

# INTERMEDIARY MODELS TO ADVANCE LOCALLY LED HUMANITARIAN ACTION

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# INTRODUCTION

Humanitarian donors can support the shift toward locally led response in various ways, including advocating for local leadership and empowering local actors to take on greater roles in system architecture, such as coordination and policy fora. Yet the primary way in which donors can influence local leadership in humanitarian action is through their decisions on who, and how, to fund.

Since the early days of the rise of localisation on the humanitarian policy agenda, local civil society actors have called for a shift toward more direct funding for national and local actors (LNA), reducing reliance on international intermediaries. While some funders have increased their direct partnerships and funding to LNAs, most—especially bilateral donors—face significant barriers to scaling their direct investments in individual LNAs.

Unfortunately, to realise localisation commitments, it is not as simple as shifting the humanitarian system from direct grants currently paid to very large multilateral organisations and international non-governmental organisations (INGOs), to direct grants paid to the many thousands of LNAs working in their countries of origin. Evidence suggests the administrative, compliance and due diligence costs of doing so would be significant, and bilateral donors cannot manage more than a handful of large grants per country (OECD and Share Trust, 2024). Consequently, intermediary structures remain key channels to fund many LNAs.

This does not mean, however, that donors must remain limited to working through international intermediaries. A growing number of LNAs can perform the same intermediary role as their INGO counterparts. This includes national actor-managed pooled funds, as well as direct funding received by a single national NGO or LNA network that then disperses small grants to grassroots organisations.

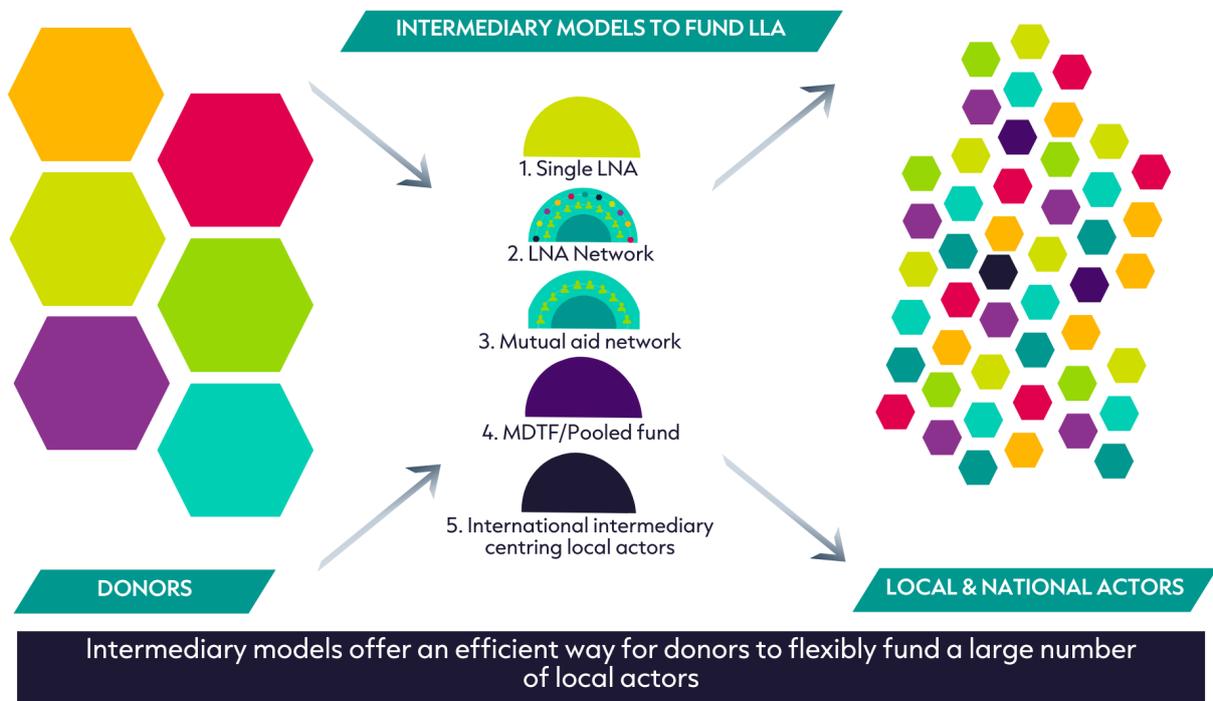
This has given rise to two key investment tracks for locally led action (LLA): 1) strengthening and scaling local intermediaries, and 2) reforming international intermediaries where local options are not immediately available.

This paper summarises the most promising models for intermediary structures that support locally led action in humanitarian settings. This includes locally led intermediary structures (both LNAs acting as intermediaries and locally owned/managed pooled funds) and reformed international intermediary structures that are most conducive to locally led action.

The examples provided in this paper were identified through three short country case studies undertaken by ALNAP (focused on Sudan, the Philippines and Myanmar) and existing research on local and international intermediaries by the Share Trust. This paper aims to focus on examples that are not well known or have been underrepresented in existing studies, and are therefore illustrative rather than exhaustive. Widely recognised mechanisms – such as the country-based pooled funds of the United Nations Office for the Coordination of Humanitarian Affairs

(OCHA) or the Start Fund, for example, are not included. A separate annex provides a more detailed account of local intermediary examples identified in this study, including their models, challenges, scope and the opportunities they present. Further useful examples could be identified in a more thorough review.

**Figure 1: Funding locally led action – the role of intermediaries**



*Adapted from The Share Trust design*

# 1 LOCAL INTERMEDIARIES

## 1.1 LANDSCAPE ANALYSIS

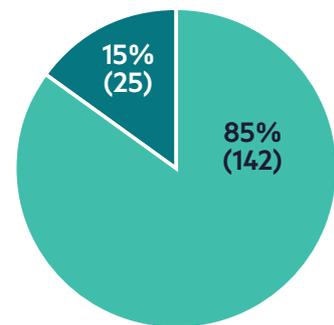
Local intermediaries exhibit diverse structures, functions and capacities, reflecting the variability within the sector. Their operational models and sources of support differ, which influences their ability to implement programmes and sustain their work.

A forthcoming mapping by the Share Trust summarises the characteristics of local intermediaries.<sup>1</sup> It examines the origin, leadership structures, functions, type, focus and capacities of these diverse entities. Of 167 local intermediaries that have been mapped, 37 were surveyed as part of country deep dives.

<sup>1</sup> This study will be published in February 2025. It recognises the complexity of defining 'local' and uses a spectrum to classify intermediaries. The mapping includes regional, national, subnational and community entities established and led in Global Majority contexts. However, the study also recognises that some local intermediaries have had to relocate to neighbouring countries, are internationally grown but have transitioned to local leadership, are supported by diaspora, or are in the process of transitioning their leadership. Likewise, the term 'intermediary' is contested and often challenged by Global Majority civil society.

- **ORIGIN:** 85% (142) of the mapped local intermediaries are 'home-grown' and have been created by a Global Majority community or subnational, national or regional actors; 15% (25) are 'internationally grown', established by or with significant support from Global Minority donors/INGOs. While 17 of these are now locally led in terms of Global Majority decision making, the research aimed to distinguish these from home-grown entities. Of the 37 local intermediaries surveyed for the deep dives, 16 have been operating for over 20 years. All except four of these (which have been established more recently) are registered in their country of origin.

**Figure 2: Origins of the mapped local intermediaries**



● 'home-grown'\*  
 ● 'internationally grown'

*\*Created by a Global Majority community or subnational, national or regional actors*

- **LEADERSHIP AND DECISION MAKING:** 84% (31) of the surveyed local intermediaries have leadership teams composed entirely of nationals. Only one indicated that their staff comprise both international and national personnel. Over 75% (28) have governance boards, which average 12 members, often structured to reflect the communities they serve.
- **FUNCTIONS:** Funding is a prime function for 65% (109) of the mapped local intermediaries; however, capacity-sharing is also a prime function of 60% (100), and programming a function for most (84% or 140) entities. Among survey respondents, 35% (13) rely solely on international funding.

**Figure 3. Prime functions of the mapped local intermediaries**



- **TYPE:** 30% (50) of the mapped local intermediaries are NGOs, 25% (42) are foundations, 15% (25) are funds, 13% (21) are networks, 9% (15) are coalitions or consortia, 6% (10) are trusts, 1% (2) are consultancies and 1% (2) are inter-governmental entities.
- **FOCUS:** Local intermediaries tend to have a specific thematic focus, for which they secure donor funding before regranteeing to local initiatives aligned with the same themes. Among survey respondents reporting funding as a prime function (16), 75% (12) focus on women and girls, 88% (14) on children and youth, 31% (5) on refugees, and 88% (14) work on food security, livelihoods and agriculture programmes. Local intermediaries that focus on capacity sharing primarily aim to support local actors and NGOs to access donor funds.
- **CAPACITY:** The survey examined the capacity of local intermediaries to absorb and disburse funds at scale, using entity size, size of grants received and redistributed, and systems and processes for equitable partnerships as criteria. Nearly half of survey respondents employ more than 40 staff, while 25% (9) of survey respondents (e.g., networks, coalitions) have more than 15 members. In

terms of financial capacity, 43% (16) of survey respondents have received grants exceeding \$500,000 in the past five years, including 11 regranting local intermediaries. 25 survey respondents have implemented mechanisms to streamline and simplify grant application processes for grantees.

The following four sub-sections provide case studies of four main operational models for local intermediaries, highlighting their respective advantages and challenges. The models are:

1. **Single local intermediary**
2. **Local actor intermediary networks**
3. **Network of mutual aid practitioners**
4. **Multi-country pooled funds managed by local actor network.**

## 1.2 MODEL 1: SINGLE LOCAL INTERMEDIARY

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Some individual national actors have internal capacity to meet risk and due diligence requirements so they can disburse funds to local and community-based organisations across their territory. The reach and scope of a national actor's influence depend on their size, relationships and partnerships throughout the country, and experience with fund disbursement, which can vary significantly by context.

By operating as a single organisation, as opposed to an LNA network, administrative and fiscal processes become more streamlined, which makes it logistically easier to establish and manage a funding mechanism. It also simplifies the process for donors to establish a relationship with a single intermediary structure. However, there are risks. Depending on their size, mandate, scope and institutional capacity, single-actor intermediaries may have limited ability to absorb significant funding or scale operations effectively compared to a network of intermediaries. There is also a risk that they may primarily represent a single sector or segment of the population. It is essential to identify single intermediaries with well-established, trusted partnerships across diverse community groups and the broader region of focus.

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### Box 1: The Abot-Kamay Solidarity Fund in the Philippines

The Abot-Kamay Community Solidarity Fund (ACSF), hosted by Filipino NGO the Centre for Disaster Preparedness Foundation (CDPF), is a locally-led intermediary mechanism that enables grassroots organisations in the Philippines to pursue self-determined priorities. Supported originally by the Assets, Agency and Trust (AAT) consortium, ACSF provides tailored financial and non-financial solutions and support, with an accessible application process, community-driven decision making and conversational due diligence. Focusing on bottom-up capacity building, learning-centred monitoring and sustainability through local resource mobilisation, ACSF has disbursed \$375,000 to 33

grantees/awardees. However, by empowering local organisations as co-investors, ACSF has leveraged an additional \$529,440 in community contributions in the form of labour, cash, venues and resources. Despite challenges such as securing buy-in from donors who prefer rigid compliance systems and the reliance on USAID's Local Works programme – which ended without a clear continuation plan – the pilot phase has shown strong potential. To scale, the model requires strategic growth to preserve trust-based partnerships and community-centred impacts, and access to resources from trusting donors. CDPF also hosts the Philippines Localisation Lab and is planning to serve as fiscal sponsor for a regional pooled fund for eight countries in the Asia Pacific with members of the Network for Empowered Aid Response (NEAR).

### More information

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#### Box 2: Sudanese Development Call Organisation (NIDAA)

NIDAA, founded by a Sudanese national with a leadership team composed entirely of nationals including a Sudanese woman Chief Executive Officer, was established to address both humanitarian and development challenges within Sudan. Registered in multiple countries, including Sudan, Uganda and Tanzania, its core functions are regranteeing, capacity strengthening and programme implementation. The organisation focuses on distributing multi-purpose cash assistance to households affected by the Sudan crisis, emphasising sectors such as health, education, food security and livelihoods, protection, and water, sanitation and hygiene (WASH). As a larger local intermediary, NIDAA has received funding exceeding \$500,000 and issues grants ranging from \$4,000 to \$9,000, with calls for proposals twice a year.

### More information

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#### Box 3: Friendship Support Association (FSA) in Ethiopia

Founded by an Ethiopian human rights activist and scholar, FSA focuses on social development and support for marginalised individuals in Ethiopia. The board comprises nationals with expertise across various sectors, and its primary functions include providing grants to local organisations, building networks and connections with local actors, programming and capacity-strengthening for project sustainability. The organisation focuses on education, water, health and livelihoods. As a larger local intermediary, it has received grants exceeding \$500,000, and as a regranteeing entity its average grant size exceeds \$50,000. Grants are issued to grassroots organisations, self-help groups and women's organisations with open calls for proposals. Capacity strengthening is provided to grantees on risk management and compliance processes plus donor requirements. FSA's general assembly is integral to its governance system and ensures accountability to local communities.

### More information

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## 1.3 MODEL 2: NETWORK OF LOCAL INTERMEDIARIES

In some contexts, national or local NGOs that already function as intermediaries for other local, informal grassroots organisations come together to form a unified funding mechanism. The level of formality within these networks varies significantly. Some are registered officially and maintain a formal secretariat with designated staff, while others remain informal, relying on bilateral coordination and dialogue among members. Some networks aim to establish and operate a centralised funding mechanism, while others also offer a platform for collective advocacy and coordination.

Strong examples of this intermediary network approach have emerged in contexts where high volatility severely impedes the operations of international actors, often leaving local actors as the sole point of access to communities. Benefits of this model include the scale, reach and scope resulting from the collective efforts of multiple LNAs. This increases both the geographic and representative reach of the funding mechanism. However, these intermediary structures face risks and challenges. Networks often lack the financial and administrative infrastructure to manage a funding mechanism, in many cases relying on one of their members to handle fund disbursement. This may reflect the limited resources provided to networks of intermediaries to build financial and administrative infrastructure. Another challenge is that decision making among multiple actors – each with unique perspectives and approaches – can complicate and slow down fund management and disbursement unless a clear, structured, yet participatory system is in place.

### Box 4: Joint Strategy Team (JST) and the Local Flexible Funding Mechanism (LFFM) in Myanmar

Launched in 2021 by Myanmar's JST, the LFFM is a locally-led intermediary funding model designed to support organisations in Kachin and Northern Shan states through flexible, responsive grants and institutional support. Underpinned by a network of LNAs with decision-making autonomy, simplified application processes and rapid fund disbursement, LFFM prioritises women-led, ethnically diverse and community-driven groups. Despite challenges such as the instability of operating in conflict zones, extreme access restrictions and highly variable capacities amongst grant recipients, the LFFM has successfully reached over 245,000 people and grown from a \$600,000 pilot to a \$2.4 million initiative that aims to expand further. The mechanism's ability to navigate Myanmar's volatile environment, to foster trust and to provide tailored capacity-sharing opportunities makes it a scalable model for localisation in humanitarian responses. It offers donors an opportunity to collaborate on alternatives to traditional funding routes, and it has also proven the ability of LNAs to absorb funds and deliver programmes successfully at scale.

### Box 5: Local Intermediary Actor Network (LIAN) in Myanmar

Established in 2022, LIAN is a national advocacy and coordination platform uniting 14 of Myanmar's largest NNGOs which act as local intermediaries to channel donor funding to grassroots organisations. LIAN advocates for

improved systems, supports sub-granting, promotes risk sharing and conducts localisation research. By simplifying compliance, reducing due diligence burdens and prioritising 'capacity to grow' over 'capacity to comply', LIAN enhances the effectiveness and sustainability of local actors. It also uses the Grand Bargain and localisation to influence aid architecture transformation in collaboration with local actors, INGOs and the UN. However, LIAN faces challenges balancing visibility with security risks and navigating strict international compliance requirements. To strengthen localisation efforts, LIAN is launching the Local Perceptions on Partnering Index, a locally-led tool to measure partnership progress. By emphasising capacity sharing, advocacy and coordination, LIAN highlights the critical role of local intermediaries beyond funding. Greater donor collaboration on compliance, regulatory support and evaluation would further enhance this impact.

### More information

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#### Box 6: Humanitarian Aid International (HAI) in India

HAI is an Indian organisation and a fund aggregator that pools resources from multiple sources to support specific causes and initiatives. Grantees are involved in the governance of HAI through several consultative committees. Through its Local Organisation's Coalition for Advancing Localisation (LOCAL) platform it works with more than 15 local organisations to leverage their strengths and navigate complex donor requirements. HAI bring Indian home-grown and grassroots NGOs, corporates and other stakeholders under one platform to support coordinated humanitarian response. As a non-profit, it has been supporting communities at risk and those affected by disasters across the country. HAI's strategy focuses on reducing disaster risk through anticipatory risk mitigation programmes and technology-enabled environments. It raises funds from individual donations, public donations, private philanthropy and INGOs, and receives grants of up to \$500,000. These funds are then regranted to local grassroots organisations through thematic-focused calls for proposals, with individual grants typically ranging from \$20,000 to \$50,000 at least three times a year. Grantees are supported through technical assistance, mentorship and guidance.

### More information

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#### Box 7: Nigeria Local Coalition Accelerator (NLCA)

NLCA is spearheaded by the Share Trust and Warande Advisory Center (Kenya). It comprises nine member organisations of diverse sizes and experience who are working as a coalition to provide a single entry point for donors to fund coordinated action and holistic solutions. They have democratically agreed on governance structures and set rules of engagement. Each organisation brings its own sectoral experience, and together they have designed two Joint Action Plans, guided by community priorities, to shift the focus from externally driven programmes to solutions designed and led by local actors and their community. In 2024, the Joint Action Plans reached 29,878 individuals with services across health, climate change, resilient livelihoods and education. In partnership with

UNOCHA, the NLCA piloted a new approach to humanitarian funding—providing capacity sharing for local actors to access pooled funding structures to enable more adaptive and community-driven responses. However, structural barriers to funding continue to create challenges for structures such as the NLCA; the holistic approach to meeting community priorities does not neatly fit into a log-frame, and as a result, fundraising can be difficult. To scale, the NLCA will need to galvanise direct donor funding founded on advocacy highlighting the demonstrated capacity of local actors to deliver humanitarian response activities if local actors are provided access to pooled funds.

### More information

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## 1.4 MODEL 3: NETWORK OF MUTUAL AID/COMMUNITY EFFORTS

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Despite being under-researched, there is growing recognition that the voluntary and informal support provided by individuals within a community during crises play a critical role in humanitarian response. This mutual aid is often grassroots, community driven, decentralised and self organised, emerging from individuals or informal groups within the community. These informal structures make them difficult for most international agencies to partner with, although there are exceptions (see [2.3](#)).

In some contexts, mutual aid groups have organised themselves to create a central, democratic and flexible body to channel international funds to mutual aid initiatives. These structures function as local intermediaries but they operate largely outside the leadership of formal LNAs, aiming to reach informal networks that are often overlooked.

The benefit of this mechanism is its ability to tap into existing community efforts outside the formal humanitarian system, offering the potential to reach actors and spaces often excluded, yet highly relevant in humanitarian response. However, the informal, often unregistered and hyper-grassroots nature of these efforts also presents challenges and risks, as their funding requires a significant degree of flexibility.

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### Box 8: The Localisation Coordination Council for the Emergency Response Room (ERR) System in Sudan

The ERR system, rooted in Sudan's tradition of social mobilisation, is a decentralised yet highly organised data-driven network of community-led mutual aid groups run by volunteers. ERRs leverage local resources and volunteer networks to provide immediate and effective crisis response. Structured around base response rooms with decision-making power over response design, the system ensures separation of power through local parliaments, executive working groups and a governing constitution. The network extends to a democratically elected Localisation Coordination Council (LCC), which acts as an intermediary to coordinate international donors, NNGOs and the ERR system while advocating for localisation. Complementing this, the soon-to-be-established Sudan Crisis Coordination Unit (CCU), administered by Shebaka, will

function as a learning and information hub to connect donors with innovative strategies that support mutual aid across Sudan, including the ERR system. Despite challenges (informal structure, unregistered status, complex donor requirements, volunteer burnout, significant funding gaps and fragmented funding), the ERR system operates in 17 of Sudan's 18 states with over 10,000 volunteers. In 2024 alone, it disbursed more than \$10.9 million and reached 2.7 million people. To scale its impact, the system seeks donor coordination around flexible, unearmarked funding to support decentralised decision-making and mitigate risks.

[More information](#)

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## 1.5 MODEL 4: MULTI-COUNTRY LNA NETWORKED POOLED FUNDS

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The final model is when a multi-national network of LNAs establishes a multi-country funding mechanism to disburse funds directly to local and national organisations. This structure operates as a global or multi-country pooled fund, offering a platform for a multi-donor funding mechanism led by a coalition of local organisations spanning multiple countries.

The benefits of this arrangement lie in its broad reach and scalability. The multi-country (or even global) scope makes it an attractive option for donors, as it simplifies collective financing and enables coordinated funding across diverse contexts. However, as networks become global, they can lose the contextual benefits of having LNAs from the country of focus driving regranting and capacity sharing. Depending on how the granting structures are set up, the concern is that a local actor from one country may lack the context and understanding of another, which raises questions of legitimacy (similar to those surrounding international actors) when leading sub-granting.

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### Box 9: The NEAR Change Fund

The NEAR Change Fund is a global funding mechanism that channels resources directly to local actors in emergency contexts, prioritising locally led humanitarian action. Governed entirely by a network of LNAs from the Global Majority, it promotes participatory, culturally-sensitive decision making. The Fund's rapid crisis response model allows grants to be awarded within days in emerging or protracted crisis settings, and the streamlined application process minimises bureaucracy. By emphasising collaboration among local actors, equity-focused criteria and human-centred design, it fosters flexible, community-based solutions. Despite its success, challenges such as donor trust, compliance requirements and recognition of local actors' capacity hinder scalability. With an initial budget of \$1.9 million funded by the Hilton Foundation, the Fund has supported 13 grantees across 11 countries, reaching over 239,000 beneficiaries to date. The Fund plans to expand its global reach while maintaining its agile, inclusive approach.

[More information](#)

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# REFORMING INTERNATIONAL INTERMEDIARY STRUCTURES

International intermediaries – the UN, INGOs, private contractors and other international organisations – have traditionally acted as a ‘prime’ for donor funding, designing and delivering programming with a range of actors and providing due diligence, compliance and financial reporting, among other functions, for large donor-funded projects.

As part of a wider shift on equitable partnerships, some international intermediaries are redefining their role in delivering assistance to fulfil more of a technical assistance and backend role. Here, we provide examples of how international intermediaries are reforming – much due to individual and collective donor action – and the different ways of working that are required.

Examples are categorised into the following groups:

- **International intermediaries structuring incentives to advance equitable partnerships**
- **International intermediaries that provide backend support** while ceding programmatic functions to local actors
- **International intermediaries that centre local networks** – e.g., mutual aid/Self-help groups

## 2.1 INTERNATIONAL INTERMEDIARIES STRUCTURING INCENTIVES TO ADVANCE EQUITABLE PARTNERSHIPS

Some international intermediaries are implementing reforms to incentivise equitable partnerships with local actors – a fundamental aspect of locally led action. These incentives can serve as building blocks that gradually transition full programmes to local actors over time. This approach is particularly relevant where local intermediaries are not yet fully developed to manage large-scale bilateral donor funding. Such reforms can also help build trust between bilateral donors and local actors, with the support of international intermediary organisations.

Features of an international intermediary model that aims to reform partnerships with local actors should:

1. **Ensure that all funded programmes have a localisation strategy/framework** that outlines how the international intermediary plans to strengthen equitable partnerships with local actors, including local intermediaries. The strategy should be developed in conjunction with local partners, and it should: i) define what a local actor is, ii) map existing local intermediary structures and initiatives in the country/region, iii) identify the current/potential level of local actor agency across

programming,<sup>2</sup> iv) evaluate capacity for engaging directly or building capacity as required (for example using a 'separation of functions' framework), and v) include a clear plan for transitioning the 'prime' function locally.

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### Box 10: The Aid Fund for Northern Syria (AFNS) Localisation Strategy

The AFNS is a relatively new, \$80 million multi-donor pooled funding mechanism that is spearheaded by the United Kingdom's Foreign, Commonwealth and Development Office (FCDO) and supported by multiple donors. It channels funding to local actors, primed by an INGO – Adam Smith International. The AFNS Localisation Strategy, developed with support from the Share Trust, aims to: i) increase funding flows to local actors, ii) enhance the quality of funding for local actors, iii) secure equitable partnerships and strengthen collaboration between local actors, iv) support knowledge and capacity sharing between actors, and v) secure locally-led decision making and governance. It includes an assessment of funding flows, quality of funding, partnerships and collaboration, knowledge and capacities, and decision making and governance. The AFNS has made significant progress on locally led action in Syria by shifting increasing amounts of funding to local actors and by mandating full pass through of overheads. Local, primarily Syrian 'anchor' organisations already registered with the AFNS will help prioritise and channel funding to smaller, grassroots organisations not registered in Türkiye, enabling them to bypass eligibility criteria for direct AFNS funding. The AFNS will also support all partners with capacity strengthening.

#### More information

- 2. Undertake a 'separation of functions' analysis to define tiered membership in internationally-led consortia.** FCDO developed a 'separation of functions' analysis as part of its COVID-19 response (SPACE, 2021) to evaluate large-scale programming and introduce greater competition into consortia. It identified programme functions that would sit more readily with local actors, INGOs and the UN. This analysis has been applied to multiple FCDO-funded programmes to identify: a) how local actors can be given greater authority and seniority in tiered consortium structures, b) where local actors would like capacity building to take on leadership of additional functions, and c) functions where local actors would prefer not to lead.
- 3. Mandate full pass through of overheads** so local organisations have these added to their project budgets. Overhead costs are critical for any budget (also known as Indirect Support Costs (ISC), Negotiated Indirect Cost Rate Agreement (NICRA), Non-Project Attributable Costs (NPAC), etc.) as they provide unrestricted funds that can be used for capacity needs and unexpected costs, for example. However, local organisations rarely receive overhead costs. International intermediaries that are seeking to transition out must ensure

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<sup>2</sup> The Share Trust worked with OECD on an Agency Compass to help identify and measure the current/potential agency of diverse local actors across programme framing, design, delivery and learning (OECD, 2024).

consistent pass through of overheads so their local partners (be these individual partnerships or a consortium) get a share of allowable overheads in proportion to their implementation budget.

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### Box 11: UN OCHA Ukraine

The UN OCHA pooled fund in Ukraine facilitated an analysis of a representative sample of their project budgets for the humanitarian response, allowing a cost comparison between UN, INGO and local agency cost structures. Local actors were able to provide response activities at a 16% cost efficiency compared to international agencies, and while INGOs and local organisations were passing through their overheads in full to downstream partners, UN agencies were not. In tandem with the study, UN OCHA tied full pass through of overheads to the scoring criteria to determine if a project could be funded through the pooled fund. This resulted in a significant decrease in the number of UN projects funded through the pooled fund and a significant increase in local projects.

#### More information

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- 4. Extend core, multi-year funding to LNAs to invest in self-determined organisational development and strategic priorities.** As a corollary to the full pass through of overheads, core multi-year funding to local actors can provide critically-needed, flexible funding to grow their systems, adapt processes and invest in staff development. It can also help build an ecosystem of local actors who are too small to engage in bilateral systems and mechanisms, but who play a critical role by providing grassroots initiatives and connections to local communities.

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### Box 12: Save the Children's core multi-year funding to local actors

Designed and piloted as part of Save the Children Sweden's Civil Society Organisation (CSO) Programme, the Core Support Model supports local and national CSOs to develop long-term strategic plans, extend demand-driven capacity assistance and foster collective action advancing the rights of children. Central to this model, Save the Children extends three-year unearmarked 'core' grants to local and national partners – ranging from \$60,000 to \$100,000 per year – for CSO partners to invest in self-determined operational or programmatic needs and priorities. This partnership modality has significantly impacted local partners' approaches to financial management, which traditionally focus on short-term projectised revenue streams, towards a more strategic fundraising model.

#### More information

## 2.2 INTERNATIONAL INTERMEDIARIES THAT PROVIDE BACKEND SUPPORT

Many local actors highlight that international organisations have a clear partnership role to play in backend support, for example in technical assistance, compliance and financial management functions, especially when funding comes from a bilateral donor that has onerous requirements. Such support can provide the space for local actors to engage with their communities and lean into their key strengths, rather than become bogged down by compliance.

### Box 13: Save the Children and the Local Response Pooled Fund (LRPF) in South Sudan

Conceived by LNAs in South Sudan in 2021, the LRPF elevates local voices in humanitarian decision making, increases access to funding for local humanitarian responders, and empowers local leadership to determine how and where humanitarian resources should be allocated. Save the Children was invited to partner with the LRPF to support fundraising, provide administrative backstopping (e.g., as a temporary fund custodian) and deliver technical support to professionalise the LRPF's administrative structure. The LRPF General Assembly comprises 196 LNA members, and it is governed by a nine-member Steering Committee. This Committee has four representatives of the NGO Forum, four LRPF General Assembly members (elected by peers), and Save the Children – whose role is strictly observational, with no voting rights. With investments from the Danish International Development Agency, the Center for Disaster Philanthropy and Save the Children, the LRPF has funded locally-led humanitarian responses with a combined value of \$1.7 million, reaching over 50,000 beneficiaries with non-food items and food basket distribution, gender-based violence (GBV) prevention, WASH services, and more. An exit strategy is in place for 2025 to institutionalise the LRPF as a fully independent and legally registered funding platform.

#### More information

### Box 14: Local Coalition Accelerators (LCA)

LCA, spearheaded by the Share Trust and Warande Advisory Center, facilitates coalitions of local actors to design and implement joint programming. Thus, it provides a single entry point for donors to fund coordinated action, while enabling local actors to stay centred on their communities but deliver holistic programming at the same time.

Uganda's LCA includes 13 LNAs operating within the Greater Kampala Metropolitan Area. Now in its fourth year, the coalition has implemented two Joint Community Action Plans (JAPs) funded by the Hilton Foundation that target underserved communities across Kampala. In collaboration with the UN High Commissioner for Refugees (UNHCR), the LCA delivers programmes addressing the needs of refugees and host communities, focusing on education, health, child protection and livelihoods. After graduating from the LCA

programme in 2024 and registering as an individual entity, Uganda's LCA now receives direct funding from the Hilton Foundation to implement its third JAP. The coalition uses a standardised approach to livelihoods and entrepreneurship training, is integrating self-help groups into its programming, and is leveraging a tested curriculum developed by one member that is being scaled across the network.

Bangladesh's LCA comprises 16 member organisations in coastal communities of the Sundarbans region. These LNAs focus on building resilient, disaster-ready communities, prioritising small-scale climate resilience interventions, securing livelihoods, and reversing the impact of severe salinity, WASH, and sexual and reproductive health and rights.

Ethiopia's LCA – the Yenege Tesfa Self Help Collaboratives – is a coalition of 273 self-help groups in the Adama region, collectively impacting approximately 53,325 people directly.

### More information

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## 2.3 INTERNATIONAL INTERMEDIARIES THAT CENTRE LOCAL NETWORKS

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As with the case of self-organised local intermediaries supporting mutual aid groups, an increasing number of international intermediary programmes are being redesigned to centre mutual aid groups that operate outside formal LNA structures. Local networks – such as self-help groups and other community-based structures – are engaged intentionally by international intermediaries to lead the design and delivery of programming. Elsewhere, international intermediaries are distributing funds through micro-grants directly to local grassroots groups and networks. For example, the survivor- and community-led (sclr) approach distributes micro-grants directly to self-help groups responding in crisis contexts.

### Box 15: Micro-grants to support women's self-help groups in Afghanistan

Afghanaid, an international intermediary, is delivering micro-grants to women's self-help groups, in partnership with the Share Trust. The first phase focused on reviving self-help groups in Ghor province (given these had stopped when the Taliban came to power in 2021), to reach women with programmes to address food insecurity, women's rights and GBV. The second phase is operating in Samangan province, using informal networks to strengthen the economic and psycho-social capacities and resilience of women. This is particularly important given the 2022 national ban on Afghan women working for N/INGOs and the removal of a direct channel to respond to the needs of women and girls. The programme is testing self-help groups as a conduit to: i) channel cash to meet immediate needs and implement small-scale development initiatives; and ii) self-replicate the model and cascade training between groups.

### More information

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### Box 16: Building Resilience in Somalia (BRCiS III) project

BRCiS takes a holistic approach to build the capacity of Somali communities to understand and manage hazards and shocks so that they can build a better future for themselves. The Share Trust is working with the Norwegian Refugee Council and a consortium of INGOs and local organisations to better integrate self-help groups and Somali local and national organisations into the programme. BRCiS is: i) developing minimum standards and best practices for transitioning to and implementing the self-help group model across the consortium; ii) supporting clustering and federating, and researching linkages with formal microfinance systems and other stakeholders to ensure the sustainability of self-help groups; iii) embedding the integration of self-help groups across all BRCiS III workstreams; iv) providing micro-grants to self-help groups; and v) designing strategies to amplify community voices, increase funding to the groups and scale localised responses in Somalia, focusing on outcomes grounded in community priorities.

#### More information

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## CONCLUSION

The current humanitarian funding model is dominated by international intermediaries. This often stifles the potential of LNAs due to rigid compliance requirements, risk-averse systems and a lack of flexibility.

At the same time, however, direct investments in hundreds of individual local actors at scale is largely not feasible for bilateral donors and funders due to high administrative, compliance and due diligence costs. Consequently, intermediary structures are essential to channel funding efficiently to LNAs.

Local intermediaries can operate under four models: 1) single-actor intermediaries, 2) networks of local intermediary organisations, 3) networks of mutual aid and community efforts and 4) multi-country pooled fund mechanisms led and managed by LNAs. These models have the potential to enhance both the efficiency and quality of aid delivery, yet there are tensions between donor expectations and the needs of LNAs. Donors tend to prioritise scalability, replicability and minimal risk, yet LNAs require flexibility, equitable decision making and context-driven solutions. This misalignment creates friction throughout the funding cycle and stifles local intermediaries so they cannot scale and thrive.

Donor coordination is crucial to address these challenges. Without it, local intermediaries must navigate fragmented pilot initiatives and localisation efforts, which often lack the momentum and incentives for structural adaptation and transformative change. Aligning financial and regulatory incentives – for example by standardising, simplifying and increasing flexibility in compliance processes, risk

sharing and reporting across donors in a responsive context – can reduce administrative burdens and foster equitable partnerships.

Equally important is the reform of international intermediary models. As global actors transition to support locally led mechanisms, they must prioritise strategies that empower local leadership. For example, they should provide technical support while ensuring autonomy for local decision making. Donors can collectively incentivize international intermediaries to establish trust-based partnerships and risk-sharing frameworks with LNAs, enabling more responsive and context-specific humanitarian responses.

Myanmar's LFFM (see [Box 4](#)) and South Sudan's LRPf (see [Box 14](#)) illustrate the potential of locally-led models when donors commit to flexible, context-driven funding. However, scaling these models requires collective donor action, sustained trust in local actors and recognition of their capacity to lead. Local response structures could be strengthened further by integrating community collectives – such as self-help or mutual aid groups – into programming.

A holistic approach is needed to advance locally led action – one that strengthens local intermediaries while reforming international funding structures. Through donor collaboration, streamlined processes and a commitment to local leadership, the humanitarian sector can move towards an equitable, efficient and sustainable funding system that reflects and responds to the priorities of communities. Achieving this systemic shift is essential so that local voices shape the future of humanitarian action.

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# ANNEX: MODEL 1

## SINGLE LOCAL INTERMEDIARY

### THE ABOT-KAMAY COMMUNITY SOLIDARITY FUND IN THE PHILIPPINES

**What is the mechanism?** The Abot-Kamay Community Solidarity Fund (ACSF) is a locally led funding mechanism hosted by the Center for Disaster Preparedness Foundation (CDPF), a Filipino non-governmental organisation (NGO) serving as a national intermediary. ACSF empowers grassroots organisations to advance their self-determined priorities by harnessing community assets and providing tailored financial and non-financial solutions and support. As a flagship grantmaking initiative of CDPF, the ACSF was designed and developed with the support of the Assets, Agency and Trust (AAT) consortium. This consortium brought together like-minded organisations – CDPF, the Global Fund for Community Foundations (GFCF), the Nonprofit Finance Fund (NFF) and GlobalGiving (GG) – to explore innovative approaches to civil society organisation (CSO) domestic resource mobilisation in the Philippines, focusing on community-led philanthropy. CDFP sees community philanthropy as a space to flex collective social muscle, including participation, accountability and rights claiming.

**How does it function (how is it locally led)?** The ACSF employs locally led approaches to funding:

- **Application process:** Proposals can be submitted in local languages or video formats, with no strict templates or predetermined direction, ensuring accessibility for grassroots groups.
- **Community selection committee:** Community leaders from diverse sectors drive decision-making, ensuring grants reflect local priorities.
- **Conversational due diligence:** The trust-building 'Getting to Know You' process reframes traditional due diligence. It focuses on understanding the mission and work of organisations, fostering mutual understanding and flexibility, and on providing smaller initial grants that grow based on proven success.
- **Tailored capacity sharing:** Inspired by survivor- and community-led response (sclr), this demand-driven, capacity-sharing model allows grantees to identify their own capacity-building needs. In the first phase, these included negotiation skills, storytelling and long-term strategy planning.
- **Learning-centred monitoring and evaluation (M&E):** M&E prioritises capturing lessons and community-level changes rather than rigid reporting structures. Instead of relying on external goals with predetermined indicators, ACSF prioritises locally relevant measures based on Filipino values, community-driven change and grantees' self-defined goals.
- **Cross-partner learning:** ACSF fosters knowledge exchange and solidarity among grantees through gatherings and discussions, promoting trust and stronger relationships within the cohort.

- **Sustainability focus:** The funding encourages local resource mobilisation and supports grantees to secure additional resources from government and private sectors, contributing to long-term sustainability.

**What challenges exist?** The ACSF's efforts to promote equitable funding mechanisms is constrained by its pilot nature and the lack of ongoing donor support. The initiative's dependence on the United States Agency for International Development's (USAID) Local Works programme ended without a clear plan for continuation, leaving CDPF struggling to secure new funding aligned with the ACSF's transformative vision.

**What opportunities exist?** The ACSF pilot disbursed \$375,000 to 32 grantees across the country. These funds further mobilised over \$529,440 in community contributions, demonstrating grassroots organisations' ability to amplify financial resources. CDPF has also managed millions in funding for other projects and is currently planning to serve as fiscal sponsor for a regional pooled fund for eight countries sponsored by the Network for Empowered Aid Response (NEAR). Scaling this pilot requires gradual, strategic growth to maintain trust-based partnerships and community-centred impacts. Successful scaling must be supported by long-term, flexible funding that fosters trust, equity and risk-sharing between local intermediaries and donors. As the demand for funding in grassroots communities grows, CDPF's existing infrastructure and relationships with local partners position it well to expand its reach—especially if it continues to build on its established networks and trust-based partnerships.

[More information](#)

## SUDANESE DEVELOPMENT CALL ORGANISATION

**What is the mechanism?** The Sudanese Development Call Organisation (NIDAA) is a non-profit organisation registered in multiple countries, including Sudan, Uganda and Tanzania. NIDAA's background has played a significant role in shaping its policy towards localisation. NIDAA was founded by a group of young university graduates and students who believe that, when well-trained and equipped, young people and professionals can lead change in their societies. As a result, NIDAA is dedicated to strengthening the capacity of local people and community-based organisations (CBOs), and supporting them to lead and sustain change. NIDAA provides grants as group cash transfers and various types of cash assistance to grassroots organisations that support youth, women and people with disabilities. The organisation also focuses on programme implementation and capacity-strengthening. Key activities include distributing multi-purpose cash assistance (MPCA) to households affected by the Sudan crisis, coordinating local emergency response efforts, and addressing food insecurity.

**How does it function (how is it locally led)?** NIDAA employs several locally led

approaches to disburse funds to local actors:

- **Decision-making:** NIDAA's Chief Executive Officer (CEO) is a Sudanese woman and the organisation's leadership is composed entirely of Sudanese nationals. Decision-making responsibilities lie with this organisation's leadership team.
- **Grant application:** Grants are issued to grassroots organisations, self-help groups and organisations focusing on issues related to women, youth and people with disabilities. Grant amounts range from \$4,000 to \$9,000.
- **Disbursement:** Thematic calls for proposals are made when funds are available for disbursement.
- **Flexibility:** Grantees help shape the direction of NIDAA by being invited to three-yearly strategy workshops. They are also invited to provide input on the sectors that they would like to allocate grants to.
- **Capacity-strengthening:** NIDAA's capacity-sharing efforts do not focus solely on strengthening grantees. Instead, it takes a broader approach by ensuring that it strengthens the capacity of the communities which grantees serve. NIDAA emphasises work with grassroots organisations and also ensures it works with organisations supporting women and youth.

**What challenges exist?** Despite having policies in place on how overhead costs are shared with grantees and their involvement in programme design, NIDAA usually has to negotiate with donors to ensure they accept the Group Cash Transfer modality. Some grantees may struggle to comply with certain donor requirements, leading to compliance risks. This highlights the need to strengthen grantee capacity in areas such as finance, reporting and implementing operational mechanisms to help them meet donor requirements.

**What opportunities exist?** NIDAA has received over \$500,000 in funding over two years. It has established clear policies and processes to engage with both grantees and the communities they serve. With operations already spanning multiple countries, NIDAA is well positioned to expand its role as an intermediary through its multi-purpose cash assistance work, particularly as the ongoing crisis in Sudan may further increase the need for aid in affected areas.

[More information](#)

## FRIENDSHIP SUPPORT ASSOCIATION IN ETHIOPIA

**What is the mechanism?** Friendship Support Association (FSA) is a non-profit founded by Dr Mesfin Woldemariam, an Ethiopian human rights activist and scholar. He established FSA to focus on social development and support for vulnerable communities in Ethiopia. FSA serves as a local intermediary, providing grants to grassroots organisations, women's organisations and youth groups. The organisation's primary functions include implementing programmatic work and fostering connections with local groups. Areas of focus include education, water, health and

livelihoods. In partnership with the Ministry of Education, FSA builds schools and trains teachers. In the water sector, it develops conflict-sensitive water points. For health, the projects focus on maternal and child health, while livelihood interventions aim to build resilience in communities.

**How does it function (how is it locally led)?** FSA employs several locally led approaches to disburse funds to local actors:

- **Decision-making:** The organisation is led by a board of individuals with expertise in various sectors. Board members are appointed by the general assembly based on their understanding of the organisation, their affiliation with the target communities, and their knowledge of the local context. The general assembly heavily influences the board as it includes representatives of target communities. FSA has a male CEO who is an Ethiopian national.
- **Grant application:** Grants are issued to grassroots organisations, self-help groups and women's organisations, and usually amount to above \$50,000.
- **Disbursement:** Open calls for proposals are conducted, after which one-time grants are issued. Follow-up is carried out and grantees are then referred to financial institutions for additional resources to support future activities.
- **Flexibility:** FSA works with member organisations to systematically improve compliance.
- **Capacity-strengthening:** Capacity-sharing is provided to grantees on the organisation's risk management and compliance processes, as well as those of the donor. Their capacity-sharing efforts extend to local communities and they often conduct training and capacity-sharing activities for local stakeholders. This ensures that communities can manage and sustain the programmes which FSA funds after the initial implementation.

**What challenges exist?** As a grant-making organisation, FSA and its grantees face financial, compliance, capacity, reputational and operational risks. Grantees sometimes lack the human resources and ability to comply with some donor requirements. Furthermore, grantees from grassroots organisations and community structures may lack strong governance structures, including clear policies, financial controls or accountability mechanisms which would enable them to receive grants and implement programmes.

**What opportunities exist?** Over the past two years, FSA has secured its largest grant to date, exceeding \$500,000. As a regranting organisation its average grant size is above \$50,000, demonstrating its capacity to manage substantial funding. FSA supports a diverse range of organisations that address various issues and have broad impact. FSA is therefore well positioned to scale up in response to additional funding, having established robust governance structures, risk management frameworks and comprehensive compliance policies. Its human resources are also equipped to handle growth. The general assembly, integral to its governance system, ensures accountability to local communities, further emphasising its capacity for expansion.

#### More information

# MODEL 2

## NETWORK OF LOCAL INTERMEDIARIES

### JOINT STRATEGY TEAM AND THE LOCAL FLEXIBLE FUNDING MECHANISM IN MYANMAR

**What is the mechanism?** The Local Flexible Funding Mechanism (LFFM) is a locally led funding model launched in 2021 by the Joint Strategy Team (JST), a network of 10 national organisations in Myanmar. Operating across the humanitarian–development–peace nexus, the LFFM directly funds local organisations and community-based groups in Kachin and Northern Shan state. It uses a flexible system that includes bottom-up capacity-sharing, offering an alternative to traditional international intermediary funding. By leveraging its extensive local structures, the JST satisfies donor expectations for scale and agility while providing a contextualised approach led by local actors in Myanmar’s most volatile regions. It operates in ethnic-minority languages, making the fund far more accessible for hyper-local groups.

- **How does it function (how is it locally led)?** The LFFM employs several locally led approaches to disburse funds to local actors:
- **Decision-making:** Inclusive Screening Committees with gender-balanced and ethnically diverse representation oversee grant decisions, fostering civil society ownership and trust.
- **Grant application:** Simplified processes in local languages enable accessibility for community-based actors. Grants range start from \$3500 up to \$30,000, prioritising women-led and community-based organisations across diverse ethnic groups.
- **Disbursement:** Three grant types – regular (12 months), emergency (short-term) and direct small grants – allow rapid and flexible responses. Emergency grants are processed within days, ensuring timely support.
- **Flexibility:** Activities can be adapted to meet emerging needs, are demand-driven without predetermined project directions, and are supported by tailored safety budgets and low-profile strategies essential in Myanmar’s security context.
- **Capacity-strengthening:** Grantees co-develop capacity strategies with JST, focusing on technical skills, management and resource sharing. Local language training and mutual support networks enhance participation and psychosocial well-being.

**What challenges exist?** The LFFM faces challenges in supporting affected communities. Small organisations need more time to apply for grants, and one-year

funding doesn't address ongoing needs. Instability increases demand and complicates operations, with risks like data storage and the military systematically targeting aid workers. Mandatory civil society registration adds further risks, though LFFM helps grantees navigate this. To meet ongoing needs, funding should be expanded and grants extended. Cash flow management remains a major challenge, with limited access to bank transfers and cash in volatile contexts, while the military seeks to assert control over all financial flows in the country.

**What opportunities exist?** Since its launch in 2021, the LFFM has gone through phases of funding, growing from an initial \$600,000 pilot to a \$2.4 million programme. This growth is supported by a decade-long trusted relationship with the United Kingdom's Foreign, Commonwealth and Development Office (FCDO). Operating extensively in Kachin and Northern Shan, the LFFM has reached over 245,000 people with 64 grantees. A recent independent survey highlights the system's efficiency, with 85% of grantees preferring the LFFM process over traditional grants and over 50% expressing readiness for additional funding. Though scaling presents challenges such as visibility in a restricted context and the need for more overheads to strengthen reporting and compliance systems, the LFFM has received longstanding institutional strengthening support from multiple INGOs committed to localisation. The mechanism's ability to provide micro- and nano-level grants in local languages fosters strong community relationships, enhancing both access and programming quality. The LFFM presents an opportunity for donor coordination around funding to advance the localisation of humanitarian responses.

## LOCAL INTERMEDIARY ACTOR NETWORK IN MYANMAR

**What is the mechanism?** The Local Intermediary Actor Network (LIAN) was established in 2022 as a national platform for coordination and collective action among Myanmar's 14 largest national NGOs, which already act as local intermediaries by channelling direct donor funding to frontline groups. LIAN aims to address barriers to working through local intermediaries by advocating for better systems, supporting sub-granting processes, promoting risk-sharing protocols and conducting evidence-based research on localisation. Through its advocacy role, LIAN has gained donor recognition and contributed to global conversations, including Grand Bargain meetings.

**How does it function (how is it locally led)?** LIAN employs approaches to foster locally led coordination and funding systems:

- **Decision-making:** LIAN integrates CSOs into official coordination mechanisms. It has hosted its own national coordination meeting, inviting the humanitarian country team and reshaping expectations about decision-making power.
- **Compliance and risk management:** The network simplifies compliance processes, acts as a buffer for due diligence and advocates for flexible funding systems.

- **Due diligence passporting:** LIAN is designing a system to transfer compliance credentials from donors to local NGOs, reducing barriers for grassroots actors.
- **Capacity-sharing:** LIAN prioritises an accompaniment model for long-term organisational growth, addressing real needs through tailored support instead of top-down training.
- **Equitable practices:** The Local Perceptions on Partnering Index is a locally led and developed tool designed to assess localisation and partnership progress among international and local intermediaries.

**What challenges exist?** LIAN faces numerous challenges in Myanmar’s volatile and restrictive environment. Balancing visibility and security is critical – while visibility supports fundraising, it also heightens risks such as suppression by the military junta. Strict international compliance requirements marginalise local organisations, undermine their autonomy, and create real harms by increasing the security and political risks they face.<sup>1</sup> Meanwhile, operational and security risks disproportionately burden local actors with minimal external support. The network’s inability to register due to the military junta’s restrictions complicates funding access, especially when donor requirements lack flexibility, forcing reliance on member organisations’ financial systems.

**What opportunities exist?** LIAN has secured \$600,000 in donor funding and piloted a pooled-fund mechanism, though much of its work centres on coordination, capacity-sharing and advocacy for local intermediaries and civil society more broadly. Upcoming initiatives for the network include expanding the secretariat, advancing innovations like the Due Diligence Passporting system and Local Perceptions and Partnership Index, and potentially establishing a pooled fund outside Myanmar. However, scaling efforts come with risks, including heightened visibility, resource strain and replicating inefficiencies of traditional aid systems. To mitigate these, donors are encouraged to provide core, multi-year and flexible funding to strengthen institutional capacity. While various members are strong in equitable sub-granting, LIAN’s core strength as a network lies in coordination, capacity-sharing and advocacy. As such, it offers opportunities for donor collaboration on compliance, regulatory support, and evaluation and learning.

[More information](#)

## HUMANITARIAN AID INTERNATIONAL IN INDIA

**What is the mechanism?** Humanitarian Aid International (HAI) is an NGO registered in India in 2016, with its headquarters in New Delhi. It was founded by Sudhanshu Shekhar Singh, an Indian who also serves as its CEO, to address global humanitarian

<sup>1</sup> Local Intermediary Actor Network & University of Melbourne (2024) ‘When compliance does harm’. Naypyidaw: Progressive Voice Myanmar (<https://progressivevoicemyanmar.org/wp-content/uploads/2024/05/Compliance-Briefing-Paper-FINAL-FOR-DISTRIBUTION2-1.pdf>).

needs and advocate for rights-based approaches in programme management. The organisation acts as a local intermediary by funding initiatives through both international and domestic sources. As a non-profit, it has been supporting communities at risk and affected by disasters across the country. HAI's strategy focuses on reducing disaster risk through anticipatory risk mitigation programmes and technology-enabled environments.

**How does it function (how is it locally led)?** The organisation raises funds from individual donations, public donations, private philanthropy and international NGOs. It hosts the Local Organisation's Coalition for Advancing Localisation (LOCAL) platform with more than 15 local organisations as members.

HAI employs several locally led approaches to disburse funds to local actors:

- **Decision-making:** HAI has seven board members, all of whom are Indian nationals, and two of whom are women. Grantees are involved in governance through the formation of several consultative committees. It also involves target communities in governance by following a sclr approach.
- **Grant application:** Grants range from \$20,000 to \$50,000 and support is rendered to grassroots organisations.
- **Disbursement:** HAI makes thematic-focused calls for proposals at least three times a year and invites applications from grassroots organisations.
- **Flexibility:** HAI works together with member organisations to systematically improve compliance. Grantees have full control and responsibility for planning and designing their initiatives, as well as for their programme's M&E plans.
- **Capacity-strengthening:** Grantees are supported through technical assistance, mentorship and guidance. To streamline the grant use and reporting process, HAI offers grassroots organisations centralised human resources support and guidance on how to improve financial compliance with the grants.

**What challenges exist?** HAI encounters several challenges during the regranting process. Grantees often face compliance, operational and capacity risks. Many lack the operational capacity to meet donor requirements, and some smaller organisations struggle to deliver projects as expected. Additionally, meeting donor financial requirements presents compliance challenges, particularly during the reporting stage.

**What opportunities exist?** As a high-capacity organisation, HAI has demonstrated the ability to scale up, having received one of its largest grants in the past two years (\$50,000–\$499,000). Through its LOCAL platform, which connects a network of local organisations, it has the infrastructure to support a broader group. This network enables expanded support, not only through capacity-sharing but also through the regular provision of grants – provided more connections are made with donors willing to fund such projects.

#### More information

## THE NIGERIA LOCAL COALITION ACCELERATOR

**What is the mechanism?** The Local Coalition Accelerator (LCA) is an initiative spearheaded by the Share Trust (United States) and Warande Advisory Center (Kenya). Coalitions of local actors work together to design and implement joint programming, providing a single entry point for donors to fund coordinated action. Many local actors are not large enough to deliver large-scale programming on their own. There is also significant value in local actors remaining centred on their communities and collaborating as a network to deliver holistic programming, while also serving as a single entry point for donor funding.

**Why the LCA in Nigeria?** The Nigeria Local Coalition Accelerator (NLCA) is working to strengthen community-led responses, shifting the focus from externally driven programmes to solutions designed and led by local actors and their community. NLCA comprises nine member organisations of diverse sizes and experience, who have agreed to work together as a coalition. Each organisation brings its own sectoral experience to the group. As part of this process, the organisations agree on governance structures democratically, and they set rules of engagement for the partnership. Unrestricted funding from the Vitol Foundation has supported the design of two Joint Action Plans (JAP), which are guided by community priorities rather than donor preferences. In 2024, the JAP reached 29,878 individuals with services across health, climate change, and resilient livelihoods and education.

In partnership with the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), NLCA piloted a new approach to humanitarian funding – integrating coalitions of local actors into pooled funding structures to enable more adaptive and community-driven responses. The pilot focused on a rapid response to flooding in Adamawa State in 2024. NLCA led the response, with support from local actors in the region, delivering services to 19,013 people.

### Why is NLCA important?

- **Jointly designed, community-centred action plans.** LCA members approach the design of JAP activities from varied perspectives and backgrounds. Engaging the community from an early stage and encouraging peer-to-peer capacity-sharing between members have been cornerstones of the LCA approach.
- **Redefining local actors' role in humanitarian response.** The partnership with OCHA created space for larger conversations surrounding the re-centring of the role of local actors in Nigeria's humanitarian response.
- **Increasing inclusion of the Nigeria Humanitarian Pooled Fund.** The partnership between NLCA and OCHA created the groundwork for increased inclusion of local actors in the Pooled Fund.
- **Increasing visibility of local actors.** NLCA has mapped local responders and worked with 12 non-LCA members to share capacity and jointly design a response strategy in Adamawa State.

**What challenges exist?** Structural barriers to funding continue to create challenges for the NLCA. The holistic approach to meeting community priorities does not fit neatly into a log-frame and, as a result, it can be challenging to fundraise. Burdens of due diligence and administrative requirements also create challenges for structures such as NLCA and its member organisations. Moreover, building robust and trusted governance structures takes time, and donor timelines are often too short to capture such transformative processes.

**What opportunities exist?** The partnership with OCHA has demonstrated the capacity of local actors to deliver humanitarian response activities and create space for dialogue and advocacy around the inclusion and agency of local actors in spaces such as pooled funds. The resulting inclusion should lead to increasingly localised decision-making and programme design. As NLCA continues to strengthen its own internal systems, its capacity to receive larger grants and increase its reach will also grow, as will its ability to replicate the structure elsewhere in Nigeria, where the needs remain enormous.

[More information](#)

## MODEL 3

# NETWORK OF MUTUAL AID/ COMMUNITY EFFORTS

## THE LOCALISATION COORDINATION COUNCIL FOR THE EMERGENCY RESPONSE ROOMS SYSTEM IN SUDAN

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**What is the mechanism?** The Emergency Response Rooms (ERR) system in Sudan was created in response to the ongoing humanitarian and security crisis there, which limits access for international organisations and UN agencies. Built on Sudan's tradition of social mobilisation, ERRs are organic volunteer networks, many of which are linked to Sudan's resistance committees from the 2019 democratic revolution. These networks provide flexible, community-driven, lifesaving aid across the country. The Localisation Coordination Council (LCC) – composed of state-level ERR representatives, local NGOs and INGO advisors – facilitates coordination between international donors, national NGOs and the ERR system while maintaining its

decentralised structure. The LCC also advocates for collective donor action to advance localisation. Complementing this effort, the soon-to-be-established Sudan Crisis Coordination Unit (CCU) will function as a learning and information portal. Administered by Shebaka, the CCU connects donors with innovative strategies to support mutual aid efforts, including the ERR system. Together, the ERRs, LCC and CCU form a comprehensive, mutual aid-centred intermediary mechanism guided by principles of accountability, transparency and equality.

**How does it function (how is it locally led)?** The ERR system employs several key strategies to ensure effective, locally led funding:

- **Decentralised and democratic decision-making:** Each neighbourhood ERR operates autonomously, assessing and responding to community needs with flexibility. A democratic system then organises neighbourhoods into administrative units, localities, states and ultimately a national LCC council, all governed by a constitution outlined in its charter. This structure ensures a decision-making process grounded in democratic principles while maintaining decentralised authority at the base for programme design and implementation.
- **Data-driven decision-making:** The ERR system integrates a comprehensive data management system that informs fund distribution and operational decisions. This system enables transparent decision-making based on real-time data, including the needs of communities and available resources.
- **Grant-making process:** The ERR system employs a simple yet effective grant-making process (the F system) that minimises reporting requirements while ensuring efficiency, accountability and decision-making at the base level.
- **Flexibility in registration and funding:** To preserve their informal structure while accessing funding, ERRs employ creative strategies. These include collaborating with registered organisations to gain partial legal legitimacy, registering specific components while keeping others unregistered, registering directly with the Humanitarian Aid Commission, and partnering with funders who accept informal donation mechanisms.

**What challenges exist?** Despite its innovative approach, the ERR system faces significant funding challenges, particularly due to the complexity of donor requirements. Its informal, decentralised structure conflicts with the formal registration and compliance systems of many international donors, creating barriers to accessing larger, more flexible funding. Small-scale grants, often restricted to specific thematic areas, further limit the ERRs' ability to address diverse needs effectively. The current global aid situation has put the ERR system under significant strain. In January 2025, the LCC estimated a 95% funding gap between identified needs – such as food, communal kitchens, and water, sanitation and hygiene (WASH) – and the resources they were able to mobilise nationally. Additionally, the lack of coordination among donors and the fragmented nature of funding sources further strain the ERR system's financial sustainability. Trust and flexibility in donor relationships remain essential, yet increasing demands and bureaucratic hurdles pose significant risks to ERR operations.

**What opportunities exist?** The ERR system currently operates in 17 of Sudan's 18 states, with more than 10,000 volunteers delivering lifesaving aid. In 2024, the system disbursed over \$10 million in funding, excluding significant contributions from local and diaspora communities. The ERRs have developed a scale-up plan with a four-phase process aimed at directing 5% of Sudan's humanitarian funding – approximately \$100 million – through the ERR system. Members believe that scaling up would require flexibility and coordination from donors, allowing for large-scale, unearmarked funding that supports decentralised decision-making while mitigating risks such as security threats and financial mismanagement.

[More information](#)

## MODEL 4

# MULTI-COUNTRY LNA NETWORKED POOLED FUNDS

## THE NEAR CHANGE FUND

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**What is the mechanism?** The Network for Empowered Aid Response (NEAR) is a global coalition of local and national CSOs committed to advancing locally led humanitarian action. The NEAR Change Fund is a global funding mechanism that channels resources directly to local actors responding to emergencies. Built on the belief that those closest to crises are best positioned to lead, the fund emphasises locally rooted early warning systems, a streamlined grant-making process and trust-based partnerships. The Fund is governed entirely by local and national actors through an oversight body, ensuring that decision-making is participatory and culturally sensitive. The process includes concise applications complemented by needs assessments, which streamline resource deployment and avoid bureaucratic delays. Together, these features enable a bottom-up, community-focused approach that fosters collaboration over competition.

**How does it function?** The NEAR Change Fund operates with several key strategies for locally led funding:

- **Rapid crisis response:** Within eight days of declaring a crisis, the Fund can request, receive and review applications, awarding grants to pre-approved NEAR members. In its pilot phase, all 13 grants were approved within 48 hours of

application receipt, highlighting its unparalleled speed and agility.

- **Streamlined governance and decision-making:** Managed entirely by local and national actors, the oversight body monitors crises, reviews applications and allocates resources strategically. This participatory governance model enables context-specific responses aligned with community priorities.
- **Collaborative and inclusive grant-making:** Grants typically range from \$150,000 to \$250,000 and encourage joint proposals, fostering collaboration among local actors. Equity-focused criteria, such as gender lenses and prioritisation of hard-to-reach populations, ensure inclusivity and relevance.
- **Human-centred and adaptive design:** The Fund's processes are designed to resonate with on-the-ground realities, allowing for real-time adaptability to meet emerging needs dynamically.

**What challenges exist?** While the NEAR Change Fund has demonstrated significant success, challenges remain. Scaling up the Fund's model requires sustained donor trust and investment in locally led approaches. Prevailing donor requirements, such as compliance systems and risk-averse funding practices, can hinder the flexibility and speed that are central to the Fund's operation. Additionally, fostering broader donor recognition of local actors' capacity to lead remains an ongoing challenge.

**What opportunities exist?** Since its inception in 2022, the NEAR Change Fund has achieved notable impact. With an initial budget of \$1.9 million funded by the Hilton Foundation, it has supported 13 grantees across 11 countries, reaching over 239,000 beneficiaries – including refugees, internally displaced persons and vulnerable groups such as women-headed households and people with disabilities. Scaling up would involve expanding its global reach, directing larger pools of funding through the mechanism while maintaining its agility and inclusivity.

[More information](#)

