



MAY 2026

PASSING THE BUCK

The Economics of
Localizing Aid in Myanmar

Acronyms

ABC	-	Area Based Coordination
CBPF	-	Country Based Pooled Fund
CSOs	-	Civil Society Organizations
DAC	-	Development Assistance Committee
ERRs	-	Emergency Response Rooms
FCDO	-	Foreign, Commonwealth and Development Office
FLEX	-	Flexible Localization Envelope
INGO	-	International Non-Governmental Organization
LNGO	-	Local Non-Governmental Organization
MEB	-	Minimum Expenditure Basket
MAGs	-	Mutual Aids Groups
MEAL	-	Monitoring, Evaluation, Accountability and Learning
MHF	-	Myanmar Humanitarian Fund
NGO	-	Non-Governmental organization
NICRA	-	Negotiated Indirect Cost Rate Agreement
ODA	-	Official Development Assistance
PSC	-	Project Support Costs
SHF	-	Sudan Humanitarian Fund
SHG	-	Self Help Group
UN	-	United Nations
UN AIDs	-	Joint United Nations Programme on HIV/AIDS
UNICEF	-	United Nations Children's Fund
UNDEF	-	United Nations Democracy Fund
UNDP	-	United Nations Development Programme
UNFPA	-	United Nations Population Fund
UNHCR	-	United Nations High Commissioner for Refugees
UNOPS	-	United Nations Office for Project Services
UN OCHA	-	United Nations Office for the Coordination of Humanitarian Affairs
UNRWA	-	United Nations Relief and Works Agency
WFP	-	World Food Programme

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Data from the Myanmar Humanitarian Fund (MHF) was provided by the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) in Myanmar, under an agreement to present aggregate findings by implementing organizations, without naming specific organizations in relation to budgetary figures.

UNOCHA's commitment to budgetary and operational transparency, including through their engagement in this work, is critical for accountability and for supporting their mission-focused efforts to advance locally led action as part of the Humanitarian Reset.

Executive Summary

Context

Myanmar remains one of the most complex and protracted humanitarian and political contexts globally. Nearly five years after the military takeover, persistent instability continues to drive large-scale displacement, restrict access to essential services, and exacerbate humanitarian needs. As of 31 December 2025, Myanmar's cumulative 2025 budget under the Humanitarian Needs and Response Plan stood at \$1.14 billion, of which only 17.5% (\$199.3 million) had been funded.¹

This study provides a comparative analysis of project budgets funded through the MHF in 2023, including **47 projects** accounting for a total of **\$12.8 million** in funding, representing 36% of the MHF's total disbursements (\$35.6 million). It evaluates cost efficiency across UN, INGO and LNGO funding partners.

The global '[Passing the Buck](#)' study published in November 2022 found that **local intermediaries could deliver programming that is up to 32% more cost efficient than international intermediaries**, by stripping out international overhead and salary costs. Subsequent studies in four countries – including evaluations of the UNOCHA Pooled Funds in Ukraine and Nigeria, found that evaluation of actual budget data demonstrated cost efficiencies ranging from 14-19%. The scale of these potential savings is significant – if 25% of 2023/24 humanitarian assistance in Ukraine had been channelled via local intermediaries, estimated cost efficiencies would have been \$256 million – funding that is vital to ensuring that those most affected receive assistance.

Summary of Findings

Local intermediaries in Myanmar are able to deliver programming that is 19.0% more cost efficient than UN agencies, and 14.9% more cost efficient than INGOs, for an average overall cost efficiency of 16.4%, unlocking crucial resources for urgent humanitarian and development needs.

There is a clear moral argument for shifting greater funding and decision-making power to local actors - this study adds weight to these arguments by demonstrating that shifting more funding to local intermediaries could also result in substantial cost efficiencies in international development and humanitarian assistance. The MHF has already realized a cost efficiency of \$1.4 million through its direct funding to local actors in 2023 – funding that is critically needed to reach those affected by the crisis. The evidence presented here clearly indicates that a significant shift in funding to local actors is not only good practice - it may also make sound economic sense in a system that constantly struggles to raise sufficient funds to meet ever-growing needs.

These findings need to be grounded in the realities and stated preferences of local Myanmar organizations. Many organizations do not want to receive direct funding, due to the significant risks associated with operating in the Myanmar context. International actors have been cited as providing a set of critical functions for local actors, for example through risk management, helping with regulatory, banking and access issues and providing specific technical expertise. The imperative is to understand from local actors what value they want international partners to add—and to ensure local partners have the opportunity to hold international partners to account for delivering that value.

Recommendations

Transparency on cost structures and funding flows is essential and should be a key criteria for donor funding decisions. Donors and international agencies, including UN bodies, should commit to full transparency regarding the costs of delivering humanitarian assistance in Myanmar. The UN has the highest cost structure, and, with the notable exception of UNOCHA, has yet to share full project budgets outside of the pooled fund. Transparency will empower donors to make evidence-based decisions and encourage fair, competitive partnerships that benefit local actors and affected communities alike – and should be a key criteria for deciding funding allocations.

Donors and implementing partners should engage in a rapid and deliberate process to understand what role local actors would like to play in the delivery of assistance, where and when they want direct funding, and where and how they want international partners to engage in equitable partnerships.

Donors and intermediaries should hold their partners to account for equitable local partnerships and successful local capacity strengthening, not just the amount of money they provide to local actors. Donors, UN agencies, and INGOs must prioritize equitable partnerships that promote shared decision-making, transparent cost structures, and fair overhead passthroughs. Donors and pooled funds like the MHF can help focus attention on these critical elements by setting clear expectations for them in calls for proposals, scopes of work or terms of reference, and award documentation, and then structuring accountability processes to track the extent to which partners accomplish them

Donors and pooled funds should identify opportunities to expand innovations around microgranting and Area Based Coordination. The Sudan Humanitarian Fund has significantly ramped up fast, flexible, low burden resources through microgranting to mutual aid groups, and this type of approach could be replicated in Myanmar and could offer opportunities to fulfil the commitments outlined in the Humanitarian Reset to greater devolution of resources and power to local levels.