

 **Explain**

ESSENTIAL BRIEFINGS FOR HUMANITARIAN DECISION-MAKERS

LOCALISATION AND LOCALLY-LED ACTION

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POWER, PRACTICE, AND POSSIBILITY: UNDERSTANDING LOCALISATION AND LOCALLY-LED ACTION

Localisation is now a [central theme](#) in humanitarian reform efforts and policy discussions. Many agencies state it as a priority and Local/National Actors (L/NAs) continue to demand it. In the current context of deepening funding constraints, localisation has received renewed attention as a potential pathway to improve efficiency. Despite growing attention, a clear and shared understanding still does not exist - fuelling confusion and competing interpretations.

Localisation and locally-led action are often used interchangeably, but they [are not the same](#). [Localisation](#) focuses on reforming the international aid system by shifting power and building equitable partnerships – though still shaped by the priorities of international and Minority World actors. [Locally-led action](#), by contrast, centres on directly resourcing and scaling initiatives driven by local actors, often outside of international aid structures. While the two approaches can overlap, they require different strategies and offer distinct paths for change.

Despite years of high-level commitments, meaningful [progress has been slow](#). Bold pledges made at global or HQ levels have rarely led to change on the ground. Most efforts have taken the form of small-scale, single-agency pilots, that lack the scale and incentives to change the system's risk-sharing, funding flows, or accountability structures—leaving traditional approaches largely intact.

Unlike technical reforms such as cash assistance, localisation and locally-led action demand a shift in the humanitarian business model. These system-level shifts require sustained resourcing, coordination, and political will across donors and other stakeholders. Real change happens at the country level, driven by collective action—but without aligned incentives across various stakeholders, isolated reforms rarely last.

Each stakeholder has a role. For meaningful progress international agencies and multilaterals must confront tough questions about risk, internal systems, and how power and mandates are shared. Donors, often constrained by legal, political, and logistical barriers—including low risk tolerance and accountability to taxpayers—must rethink how they fund at scale. Local actors—more vocal and organised—must design and champion alternative people-centred, scalable alternatives, viable in today's funding environment.

Change is difficult—but possible. Promising [localisation practices](#) are emerging in responses like Ukraine, though progress remains uneven. In other contexts like Sudan and Myanmar, [locally-led models](#) have gained prominence, often due to limited access by international actors. Reform initiatives like the [Grand Bargain](#), [Charter for Change](#), [Pledge for Change](#), [Shift the Power](#), and [OCHA's Flagship Initiative](#) also offer valuable lessons.

STATE OF THE EVIDENCE

Evidence on localisation is growing but remains fragmented and insufficient to drive systemic change. A recent [ALNAP synthesis](#) shows most studies focus on funding, capacity strengthening, and partnership practices within individual organisations. They highlight barriers

rather than performance outcomes or best practices, and rarely assess broader impacts—particularly on affected communities. Concrete data on effectiveness or efficiency is limited.

Debate continues over the role of evidence in advancing localisation and locally-led action. Some argue local actors are held to higher standards, demanding proof of value, while not applying the same scrutiny to traditional international responses. They contend that calls for more data can stall progress and reinforce the status quo, and note that evidence cannot emerge until localisation is actually implemented. Others see rigorous evidence as essential to shift donor policy and political will. These tensions reveal deeper questions about who defines success and whose evidence counts. Focusing only on humanitarian outcomes risks ignoring priorities [that matter most to affected communities](#) resilience such as [civic participation, improved governance, and long-term resilience](#).

A learning agenda should focus on scaling what works, grounding measurement in local perspectives, and shifting the burden of proof. Strengthening the evidence base requires more systematic research on how localisation and locally-led action improves outcomes—not just within organisations, but across responses and over time. This means prioritising local leadership in defining and generating evidence and holding the status quo to the same level of scrutiny.

BARRIERS AND OPPORTUNITIES

Direct funding to local and national organisations (L/NAs) is the primary localisation metric but continues to fall short of targets.

- Many donors and agencies committed to a 25% direct funding target—initially

through the [Grand Bargain](#) and [Charter for Change](#), and later reinforced by USAID's 2025 target (set before restructuring). In 2023, the Localisation Caucus launched a [collective monitoring and accountability framework](#) to track the 25%, ([updated](#) in 2024). A new Grand Bargain Community of Practice took this forward in 2025, naming improved funding a priority.

- Progress remains slow: by 2022, direct funding dropped [to 1.2%](#), down from [3.1% in 2016](#). The US reported [7.3% between 2018–2021](#), but independent analysis revised this [to 4%](#) due to differing definitions of “local actor.” Critics also note that focusing only on funding volume ignores quality - key to transformational change.
- In 2023 direct funding rose [71%](#) (US\$1.7 billion) but still only reached [4.5% of trackable funding](#). In major crises like Ukraine, just [0.07%](#) went directly to local actors by March 2024. It is too early to assess how 2025's funding shocks will affect future progress.

Alternative funding models are needed, as donors simply cannot directly fund hundreds of L/NAs in every crisis. Options like pooled funds, local intermediaries, and reformed international intermediaries exist, but none have scaled significantly.

- **Pooled funds** like OCHA's Country-Based Pooled Funds (CBPFs) remain key: in 2023, 16 CBPFs disbursed directly to L/NAs, who made up [45% of partners](#). Still, CBPFs accounted for just 11% of total humanitarian funding—and declined in [2024](#). The 2025 launch of a Pooled Funds Community of Practice offers a chance to better align OCHA-managed and locally-led funds. Locally-led action focused models include the [NEAR Change Fund](#), the [START Fund](#),

and the upcoming [Resilio Fund](#). A recent FCDO initiative [outlines](#) how to collectively advocate for more inclusive, locally-led pooled funds.

- **[Reformed international intermediaries](#)** are shifting toward more equitable partnerships through full overhead pass-throughs, multi-year grants, and exit strategies. The [Aid Fund for Northern Syria](#) and South Sudan's [Local Resource Pool Fund](#) show how international actors can support backend functions while ceding power to local partners.
- **[Local intermediaries](#)**, often overlooked, have proven [32% more cost-efficient](#) than international ones in Ukraine, while offering added contextual benefits. These include single NGOs, local consortia, and pooled funds like Sudan's [Localisation Coordination Council](#), Myanmar's [Local Intermediary Actor Network](#) in Myanmar, and India's [LOCAL HAI](#).

Donor risk appetite—reflected in stringent due diligence, and compliance requirements—often limits funding flexibility for L/NAs, reinforcing international models and blocking funding to locally-led action. As a result, L/NAs shoulder disproportionate risk, though innovative risk-sharing approaches are emerging to address this imbalance.

- **Many local actors argue that rigid risk frameworks often do more harm than good.** In [Myanmar](#), local networks highlight how top-down models hinder delivery, increase risks, and lead to unethical workarounds. Similarly in Ukraine, rigid fiscal standards stalled rapid response—despite the [principle of programme criticality](#), which some argue should justify accepting higher risk.
- **New risk-sharing models are emerging:**

the Grand Bargain introduced a [7-principle framework](#) promoting joint assessments, fair cost-sharing, and trust-based partnerships. A [2024 simulation](#) tested its application in a fictional crisis, generating lessons for real-world delivery.

- **Due diligence remains a major barrier.** “Due diligence passporting”—where donors coordinate flexible, harmonized processes—is gaining traction. The START Network tested [tiered systems](#), though a [review](#) found even simplified models still burden on L/NAs. The [DEC piloted](#) passporting in Ukraine, sharing partner vetting across members, but uptake was limited. Seven [Charter for Change \(C4C\) members](#), working with compliance leads, developed a new Due Diligence Passporting Toolkit, now being piloted. A [2025 Ukraine review](#) found it reduced administrative burdens and improved trust—but also showed that its success depends on strong communication and donor commitment.
- **National organisations are adapting.** In the Philippines, the [Centre for Disaster Preparedness](#) negotiated simplified USAID compliance, accepting video proposals and informal calls for its community solidarity grants.
- The sector still privileges international concerns. [Research shows](#) risks to donors and INGOs are overemphasised, while the everyday risks local actors face remain overlooked and undervalued.

Beyond increased funding, locally-led action depends on quality funding and partnerships. L/NAs need flexible, multi-year, and unearmarked support that covers indirect costs to deliver contextually relevant responses. While some promising examples exist, they remain limited.

- **Equitable Partnerships:** DG ECHO's [2023 guidance note](#) outlines practical steps to advance equitable partnerships with L/NAs emphasizing shared decision-making, inclusive coordination, mutual accountability, and support for locally-led financing and leadership—framing localisation as a system-wide shift in power and practice—not a standalone activity.
 - **Overheads / Indirect cost recovery (ICR):** Momentum is building for fairer indirect cost recovery, but most donors lack clear policies for passing overheads to L/NAs. Despite [IASC guidance and Grand Bargain](#) efforts, implementation is uneven. Overheads rarely reach beyond first-level intermediaries, and L/NAs often receive just [4 to 12%](#), while [INGOs and UN agencies retain the bulk](#). As a result, L/NAs are often the first to feel funding cuts, with little overhead to sustain their operations.
 - **Unearmarked:** Around [80–90%](#) of humanitarian funding remains project-tied, limiting L/NAs' ability to adapt and plan strategically. This is especially constraining since L/NAs often lead direct programming, relying on flexibility to respond to community feedback and evolving needs. Promising models, like [Save the Children's Core Support Model](#), offer multi-year, unearmarked grants for locally prioritised needs, but such funding remains rare.
 - **Multi-year:** Despite commitments, most humanitarian organizations—including L/NAs—receive less than [20%](#) of their funding on a multi-year basis. The Grand Bargain [recommends at least 30%](#), but poor transparency and reporting hinder progress, and protracted crises are still largely served with short-term grants.
- barrier to funding local actors. However, traditional capacity strengthening approaches have been critiqued for being top-down and misaligned with local needs. Newer models of capacity sharing offer a more reciprocal and context-driven alternative.**
- Traditional approaches are often one-way, aimed at helping local actors meet externally defined standards. In the latest SOHS survey, over [63% of local actors](#) rated support for their leadership and capacity as poor or fair, highlighting the disconnect between international priorities and local realities.
 - Capacity strengthening efforts often focus on administrative and compliance requirements, [misaligned](#) with what local organisations need to support crisis-affected communities. [These efforts](#) tend to overlook local capacities and be unidirectional, short-term, fragmented and geared towards donor needs requirements.
 - International [capacity-building efforts](#) can also unintentionally weaken local systems by “poaching” skilled staff, while undervaluing local leadership and knowledge.
 - [Capacity sharing](#) offers a more reciprocal model. It recognises local expertise, supports mutual learning and enables local actors to both strengthen international responses and access support in areas like sustainability, technical expertise, and fundraising. Early examples, such as [Trocaire in Guatemala](#) and the [Philippines Localisation Lab](#), demonstrate its potential.

Local organisations are increasingly present in the formal coordination structures, but decision-making and leadership remains

Capacity gaps are often cited as a key

dominated by international actors, raising concerns that their inclusion is tokenistic.

- A [2021 IASC mapping](#) found local actors present in 80% of HCTs but holding only 9% of leadership roles; in long-term responses like [Yemen](#), local civil society remains largely excluded from key decisions, despite active participation.
- In newer responses like Ukraine, old patterns persist. [Refugees International](#) found few Ukrainians in international coordination bodies such as the HCT, and those involved lacked meaningful influence. In response, many L/NAs have created their own parallel coordination systems.
- OCHA's flagship initiative has piloted decentralized, area-based coordination in five countries, offering lessons on how the UN system could foster more locally-led coordination.
- [ALNAP's Covid-19 evaluation synthesis](#) confirms minimal shift in the decision-making power, leadership or flexible funding during the pandemic.
- International systems continue to dominate humanitarian coordination, often sidelining local practices. Rather than supporting local mechanisms, international actors tend to fit local actors into the UN-led cluster system—undermining community-driven mechanisms and reinforcing dependency. [ALNAP's recent research](#) shows L/NAs are well placed to advance the HDP nexus but remain excluded from key forums where it's discussed.

DEBATES

Despite uneven progress, the discourse is evolving, raising lingering questions about power, partnership and the future of aid. Key debates include:

- **Is localisation a box ticking exercise?** [Research](#) shows international agencies often feel pressured to work with local partners and end up selecting those who can meet their compliance requirements, rather than addressing the barriers that block true partnership. This reinforces sub-contracting dynamics without shifting power or fostering equitable partnerships.
- **Who is 'local'?** Debate continues over what constitutes a L/NA, particularly when Southern-based affiliates of an international federation—with independent boards, but strong international ties – compete with truly local actors for fundraising and visibility. Definitions therefore play a crucial role in how localisation is applied and monitored. On one hand, broad definitions allow for contextual flexibility; on the other, clear criteria are needed to avoid diluted commitments. A [CGD report](#) recommends defining "local" broadly in strategy, but precisely in contracting.
- **Equity or effectiveness?** Localisation is promoted either as a way to shift power to local actors or to improve cost-effectiveness, relevance, and timeliness of aid. However, [evidence](#) remains limited. The rationale matters: equity-driven and effectiveness-driven approaches can lead to very different outcomes. In today's humanitarian reset, localisation may gain momentum—but risks being steered by efficiency and cost-driven agendas at the expense of transformative change.

- **Scalability of locally-led work?** Mutual aid—spontaneous and voluntary action of individuals, families and groups to help each other when facing crises or adversity—plays a crucial role before, during, and after crises. Approaches like [sclr \(supporting community-led response\)](#) aim to bridge this with international efforts, but scaling support to mutual aid raises concerns: how to expand without losing the flexibility and relevance that make it effective. These tensions expose limits of current aid structures.
- **Government’s role in localisation?** A locally-led approach depends on open civic space, yet civil society is under severe attack in 116 of 198 countries and territories, according to the [2024 CIVICUS Monitor](#)—severely limiting space for both local and international actors to operate. Despite this, the role of governments in localisation is underexplored. While state-led models are more visible in disaster settings (e.g. Indonesia), recent conflict contexts like Ukraine show renewed state involvement. It may be [time to rethink](#) when and how humanitarian actors engage with states, and how this affects power, accountability, and the role of civil society.
- **Is localisation and locally-led action at odds with neutrality?** In Ukraine, local actors often blur lines between humanitarian and military support, challenging the [principle of neutrality](#). Meanwhile, in Gaza, frontline staff from the Majority World are demanding clearer stances on Palestinian rights, raising questions about whether neutrality is applied consistently. These contrasting cases reflect a deeper tension between neutrality, justice, and calls to decolonise aid.
- **Is localisation a distraction from decolonising aid?** Localisation signals progress—but critics [argue](#) it is not enough. Without tackling structural racism, colonial power dynamics, and the persistent inequalities in aid, localisation risks becoming a superficial fix: more local hires and rebranded offices, but the same structures in place. As demands for [decolonisation](#) grow, the sector must ask—is localisation a comfortable substitute to avoid deeper change?

About *Explain*

The greatest learning challenge for our sector is less about capturing lessons and experiences, but creating spaces for humanitarians to absorb and act on what is already known.

Decision makers – at all levels – are struggling to find time to engage with vital new learning and evidence.

That's why ALNAP is piloting new approaches to communicating knowledge tailored to the needs, expectations and preferences of the busiest humanitarians.

ALNAP's Explain series offers straightforward communications to help humanitarian decision-makers make sense of, and exchange on, current evidence and discourse. Key learning and links all in one place: sourced, checked and curated by ALNAP's respected global research team and subject experts from across the sector.

Explain briefings bring you up to date on the latest developments in humanitarian action and the implications for your work, providing you with a better understanding of what's out there and what you need to know.

Explain: simple communication, sense-making, exchange of experience.

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