead on advocacy around improved overheads to local actors.
- Given the diversity of local civil society, international organisations can develop innovative ways of partnering with different types of local organisations and can adapt their overhead support accordingly.
- Organisations that transfer project funds from donors to local organisations should work with local partners in providing mentorship for the strengthening of their institutional policies and internal systems, and ensuring overheads are also transferred to sustain those systems.



- Local partners should be given the autonomy, agency and resources to decide on how they best cover their indirect costs, including the analysis, monitoring, planning and coverage of their management costs.
- Intermediaries should advocate to donors that core project funding as well as indirect costs of local partners are covered, and that the process for reporting on these costs is simplified.
- Peer review systems can be set up to maintain an overview of common practice around overheads in order to ensure harmonization of the practice among international organisations.

**Donors:**

- Each donor can commit to making lumpsum/unrestricted overhead budget lines an additional provision on top of direct project budget lines.
- Donors can request intermediaries to justify why they are not implementing programs through local organisations, given the strong civil society in Türkiye.
- As project funds cascade to local organisations, donors can set up their monitoring system to ensure that indirect costs are equally and equitably covered.
- Given the operational strength of local civil society in Türkiye, donors can endorse their practice of directly funding local organisations.
- Donors can provide funding directly to local organisations and their networks to carry out research and advocacy work on improved provision of overheads to local and national actors.

**Collectively:**

- Investment in local action and sustainability through support to management costs of local actors in Türkiye can be collectively advocated through the establishment of a joint working group/workstream on IASC Guidance on the Provision of Overheads to Local and National Partners.
- Existing global research on overheads can be localised to establish a baseline of the current status of overhead provision in Türkiye as a prerequisite for the development of a broader base of recommendations of what needs to change.
- Stakeholders can collectively harmonize the definition of overheads and its application in Türkiye.
- As a joint and collective effort, a national minimum standards document on overheads can be prepared as reference for all partnerships.
- Learning from other contexts on how similar action has been taken can provide valuable insights and inspiration.
- All stakeholders should put the issue of overheads on the agenda of all coordination meetings where appropriate and follow up on it.

## NRG in Türkiye:

- The most urgent and actionable points identified in this workshop can be taken up and supported by the NRG.
- NRG can make a call to GB signatories in Türkiye to prioritize provision of overheads to local partners.
- NRG Türkiye can create a space to enhance connections between local actors and GB signatories.
- NRG can finance Türkiye-specific research on overheads.
- NRG can conduct advocacy on the critical role of overheads in promoting and sustaining locally led action in Türkiye.
- NRG members can bring up the issue of overheads and flag its importance in all relevant meetings with other stakeholders.

## 3. How do we follow up on the progress?

To effectively follow up on these processes, the following concrete steps were suggested in the group work:

### Research and evidence:

A baseline and specific evidence is required to support policy change and improvement around overhead policy and practice in Türkiye. Similar to the global research conducted by DI, such studies need to be carried out to map and collect evidence on what is needed to progress the overheads agenda in Türkiye.

### Harmonisation and commitment:

For effective change to be initiated, clear and consistent definitions, standards and benchmarks need to be set across all types of operations (humanitarian-development-peace) and funding agencies in Türkiye. For a harmonised roadmap to be paved out and implemented, all stakeholders need to be well acquainted with and committed to the IASC guidance on overheads. This includes involving all GB signatories.

### Protocols and guidelines:

As policy change is rolled out, each agency will have to redefine or adjust its in-country policy and specify how that policy is put into practice in the Türkiye context. For example, high risk costs, such as severance pay obligations as a specific indirect cost in Türkiye, need to be well defined and incorporated into protocols and guidelines on covering overheads. Other similar conditions specific to Türkiye need to be streamlined in terms of how they are incorporated into the overheads policy of each agency.

### Transparent communication:

Establishing open and clear communication channels around the issue of overheads is key to putting this on the agenda of all stakeholders. Without a base for transparent and honest communication and open dialogue among local organisations, intermediaries, and donors, it will not be possible to foster strategic and equitable collaboration and partnerships. This also includes keeping the issue of overheads alive in various fora so that developments in this area are openly shared and mutual accountability is maintained.

**Resource allocation:**

Research, participatory planning, collective action, and advocacy on overheads need resources and funding for policies and practice to be effectively improved. By reinforcing this process through financial support, the aid community in Türkiye will ensure that the issue is taken seriously, genuine commitments are made, and the follow-up process is participatory and comprehensive.

## Session 5: Next steps for the National Reference Group in Türkiye

This workshop served as a crucial platform to foster understanding and collaboration, share insights, brainstorm collectively, and strategise practical solutions to advance quality of funding and fair share of overheads/ICR for local and national NGOs in Türkiye.

Actionable strategies collectively developed as a result of this workshop will pave the way for more accountable, equitable and sustainable partnership and funding practices in the country. The NRG in Türkiye is committed to creating an enabling environment and driving positive change in the path towards locally local action, this workshop being a significant milestone in that undertaking.

To continue the progress made during the workshop, NRG Türkiye will focus on the action points developed in the group work and will see how best to address these actions with local civil society networks as well as other GB signatories in Türkiye.

In terms of next steps, other concrete steps noted by the NRG secretariat were as follows:

**Follow up through NRG working groups:**

The outcomes of this workshop will be shared with NRG working groups so that the relevant aspects can be followed up. While the NRG WGs meet virtually, an in-person meeting bringing together all 3 WGs will be organised if funding is secured.

**Conducting overhead/ICR research in Türkiye:**

On behalf of the NRG, the secretariat will continue to interact with DI who will try to secure funding to carry out research on overhead/ICR in Türkiye, which will provide a robust baseline to advance this agenda in the country and build on the outcomes of the workshop.

**Pulling together all stakeholders for enhanced collaboration and change:**

Inviting to the table all GB signatories and potential actors such as philanthropic foundations and international financial institutions, NRG in Türkiye will work on improving communication, collaboration, advocacy and policy change around the issue of overheads to local and national organisations.

**Empowering local actors:**

NRG Türkiye will continue to focus on empowering local actors and promoting positive change in the area of overheads and other aspects of quality funding.

**Showcasing good practices:**

NRG Türkiye will play an active role in the Grand Bargain Annual Meeting and other global fora, showcasing the progress being made so far on fair share of overheads as well as other aspects of localisation, and the NRG's overall support in the past one year to strengthened locally led action in Türkiye.

## Closing

In the closing session of the workshop, participants were asked if their expectations were met. The answers, collected through a digital tool, showed a satisfaction score of 4.1 out of 5. Participants also shared their mood at the closing of the event, with the most common words being 'hopeful', 'satisfied', and 'aware'.

Overall, the event was described as being highly productive, allowing participants to discuss global policies related to overheads, review practices in Türkiye, and brainstorm together. One of the most critical outcomes of the workshop was local organisations realising that they are able to discuss overheads in their project agreements, which will pave the way for improvements in flexible funding, partnership quality, risk sharing, and sustainability.

After collecting a few final remarks from the participants regarding the workshop, the following shared their closing remarks:

**ECHO as NRG Steering Committee member:**

A representative from ECHO shared that they learned a lot from the discussions and praised the leading role local organisations in Türkiye have taken on such critical issues as fair share of overheads. Given the technical challenges around the issue of quality funding, as donor ECHO is willing to keep the dialogue going to resolve related issues. ECHO highlighted the need to improve communication and are committed to working on it.

**UNICEF as NRG Steering Committee member and financial supporter of the workshop:**

UNICEF stressed their commitment to implementing localisation through direct funding as well as improved practice on overheads to local actors. UNICEF thanked the NRG and the participants for their commitment to continue highlighting these important elements of localisation, hoping this will create lasting change in Türkiye.

**STGM as representative of local civil society and host:**

STGM noted the importance of addressing the overheads issue in Türkiye, especially as many international organisations and donors are now putting in place global policies and are reviewing their practices in country. STGM saluted NRG Türkiye's commitment to promoting positive change by empowering local actors, marking this workshop as an important step towards that goal.

## Annex 1. Participant List

| No | Name and Surname      | Organization                                | Title                                       | Type of Organization           |
|----|-----------------------|---|---|--------------------------------|
| 1  | Ahmet Ünver           | UNHCR                                       | Associate Inter-Agency Coordination Officer | UN                             |
| 2  | Alaz Erdost           | STGM  | Contracts and Finance Expert                | National                       |
| 3  | Ali Fuat Sütü         | ACTED                                       | Deputy Country Director                     | INGO                           |
| 4  | Amy Croome            | OXFAM                                       | Humanitarian Policy Advisor                 | INGO<br>(not based in Türkiye) |
| 5  | Andrew Clenaghan      | Concern Worldwide                           | Senior Global Advisor                       | INGO<br>(not based in Türkiye) |
| 6  | Arda Akçiçek          | GIZ   | Consultant                                  | IO                             |
| 7  | Asuman Şahin          | LHF   | Forum Coordinator                           | National                       |
| 8  | Aylin Başak Ata       | SGDD-ASAM                                   | Finance Coordinator                         | National                       |
| 9  | Başak Salihler Gürbir | UGKDD                                       | Founding Member                             | Local                          |
| 10 | Berna Övül            | IDEMA                                       | INOGAR - Corporate Relations Coordinator    | National                       |
| 11 | Bişeng Onuk           | Solidarity Respect and Protect Organisation | Director                                    | Refugee-led                    |

|    |                    |   |   |                  |
|----|--------------------|---|---|------------------|
| 12 | Bjoern Hoffman     | Grand Bargain Secretariat                           | Consultant  | Grand Bargain    |
| 13 | Bora Arıcan        | Building Markets                                    | Country Director                                  | INGO             |
| 14 | Burcu Bostancıoğlu | Touch One Life Association                          | President   | Local            |
| 15 | Burçak Sel         | Our World Home International Solidarity Association | General Coordinator                               | Local            |
| 16 | Ceren Can          | STGM  | Localisation Coordinator                          | National         |
| 17 | Ceren Topgül       | TMK - OXFAM KEDV                                    | Program Manager                                   | National         |
| 18 | Christianne Danne  | GIZ   | Head of Project                                   | IO               |
| 19 | Çağdaş Özbakan     | Young Life Foundation                               | Strategy Development and Partnerships Coordinator | National         |
| 20 | Deniz Kaya         | SENEDE  | Project Coordinator                               | Refugee-led      |
| 21 | Derya Baykal       | WFP   | National Coordinator                              | UN               |
| 22 | Ece Ceren Doğar    | Turkish Red Crescent                                | Head of External Relations and Partnerships       | National Society |
| 23 | Edanur Dursun      | Youth for Sustainability                            | Founding President                                | Local            |
| 24 | Edvina Bihorac     | Turkish Red Crescent                                | Humanitarian Policy Advisor                       | National Society |

|    |                       |   |  |             |
|----|-----------------------|---|--|-------------|
| 25 | Elise Belcher         | Development Initiatives                 | Senior Policy & Engagement Advisor                   | Research    |
| 26 | Emre Sakmen           | IFRC                                    | External Relations Coordinator                       | IO          |
| 27 | Erdal Akın            | Leader Women's Association              | Project Coordinator                                  | Local       |
| 28 | Esen Biçer Vurucu     | Support to Life                         | Administrative Affairs Supervisor                    | National    |
| 29 | Esin Bozkurt          | GIZ                                     | Senior Advisor                                       | IO          |
| 30 | Eyyüp Bulut           | Local Development Association           | President  | Local       |
| 31 | Gizem Solakdağ Yılmaz | SGDD-ASAM                               | Senior Finance Supervisor                            | National    |
| 32 | Gülşah Üzüm           | SGDD-ASAM                               | Senior Administrative and Finance Affairs Supervisor | National    |
| 33 | Hatice Yıldız Türkmen | African Culture Associations Federation | President  | Refugee-led |
| 34 | Hazim Aslan           | Human Appeal                            | Grants and Partnerships Coordinator                  | INGO        |
| 35 | Hilal Burç            | MOKİD                                   | Project Coordinator                                  | Local       |
| 36 | İlhan Güvel           | DG ECHO                                 | Program Manager                                      | Donor       |
| 37 | İlke Öztürk           | MEDAK                                   | Project Assistant                                    | National    |

|    |                  |  |  |                |
|----|------------------|--|--|----------------|
| 38 | İlker Güney      | MUDEM  | General Coordinator                        | National       |
| 39 | Jessie Thomson   | IFRC   | Head of Delegation                         | IO             |
| 40 | Kemal Gülpınar   | Solidarity Association with Syrian Refugees in Izmir       | Capacity Development Expert                | Refugee-led    |
| 41 | Kenan Sağım      | RET International  | Finance and Administration Specialist      | INGO           |
| 42 | Kıymet Muratoğlu | STGM   | Finance Coordinator                        | National       |
| 43 | Mahmut Küpeli    | International Blue Crescent                                | Project Manager                            | National       |
| 44 | Melek Kılıç      | Touch Breastfeeding and Breast Milk Volunteers Association | President                                  | Local          |
| 45 | Merfat Sorour    | Syrian Refugees Organization in İzmir                      | Head of Syrian Women's Gathering           | Refugee-led    |
| 46 | Mert Altıntaş    | STGM   | Project Coordinator                        | National       |
| 47 | Monzer Koukhou   | CARE International   | Partnerships and Capacity Building Manager | INGO           |
| 48 | Muhammet Gül     | Afghan Hazaras Culture and Solidarity Association          | President                                  | Refugee-led    |
| 49 | Musab Alsayed    | WATAN  | Donor Relations Manager                    | Refugee-led    |
| 50 | Nadine Saba      | NEAR network   | Member                                     | Global network |



|    |                    |                                       |  |                  |
|----|--------------------|---------------------------------------|--|------------------|
| 51 | Nihan Ünal         | Turkish Red Crescent                  | Senior Director of Risk and Finance Management | National Society |
| 52 | Nisa Göçmenoğlu    | TMK - OXFAM KEDV                      | Program Manager                                | National         |
| 53 | Nur İncetahtacı    | SENED                                 | Board Member                                   | Refugee-led      |
| 54 | Nuran Farina       | Aid Convoy Association                | President                                      | National         |
| 55 | Nuray Akankan      | Independent Businesswomen Association | President                                      | Local            |
| 56 | Nurdan Terzioğlu   | MEDAK                                 | Field Coordinator                              | National         |
| 57 | Nurhal Çelik       | İGAM                                  | Vice President                                 | National         |
| 58 | Odip Enis          | Concern Worldwild                     | Program Director                               | INGO             |
| 59 | Ozan Dinçer        | STGM                                  | Civil Society Expert                           | National         |
| 60 | Özge Dursun        | Bridge Association                    | Executive Director                             | Local            |
| 61 | Philip Rundell     | FCDO                                  | Humanitarian Advisor                           | Donor            |
| 62 | Saygın Erdem Birer | Turkish Red Crescent                  | Kızılaykart - Risk and Finance Manager         | National Society |

|    |                          |  |   |                |
|----|--------------------------|--|---|----------------|
| 63 | Seçil İnceişçi           | UNHCR  | Asisstant Programme Officer                 | UN             |
| 64 | Sema Genel Karaosmanoğlu | Support to Life                                    | Executive Director                          | National       |
| 65 | Serkan Denli             | Support to Life                                    | Localization Manager                        | National       |
| 66 | Sezai Çelik              | Çankırı Civil Society Association                  | Executive Director                          | Local          |
| 67 | Süheyla Vefai            | Bünyan Youth and Development Association           | Board Member & Public Relations Coordinator | Refugee-led    |
| 68 | Süleyman Gök             | Women's Right to Health in Development Association | Advocacy and Policy Expert                  | Local          |
| 69 | Şule Yılmaz              | Embassy of Luxembourg                              | Policy Advisor                              | Donor          |
| 70 | Taylan Cengiz            | Support to Life                                    | Projects and Partnerships Coordinator       | National       |
| 71 | Tezcan Eralp Abay        | STGM   | General Coordinator                         | National       |
| 72 | Tolga Karakayalı         | MUDEM  | Project Coordinator                         | National       |
| 73 | Yekta Işık Nergiz        | Love and Fraternity Foundation                     | General Coordinator                         | National       |
| 74 | Yusra Semmache           | NEAR network                                       | Senior Advocacy Advisor                     | Global network |

