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COUNTRY REPORT

INTERMEDIARY MODELS FOR LOCALLY LED ACTION

SUDAN



Acknowledgements

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Executive Summary

Context

The outbreak of conflict in Sudan in April 2023 has caused the world's largest humanitarian crisis, with 35 million people—approximately three-quarters of Sudan's population—in need of humanitarian support. The crisis has fragmented Sudan's formal banking system, displaced millions, and dismantled institutional infrastructure, forcing local and international responders alike to renegotiate what community support, service delivery, and systems strengthening can look like under conflict conditions.

The aid contractions of the past year have affected the humanitarian response in Sudan. They have also reinvigorated the question of how more funding and decision-making power can be shifted toward local actors. This report examines that question through the lens of intermediary organizations—those that manage donor funding and redistribute it to other, often smaller, local actors—by exploring (1) the landscape of Sudanese intermediary models, (2) examples of international intermediary models focused on locally led action, (3) the comparative advantages of different categories of intermediary models, and (4) the barriers to locally led action in Sudan. These four elements together inform a set of recommendations for donors and international intermediaries on how to better support locally led humanitarian action in Sudan.

Landscape

The study focused on seven formal, large-scale Sudanese organizations with annual operating budgets between \$500K and \$9M, each operating nationally, including in hard-to-reach areas. They provide grants, fiscal sponsorship, and technical support to a broader ecosystem of local actors, with the largest supporting 40–60 organizations annually. The study also examined nine different types of international intermediary models, including bilateral INGO awards, INGO- and UN-led pooled or multi-donor funds, consortia, and UN agencies. The report does not represent the full landscape of Sudanese or international responders or intermediaries operating in Sudan, so the findings should be read as illustrative rather than comprehensive.

Comparative Advantages

No single intermediary model can meet all humanitarian needs, support all relevant Sudanese responders, and strengthen the range of local systems needed for relief, peacebuilding, and recovery. The goal should be for each actor to leverage its strengths in ways that create or reinforce local actors' agency, decision-making, and leadership—with complementarity, rather than competition, as the organizing principle.

The comparative advantages described in this report should be seen as broad tendencies. Individual organizations within each category vary significantly based on their particular technical expertise, staff, relationships, and networks.

Comparative Advantages of Local vs. International Actors in Sudan

Local Intermediaries often...	International Intermediaries often...
Have contextual rootedness and community trust	Can absorb large amounts of donor funding
Have long-term community relationships	Can often pre-finance activities before donor reimbursement arrives
Can access to hard-to-reach areas	Have international banking access
Have physical presence that allows quick mobilization	Have national and cross-border visibility
Can bridge to informal organizations within their network	Have deep experience navigating donor systems and compliance requirements
Often emphasize community-led approaches	Have strong security and protection systems
	Can advocate and fundraise in international circles

Within the international intermediary category, INGOs tend to offer donors greater transparency than UN agencies, lower cost structures, wider community presence, and more flexibility to work with informal or unregistered groups. UN agencies have a comparative advantage in their ability to receive and deploy bilateral funds quickly through UN agreements and in their political relationships with authorities—though those same relationships can constrain operational independence and access.

Barriers to Locally Led Action

Structural and systemic

- Sudan's disrupted banking system that forces local organizations to rely on workarounds that add costs and limit how funding flows;
- Differential between official and market exchange rates that forces local intermediaries to absorb losses or reduce project scope;
- Fragmented governance that creates multiple, competing requirements and politicized pressure on local organizations to register.

Operational and organizational

- Limited funding to Sudanese NGOs that is often short term;

- Organizational disruption to Sudanese NGOs from the crisis, with lost staff, assets, and institutional memory;
- Limited capacity of local organizations, especially newer and informal groups;
- Misaligned capacity strengthening efforts that emphasize compliance over other priorities, with short term funding precluding longer-term capacity goals;
- Risk absorption by local partners that lack the institutional or diplomatic cover of international organizations;
- Risk aversion by international intermediaries, especially when donor guidelines are unclear of conflicting;
- Organizational culture of international intermediaries with inconsistent leadership buy-in to localization and limited attention to staff skills required for participatory processes.

Communication and coordination

- Connectivity challenges due to variable internet access
- Limited direct engagement between donors and Sudanese downstream partners and other local actors: Donors based in capital cities or Nairobi have limited contact with local responders; intermediaries can intentionally or inadvertently gate-keep the relationship.
- Limited donor knowledge of the full range of local actors.

Donor policy and practice on partner selection

- A scale mismatch between humanitarian need and the absorption capacity of many Sudanese NGOs, driving reliance on international intermediaries;
- Limited donor capacity to manage more, smaller awards and accompany new partners;
- Policy limitations on direct local funding;
- Donor risk aversion due to pressure from domestic constituencies and/or unclear or unpredictable institutional risk appetite;
- Humanitarian principles of neutrality and independence that can disadvantage local organizations that have real or perceived political affiliations.

Donor policy and practice on project design and management

- Top-down, prescriptive scopes of work;
- Local funding targets that can have unintended effects;
- Restrictive or unclear policy on overhead coverage for local organizations or local downstream partners;
- Limited budget for processes to elevate local leadership (e.g., co-creation);
- Onerous reporting and documentation requirements that are poorly suited for conflict areas;
- Unrealistic burn rates with conflicting or insufficient guidance on how to move money quickly while remaining compliant;
- Internal inconsistency in localization approaches within donors across humanitarian and development teams;
- Restrictions on engagement with government authorities.

Recommendations

For All Donors

1. Create space for local decision-making through flexible funding, including utilizing inception periods and co-creation to ensure activities reflect local priorities and flexible modalities like cash.
2. Meet directly with local actors, including downstream local partners, to understand priorities, barriers, and relationships with lead partners, with a preference for meeting in Sudan or a safe third country.
3. Improve contextual analyses and monitoring to ensure funding is conflict sensitive, aligns with local needs and capacities, and seeks to strengthen local delivery systems.
4. Articulate and socialize institutional risk tolerance framework for Sudan.
5. Align institutional incentives with localization goals by including locally led dimensions in staff performance and project portfolio reviews.

For Donors Working Through International Intermediaries

1. Build expectations for locally led and equitable partnerships into partner selection criteria, project budgets, and accountability processes.
2. Align internal messaging and improve clarity on how intermediaries can balance pressure to devolve funding to local actors quickly while meeting compliance requirements.
3. Ensure capacity strengthening is considered a priority, demand-driven, and broader than compliance.
4. Reinforce equitable indirect cost recovery by clarifying expectations and following through to ensure implementation.
5. Support the security and protection of downstream local partners, guided by a joint assessment of their needs, by budgeting for these functions or through a separate funding mechanism.

For Donors Who Can Fund Sudanese Organizations Directly

1. Reduce barriers to direct partnerships, including by streamlining due diligence processes, using them to support progress toward future partnership rather than just as a filter and considering a dedicated fund for local partners with more accessible information about opportunities.
2. Ensure transparency requirements allow for partner protection through redactions or generic identifiers.
3. Reflect the importance of community engagement and local feedback and accountability in awards to local partners.
4. Beware of the potential distortions local funding targets may introduce including limiting the diversity of local organizations supported, overburdening a select few, or creating

inefficiencies.

For International Intermediaries

1. Protect the integrity of grassroots structures and avoiding pressures to require formalization or use them as a competitive asset rather than a partner.
2. Harmonize compliance and due diligence requirements.
3. Design projects collaboratively from the outset.
4. Acknowledge and address the real cost of transfer fees that may exceed caps.

1. Background

The outbreak of conflict in Sudan in 2023 has caused the world's largest humanitarian crisis with 35 million people (around three quarters of the population) in need of humanitarian support.¹ The systemic disruption created by the crisis—breakdown of the formal banking system, internal displacement, and deterioration of institutional infrastructure—also forced local and international responders, as well as their funders, to renegotiate what community support, service delivery, and systems strengthening meant under such conditions.

In the midst of this crisis, global development and humanitarian assistance also experienced a pivotal moment, with United States freezing most of its global foreign assistance funding for much of 2025 (having previously been the largest bilateral funder to Sudan by a wide margin), and other donors also announcing cuts.² Through this disruption, the conversation about the need for greater local leadership of and equitable partnerships within humanitarian response, including in Sudan, remains a high priority for many donors.

Part of this conversation revolves around intermediary organizations – organizations that manage donor funding, redistributing aid resources to other, often smaller, local and national organizations, institutions, grassroots groups, or communities. Intermediary models have been particularly important in Sudan for getting funding to grassroots and informal community-based response like Sudan's Emergency Response Rooms and other mutual aid groups. These informal movements and organizations often have strong community access and legitimacy, but their lack of formal registration limits their ability to access funding directly from most bilateral donors. Intermediaries also work with and through Sudanese NGOs; some also work alongside government entities which continue to provide some public services in some locations and which will be critical for the transition from emergency provision back to local service delivery.

Box 1: A note on terminology

This report uses the term "intermediary" to describe organizations that re-grant or channel donor funding to other actors, but, as a term, it has some limitations. "Intermediary" is often used in localization discourse, and risks defining an organization in relation to a donor rather than in its own right and implying a homogenous category of organizations whose primary function is to act as a "go-between," connecting donors to other actors. In reality, as this research affirms, most intermediary organizations also engage in programmatic work, capacity sharing, advocacy, evidence generation, and community empowerment, depending on the type of organization.

¹ Penn, D. (2026). [World Failing Sudan as War Enters a Fourth Year, UN Relief Chief Warns](#). UN News.

² ACAPS Analysis Hub. (2025). [Sudan: Implications of the US Aid Funding Cuts](#).

The “intermediary” framing was directly challenged in several of our own consultations, where representatives of organizations that perform intermediary functions pushed back on being defined as “an intermediary,” arguing it understates the breadth and significance of their role. Conversation about the limitations of the term has also taken place in the context of the sector-wide Grand Bargain Caucus on the Role of Intermediaries which was established specifically to address ongoing challenges within the relationships between donors, intermediaries, and local and national organizations.³

We were unable to identify an alternative term that has gained meaningful traction across the sector and so retain “intermediary” in this report for clarity and consistency, while encouraging readers to bear these limitations in mind.

Central questions of this research include how funders can channel more funding through local intermediaries, and—recognizing the important role international intermediaries will retain in the near to medium term—how international intermediaries are devolving resources and decision-making power to local levels and engaging in equitable partnerships.

This study seeks to contribute to the evidence base on intermediary models in Sudan by:

- Identifying a range of viable local intermediary models operating in Sudan with a focus on those that can absorb and re-grant funding at a scale that might allow them to receive direct funding from bilateral or other large institutional donors;
- Identifying examples of international intermediary models that prioritize shifting funding and decision making to Sudanese organizations and other local actors;
- Evaluating the comparative advantages of different intermediary models in Sudan;
- Understanding actions donors can take to better enable locally led humanitarian response in Sudan.

³ InterAgency Standing Committee. (2022). [Caucus on the role of intermediaries - Final outcome document, August 2022](#)

2. Methodology

This research relied on desk research, a survey of local intermediaries, and key informant interviews with select larger scale local intermediaries, international intermediaries, a limited number of grantees of intermediaries, and donors. For the purposes of this research, “larger scale” local intermediaries are those able to absorb grants of over ~\$2 million (likely in the \$2–\$10 million USD range) and with operating budgets of around \$5 million or more. These parameters were put in place to focus narrowly on the types of organizations that are more likely to bridge bilateral donor funding with a broader ecosystem of other Sudanese civil society or grassroots organizations.

Box 2: Intermediary interviews

Local intermediaries	International intermediaries
▪ Sudanese Development Call Organization (NIDAA) ▪ Al-Ayam Center for Cultural Studies and Development ▪ Adeela for Culture and Art ▪ AWAIFY Sudanese Organization ▪ Hope Sudan ▪ People-to-People Sudan ▪ SOS Sahel Sudan	• First Response Fund (FRF) • International Rescue Committee (IRC) • Mercy Corps, as lead for Collective Sudan (formerly the Cash Consortium of Sudan) (CCS) • Pact • Proximity 2 Humanity (P2H) • Saferworld • Takatuf Fund (emerging) • Sudan Humanitarian Fund (SHF) • World Food Programme (WFP)

The Share Trust also interviewed select local grantees and sub-partners of the above intermediaries, including the Localization Coordination Council (LCC), a body that engages donors and helps coordinate resources across ERRs in various states, and women’s/feminist funds that receive money from FRF. Several of the local intermediaries on the list above are also grantees/sub-partners of the international intermediaries, including Hope Sudan which received subgrants through CCS, and Adeela for Culture and Art, a member of the LCC, which receives money from the SHF to support the ERRs.

This study is not a due diligence assessment, audit, or vetting exercise. It does not determine whether specific organizations should or should not receive funding. Its purpose is to map intermediary roles, assess comparative advantages, identify barriers, and suggest ways that donors and international actors can reinforce locally led action in Sudan. Furthermore, this study does not capture the perspectives or experiences of all Sudanese organizations involved in humanitarian

response. As noted above, it focuses narrowly on larger-scale organizations that have re-granting to other Sudanese organizations as a core function—and it is not necessarily a comprehensive list of organizations in this category. Finally, while this study includes some perspectives of Sudanese grantees or subpartners, their numbers were limited, leaving less scope for triangulation of information and perceptions shared by intermediary partners.

3. Comparative advantages

The humanitarian crisis in Sudan requires a range of funding models and partnerships to address the enormity and diversity of needs throughout the country. There is no single model that will meet all humanitarian needs, support all relevant Sudanese responders, and strengthen the range of local systems needed for relief, peacebuilding and a shift back to steady state development needs. Nor is there a single model that will achieve the range of goals a bilateral donor might have in determining how to allocate its resources. This research examines perceptions of the relative strengths of different categories of actors to fulfill different goals, from supporting locally led action to achieving specific outcomes to absorbing large sums of money to managing donor compliance.

In most cases, cooperation rather than competition between international and local and national actors is crucial to strengthen local systems. This layered approach reflects a pragmatic understanding of multi-dimensional crises, balancing efficiency, oversight, and local engagement. And while different actors have different comparative advantages, the core goal should be for each actor to leverage these strengths in ways that create or support local actors to exercise agency, decision making, and leadership.

The following section presents an overview of the insights on broad comparative advantages that emerged from this study's engagement with local intermediaries, international intermediaries, and donors. Though this report discusses broad tendencies by category of actor, there is substantial heterogeneity within categories. Each Sudanese and international organization brings its own strengths based on its technical skills, staff strengths, relationships, and networks; these factors also affect the extent to which any given organization espouses the characteristics listed below.

3.1 Local Intermediaries

In Sudan, a combination of grassroots, local and national organizations and movements has been at the center of humanitarian response. From formal to informal, volunteer to professional, and highly localized to multi-state in scope, these actors—including emergency response rooms (ERRs), civil society organizations, youth groups, and women led organizations—have delivered community kitchens, psychosocial support, evacuation support, and more. Following the outbreak of the conflict, Eastern Sudan—particularly El-Gedaref and Kassala—emerged as a key hub for local organizations due to its existing civil society ecosystem, combined with the relative accessibility of the region during the current conflict. This region has historically provided a relatively established space for humanitarian and civil society organizations to operate. Both areas have long hosted refugees and displaced populations from neighbouring Eritrea and Ethiopia, which contributed to the development of local experience, networks, and familiarity with humanitarian and development organizations.

The Share Trust interviewed seven Sudanese organizations that met the study's size criteria and have an intermediary function, providing grants (typically in the range of \$500-\$6,000), fiscal sponsorship, or subawards, along with in-kind support and technical capacity strengthening to a broader ecosystem of Sudanese actors. Most maintain a significant number of partnerships with local organizations, with the largest supporting 40-60 local organizations annually. These seven organizations are formal and "large scale" organizations, with annual operating budgets between \$500 thousand and \$9 million. Each of these NGOs operate nationally, including in hard-to-reach and Rapid Support Forces (RSF)-controlled areas.

Following the onset of the 2023 conflict, many of the Sudanese organizations interviewed highlighted how they expanded their remits to include peacebuilding and humanitarian relief. Adeela, for instance, focuses on peacebuilding, justice, humanitarian response, and democratic transition to meet the evolving situation in Sudan. NIDAA also adapted their approaches as the conflict continued and needs evolved, though elements of their development efforts (e.g., supporting community-based structures) continue into their humanitarian work. Unlike INGOs or UN agencies, which are donor-oriented and often categorize their work as 'humanitarian' or 'development' in response to donor funding requirements, these Sudanese organizations orient primarily around their communities, adapting their approaches as context and needs evolve, rather than as funding categories shift.

With respect to their granting and sub-partnering work, each local intermediary highlighted an emphasis on simplified procedures, proportionate compliance requirements, and rapid-response. All interviewed Sudanese organizations also emphasized community-driven approaches.

At least half of the interviewed intermediaries receive direct funding from bilateral or multilateral donors. Most highlighted an interest in more direct donor funding—both for operational support and for the credibility it confers. However, they face a range of barriers. Across a number of interviews, respondents noted that access to direct donor relationships signals institutional legitimacy in the wider ecosystem, strengthening their ability to access further funding and partnerships.

Each organization has its own unique approaches, strengths, networks, and challenges, but the following are seen as broad comparative advantages of local NGOs:

- **Contextual rootedness and understanding:** Local intermediaries have a deep understanding of the context in which they operate, including familiarity with the full range of official and unofficial community groups active in Sudan. Regular touchpoints and feedback loops with downstream and grassroots partners deepen this awareness over time. Several organizations highlighted community trust as a critical and hard-won advantage: strong relationships are what make it possible to shift decision-making power meaningfully. Several interviewed organizations emphasized their ability to leverage existing networks to enhance impact and avoid duplication of efforts. For instance, Adeela highlighted that much

of its work is implemented through coalitions, networks, and partnerships to strengthen coordination and leverage related efforts. ACCSD noted its approach to peer exchange, coordinated learning, and networking across its grantees, with the aim of strengthening horizontal learning and building a shared practice among their local partners.

- **Longer-term community relationships:** Related to the above point, many local intermediaries have long term relationships with their grantees. For instance, while Adeela's grants to grassroots organizations are typically short-term, they are often cyclical, with support designed to build progressively over funding cycles. However, Adeela and NIDAA both noted that funding constraints—and the short-term cycles associated with humanitarian funding—sometimes limit their ability to provide long-term support or have repeated engagement.
- **Access:** Local intermediaries often excel at the last mile of delivery and are often particularly well placed to reach hard-to-reach areas (though this also increases their exposure to detention, coercion, taxation, interference, and reputational risks). For example, in both Sennar and North Darfur, CCS awarded Hope Sudan full project management responsibilities specifically because of Hope's presence in areas where international partners did not have access. SOS Sahel noted their ability to use any form of transport, including public transport and donkeys, allow them to reach communities that are inaccessible to organizations with different parameters around how they can move.
- **Speed of initial response:** Because of their physical presence in and proximity to affected communities, local NGOs are often the first to respond to emerging needs. For example, SOS Sahel noted their ability to act as a first responder in hard-to-reach areas capable of mobilizing immediately during crises, while UN and other international actors often require time to obtain permits, organize and deploy staff.
- **Bridge to informal organizations:** Local NGOs often serve as a conduit to informal and unregistered grassroots responders that donors cannot fund directly. For instance, Adeela acts as an intermediary or fiscal sponsor for groups and initiatives that may not be formally registered; it supports the transfer and management of funds, financial reporting, compliance processes, and required documentation while enabling local actors to lead implementation. AWAFFY has developed specific technical partnership arrangements, including fiscal sponsorship and legal support, for organizations without bank accounts, ensuring that grassroots actors can access and manage resources while retaining ownership of their initiatives. NIDAA also receives and transfers funds on behalf of partners who cannot carry out these functions, charging only actual bank transfer costs rather than taking a fee or percentage. NIDAA noted that some of the organizations that it has worked with have begun to advocate for other intermediaries to take a similar approach.

- **Community-led approaches:** Each of the Sudanese intermediaries interviewed highlighted that their approach relies on their grantees (often grassroots or community organizations, including ERRs) in setting priorities and determining activities. For instance, Adeela works closely with local and grassroots partners to support their own initiatives and community-led interventions through financial assistance, as well as technical accompaniment and capacity strengthening. Their objective is not only to fund activities, but also to strengthen the long-term capacities of grassroots and community-based organizations. Similarly, AWAFFY highlighted that they defer to grassroots actors to identify their own priorities, develop their own activity plans, and propose their own implementation approaches, offering technical support, coordination, compliance, and other support, as needed. SOS Sahel has projects that devolve to elected community committees the responsibility for identifying priorities, designing projects, selecting beneficiaries, and determining sustainability mechanisms. The respondent from NIDAA puts the same philosophy plainly: "it's not for us to define their priorities. We recognize that we don't know their needs better than they do." They highlighted that they put this into practice by sharing full proposals with partners, developing them jointly, and allowing partners to determine their own costs before applying together for funding.

3.2 International Intermediaries

The category of international intermediaries contains a multitude of organizational types—from UN agencies to small INGOs and a wide range in between—each with its own approaches, processes, and partnership structures. While international intermediaries do transfer significant funding to national, local, and community-based actors, the depth of local decision-making power over programming has varied. More meaningful locally led approaches included the involvement of local actors early in program design (e.g., through co-creation processes) and when funding offered genuine flexibility—whether through full freedom from sectoral earmarks, broad parameters around funding sectors with adaptable activities, or cash modalities giving recipients granular spending choice.

Governance and decision-making structures matter for local leadership. For example, Proximity 2 Humanity largely defers to the Localization Coordination Council to determine how to allocate P2H's resource. CCS is composed of eight INGOs and eleven national NGOs and coordinates across a wide range of local responder networks, leveraging both national and international partners' physical presence in areas, to identify community initiatives. The newly formed INGO-hosted Takatuf Fund's governing board will be majority Sudanese, though international board members retain veto power; however, local boards that are expected to be 100 percent Sudanese will make most funding decisions unless certain thresholds (for example, on risk) trigger approval by the fund board.

One of the key roles of international intermediaries is to act as a buffer: negotiating with the donor; managing donor compliance requirements; supporting downstream partners to fulfill their compliance responsibilities; and channeling funding to entities donors cannot fund directly, including small and/or informal organizations. However, this buffering role also allows intermediaries to retain considerable control. Certain INGOs acknowledged that their own risk aversion led them to impose requirements on local downstream partners beyond what donors mandated for things like reporting and financial management.

International intermediaries are a diverse group, but, as a category, are seen to have comparative advantages including:

- **Ability to absorb significant resources:** Donors often face imperatives to spend significant amounts of resources and—especially in humanitarian contexts—to do so quickly. International intermediaries can absorb donor money quickly and at scale through single awards, reducing burden for the donor, which may not have staff resources to manage multiple smaller awards in a limited period of time. The WFP, for example, managed nearly \$700 million in Sudan in 2025, a sum that is hundreds of times larger than the largest of the “large scale” Sudanese NGOs’ operating budgets. International intermediaries also allow bilateral donors to resource local organizations when donors cannot fund many small organizations directly due to staffing, policy, or regulatory constraints; when local intermediary options are limited; and/or when local organizations do not want direct donor funding because of the management burden or organizational shifts it might require or for security reasons.
- **Pre-financing capacity:** Another characteristic that benefits the speed of response is pre-financing capacity, in which an organization uses its own reserves or lines of credit before donor reimbursement arrives. This ability is especially important for cost-reimbursement grant structures in which partners spend first and are then reimbursed. Many large INGOs and UN agencies can cover that gap—which can sometimes be several months long. Many Sudanese NGOs cannot, requiring cash in hand before they can spend.
- **Capital intensive projects:** Similarly, large infrastructure investments, for example the reconstruction of Khartoum, tend to fall to UN or INGO organizations that can manage the large-scale funding this type of investment requires and have relevant infrastructure and engineering expertise.
- **Capacity strengthening in complex contexts:** Many INGOs have core technical competencies and can provide technical expertise in priority areas. Expertise with crisis management has also positioned them to support Sudanese actors adapt programming to armed conflict and emergency environments.

- **Access to international banking system:** Since the banking system in Sudan is largely or entirely dysfunctional, international intermediaries' access to international bank accounts has been critical for processing funding to Sudanese organizations that do not have banking arrangements that donors or third-party financial service providers are willing or able to use.
- **Coordination:** Many international intermediaries work at a national level and/or across multiple countries or regions and can help coordinate activities across regions or approaches. In Sudan, this can allow a more comprehensive view of various relief efforts and a countrywide comparative needs assessment.
- **Strong security and protection:** INGOs and UN agencies are perceived to have strong, well-established systems and protocols to protect local partners and safeguard recipient information. International organizations often benefit from stronger institutional protection and diplomatic backing while operating in complex environments—though protection benefits are sometimes uneven across local and international staff.
- **Donor navigation and compliance management:** International intermediaries can leverage international presence, cultural fluency, and understanding of institutional systems to access donors and manage complex bureaucratic requirements. Navigating donor compliance can be particularly intensive in the first weeks after the onset of emergency conditions in a new locality; institutional experience with these requirements is a major asset for moving quickly.
- **International fundraising and advocacy:** International actors tend to have more access to policy and coordination spaces, as well as a wider range of Global North-based funders.

Comparing UN agencies to INGOs offers a more detailed lens of relative strengths within the category of international intermediaries.

Box 3: Comparative advantages of INGOs vs. UN agencies

INGOs	UN agencies
• Offer bilateral donors more visibility into their programs and operations than UN agencies typically do • Tend to have lower cost structures than UN agencies (both globally and in Sudan specifically)⁴ • May have more flexibility to support informal or unregistered groups • Have wider presence than UN agencies in many communities across Sudan • May have fewer layers than UN agencies which often implement through INGOs/NNGOs	• Can quickly receive and allocate bilateral donor funds through UN agreements • Have the political relationships to engage authorities and negotiate access, though these formal relationships and need for consent can also impose constraints on access • Useful in regional coordination for issues related to refugees, border displacement of Sudanese

As noted above, for all of these comparative advantages, context and individual effects matter: capacity and technical skills are not uniform within the large and diverse INGO category. Individual INGOs may have distinct technical expertise that constitutes a core comparative advantage. Some INGOs may also perform better than others in certain areas, including locally led action and equitable partnerships. Furthermore, with large INGOs or UN agencies, there can be heterogeneity across country teams in terms of the skills, attitude, and capacity of leadership and staff to pursue local leadership goals.

Among international intermediaries operating in Sudan, there are some that have locally led approaches built into their specific operational model, which they then invite donors to resource: P2H's flexible funding to Sudan's Emergency Response Rooms, allocated based on direction by the Localization Coordination Council; FRF's direct grants to national, regional, or multiregional women's/feminist funds which then re-grant to local or grassroots women-led or women's rights organizations. Other INGOs' models are oriented more around responding to donor calls for proposals based on their core organizational capacities; these may include local capacity strengthening and equitable local partnership approaches, but the extent to which these are emphasized depends significantly on how much donors draw these out as important in the terms of the award and in accountability structures. For example, one INGO representative, when asked how

⁴ Venton, Courtenay, et al. (2022). [Passing the Buck: The Economics of Localizing International Assistance](#). The Share Trust and Warande Advisory; Venton, Courtenay. (2024). [Passing the Buck: The Economics of Localizing Aid in Ukraine](#). The Share Trust and Refugees International; Venton, Courtenay. (2024). [Passing the Buck: The Economics of Localizing Aid in Nigeria](#). The Share Trust; Venton, Courtenay. (2024). [Passing the Buck: The Economics of Localizing Aid – A Case Study of a Pooled Fund in the Middle East](#). The Share Trust; The Share Trust. (2025). [Passing the Buck: Economics for Localizing Aid: Sudan](#). The Share Trust.

their donor engages with them on their capacity strengthening efforts and their local partnerships, said, “They don’t”—that they focus only on how much money is going to local downstream partners and whether key performance indicators are being achieved.

Box 4: The Takatuf Fund: A New Locally Led Pooled Fund for Sudan

The INGO-hosted Takatuf Fund is an emerging instrument designed around the core tenet of elevating Sudanese leadership and decision making in the fund’s strategy and operations. The Takatuf Fund aims to channel at least 75 percent of funding to local actors. Perhaps more importantly, the fund’s operations are being designed to center community listening and adaptation to ensure interventions are rooted in a locality’s specific context.

The fund’s architecture is built around cross-border corridors that reflect real life patterns of movement of people and commodities (for example, Darfur into Chad, or South Sudan into South Kordofan); these cross border contexts shape how communities access support. Within each axis, the Takatuf Fund will operate two windows: a rapid response window with two to six national intermediaries that can hold and release funds quickly; and a medium- to long-term window offering direct, multi-year partnerships with local organizations, including core support for operating costs — a form of funding that most humanitarian instruments are unable to provide. Locally led decision making structures remain under consultation but a two-tier system is anticipated with each corridor having an entirely locally-led structure and an overarching Fund-level structure where donors and the host are represented.

Though the entry of the Takatuf Fund has raised questions about the role of another pooled fund alongside other existing mechanisms, the intermediary landscape should be oriented toward a complementary ecosystem with regular exchange of learning and good practice. The Takatuf Fund’s intentionality around local leadership—with a majority Sudanese governing board and all-Sudanese local boards making most funding decisions—alongside their investment in learning about how best to elevate local leadership in practice may be important contributions to the conversation.

The Takatuf Fund is planning to be operational by mid-2026.

Among the international intermediaries reviewed for this research, there is no single model that is likely to achieve all goals, pointing to the need for a range of approaches. For example, the intermediaries that fund ERRs differ in meaningful ways that, taken together, suggest complementarity rather than redundancy. Four dimensions are particularly relevant: scale and administrative capacity, speed and directness of funding flows, and targeting/inclusiveness of support.

On scale, the SHF can manage sums of funding that smaller, more targeted mechanisms like P2H cannot. The SHF’s Mutual Aid Group (MAG) window was an early sources of resources to ERRs. This

window enables SHF to channel small, flexible grants to ERRs and other frontline groups relatively quickly and with low administrative burden. Scaling the MAG window from \$3 million in 2023 to \$25 million in 2025 was an important factor in the SHF's more than doubling its share of local funding from 12 percent in 2020 to 27 percent in 2025.⁵ However, when it comes to speed and direct flow of funds, SHF funding does not reach ERRs as quickly, directly, or in as high a proportion as P2H funding. SHF support to ERRs flows through Sudanese and international NGO intermediaries with a requirement that 60-70 percent of funding reaches these groups, while P2H provides approximately 95 percent of its resources directly to the LCC to allocate to ERRs. Still, because the SHF is so much larger than P2H, even a lower pass-through rate translates into more resources reaching ERRs in absolute terms.

Working through intermediaries is not only a matter of added layers and costs; intermediaries may also add coordination, network, and capacity strengthening functions that matter. The SHF's funding of Saferworld illustrates this: Saferworld resources ERRs largely through support to Sudanese civil society organizations that in turn work with ERRs and other mutual aid groups, with the goal of promoting and strengthening the domestic civil society ecosystem. P2H's more direct model sacrifices some of that ecosystem-building function in exchange for speed and lower transaction costs.

Finally, on targeting and inclusiveness of response, mechanisms like FRF offer complementary support by financing groups—Sudanese women-led and women's rights organizations, in FRF's case—that are often overlooked by traditional aid response, regardless of the funding channel. Together, these mechanisms cover ground that no single intermediary model does alone

⁵ Data are from the United Nations [Country Based Pooled Funds Data Hub](#). The SHF's percentage of local funding dipped in 2026 when the United States committed a tranche of \$200 million to the Sudan pooled fund and required it to be spent within six months, effectively precluding Sudanese partners from participation.

4. Barriers to Locally Led Action

Globally, the call for greater local leadership in humanitarian action has been echoed by local organizations, international organizations, and donors alike. Each face different barriers to realizing increased local decision making, more local funding, and strengthened local capacities—many of which are common across contexts (and well known), but several of which are unique to Sudan. The table on the following page categorizes the barriers to locally led action that emerged from The Share Trust’s research in Sudan.

Table 1: Barriers to locally led action in Sudan

Dimension of locally led action:

▪ **Funding local organizations** ▪ **Local decision-making** ▪ **Local organizational capacity**

Note: Many barriers affect multiple dimensions of locally led action. Tags reflect primary effects.

Barrier	Description	Dimension of locally led action
Contextual barriers		
Financial system breakdown and limited banking access	Sudan's formal banking system is severely disrupted, making it difficult or impossible for many local organizations to maintain bank accounts and access funding. Even third-party financial service providers often require a bank account outside of Sudan, which some Sudanese NGOs have not been able to open. Local or international intermediaries, can act as fiscal agents for smaller local organizations, enabling their access to funding. Sudanese organizations and groups use other workarounds, as well, including personal (vs. organizational) bank accounts, foreign exchange dealers, or informal hawala networks in which brokers settle transfers through a system of obligations rather than physical movement of funds. But these limit the ways funding can flow from a donor to a local organization and add layers of transaction costs at each step.	Funding local organizations

Gap between formal and parallel exchange rates	A significant gap exists between Sudan's official exchange rate (approximately 1 USD = 600 SDG as of July 2026) and the parallel market rate (approximately 1 USD = 4,500 SDG as of July 2026)—a black market premium of approximately 500 percent. While many donors require or default to the official rate, the black market rate is more operationally meaningful in terms of how organizations experience costs, forcing local intermediaries to absorb losses, reduce project scope (or miss targets), or seek workarounds. Reliance on informal markets and fluctuating exchange rates can also complicate fund transfers, financial planning, and reporting requirements.	Local organizational capacity
Complicated legal structure	Sudanese NGOs noted the complex legal environment stemming from fragmented governance structures. This complexity and lack of clarity complicates local organizations' operation. Organizations operating across Sudan must navigate the competing requirements of de facto authorities, including the Sudanese Armed Forces-affiliated Humanitarian Aid Commission and RSF-affiliated Sudanese Agency for Relief and Humanitarian Operations/National Agency for Humanitarian Affairs, each imposing distinct registration processes, permits, compliance obligations, and financial costs for both national and international actors. Registration has consequently become a highly politicized issue, with organizations facing the risk of suspension or expulsion if perceived as engaging with rival authorities. Beyond administrative burdens, registration is increasingly being used by de facto authorities as a mechanism to assert legitimacy and control. Lists of "accredited" local and national NGOs may be used to control which entities are allowed to operate, giving preference to those that may have an affiliation with authorities. This politicization, lack of clarity, and duplication of requirements significantly constrain the ability of local organizations to operate effectively and safely across different parts of the country	Local organizational capacity
Operational and organizational barriers		
Limited funding for Sudanese NGOs	Several Sudanese NGOs noted that limited access to funding and unpredictable funding constrain their ability to provide grants to grassroots groups for longer-term or larger-scale interventions. As a result, most grants support short-term activities, which can make it difficult to measure sustainable or long-term impact.	Local organizational capacity Funding local organizations
Organizational disruption by the conflict	The outbreak of conflict created significant challenges for many Sudanese organizations as many local organizations lost assets, staff, institutional memory, and operational infrastructure, affecting their ability to function. Across the country, NGOs and community-based organizations are responding to crisis while being affected by it, both as an organization and, for many staff, at a personal level.	Local organizational capacity

Limited local capacity	Donors, INGOs, and local NGOs alike cited capacity constraints among local actors as a challenge, particularly among newly established organizations or informal groups. The former may still be developing systems for financial management, reporting, and compliance. And the latter, which are often at least partially volunteer-led, have limited capacity to invest in these systems. There are also questions about how much investment in formal administrative systems is actually desirable for informal, volunteer-led entities to the extent that doing so may take time away from their core work or shift how they are perceived by communities and to whom they are accountable. Investing in systems to manage donor requirements may risk displacing the agility and community embeddedness that have made these groups effective in the first place.	Local organizational capacity Funding local organizations
Misaligned local capacity strengthening activities	Several Sudanese intermediaries highlighted that donor-funded capacity strengthening efforts often disproportionately emphasize donor compliance capacity (e.g., financial and reporting skills), often overlooking priorities that the organizations themselves identify as important. These include, for example, a desire for support on strategy, learning, and specific technical approaches such as mental health/psychosocial support. Some Sudanese intermediaries also highlighted, with respect to their grantees, that immediate needs are so urgent there is limited time and scope for longer-term organizational development processes. The short duration of many humanitarian grants reinforces the lack of attention to capacity strengthening activities which often require more sustained attention.	Local organizational capacity
Risk absorption by local partners	Local organizations bear substantial operational and security risks, including the exposure of their staff and volunteers in conflict-affected areas. Local NGOs, even when they are downstream partners of international organizations, do not always benefit from the institutional and diplomatic protections afforded to international organizations.	Local organizational capacity
Risk aversion by international intermediaries	Some INGOs noted that their own risk aversion sometimes leads them to impose compliance requirements beyond what donors mandate. The root of this risk aversion is often in lack of clarity or inconsistency from donors.	Local organizational capacity Funding local organizations
International intermediaries' organizational culture	The organizational culture of international organizations is an important enabler or barrier for localization. Leadership buy-in to localization goals at both global and country levels is essential but insufficient. Cultivating (and hiring for) staff soft skills such as facilitation, humility, active listening, and openness to challenge can help support the practical application of these goals in day-to-day work and reinforce a shift in organizational culture. Empowering Sudanese staff with real influence and responsibility may also help. Donors can support INGOs' efforts in this area by evaluating key personnel on projects for qualities relevant for strong local engagement	Local decision-making Funding local organizations

	and creating equitable partnerships—and then embedding expectations of co-creation and participatory processes in program requirements.	
Communication and coordination barriers		
Communication challenges in crisis context	Modern communication depends heavily on internet connection, though internet access varies by location, authority, electricity access, and security conditions. In some places, connectivity can also introduce risks, exposing responders to surveillance, confiscation, or suspicion. Restricted connectivity and limited communication infrastructure hinder timely coordination with remote teams or community-based organizations, making information sharing and responsiveness difficult, particularly in remote or conflict-affected areas.	Local organizational capacity Local decision-making
Limited direct donor engagement with local actors	Many donors manage a significant portion of their humanitarian response from their headquarters and coordination meetings are often held in donor capital cities. "In country" coordination is limited since donor staff often have a hard time getting approval for travel to various locations across Sudan. Coordination often happens in neighboring Kenya where many donors are based, rather than where local responders are operating, limiting the number and diversity of Sudanese responders who can participate; this may introduce another type of gatekeeping or bias. This has resulted in limited direct donor engagement with local actors. Certainly, intermediaries play an important role in managing a flow of information that would be too complex and time consuming for donors to engage in fully—that is a key role of an intermediary. But having opportunities for donors to engage local actors directly around their priorities and experiences with their lead partner can help donors to shape their strategy, reinforce accountability for equitable partnerships, and explore procedural, contractual, or even regulatory changes that could reduce barriers that local partners face in implementing donor-funded work.	Local decision-making

Limited understanding of and reach to the landscape of local organizations	Some funders highlighted lack of knowledge of the landscape of local actors supporting crisis response. While there are some important Sudanese coordinating mechanisms like the LCC that bring together a wide range of local and grassroots responders, no structure is fully representative of all activities and actors. ⁶ For instance, there are a large number of mutual aid groups that sit outside the LCC structure.	Local decision-making Funding local organizations
Donor policy and practice on partner selection		
Spending imperative	Donors in humanitarian contexts often need to spend large amounts of money quickly. However, few local organizations in Sudan can handle such amounts without support. The largest of the Sudanese intermediary organizations mapped had an annual operating budget of \$9 million; the next largest was half that. Meanwhile, bilateral donors spent \$1.5 billion in Sudan in 2024. Donors' need to move large amounts of funding quickly contributes to the widespread use of international intermediaries, including lead partner, consortium, or pooled fund models.	Funding local organizations
Limited donor capacity	Because of Sudanese organizations' smaller absorptive capacity, channeling more funding directly through local organizations would require a larger number of awards—and therefore more staff time. As many donors slash their aid budgets—and cut staff—there is limited scope to significantly increase the number of awards issued. Some donors also noted that limited staff capacity prevents their full engagement with the qualitative and nuanced questions around quality partnerships between international and local partners and the extent to which local actors have decision making power over project design, implementation, and learning.	Funding local organizations Local decision-making
Policy limitations	Some bilateral donors have earmarked funding for UN agencies. And some have laws, regulations, or policies that require that funding go through INGOs based in or with a linkage to the donor country or region. For example, DG ECHO may only work directly with NGOs established in the EU/EEA. Some also have rules preferencing INGOs or UN agencies because of perceptions around these organization's potential to have stronger compliance and reporting systems.	Funding local organizations
Donor risk aversion	Even in the absence of legal or policy limitations on direct local funding, some important domestic constituencies (e.g., legislative overseers) may view local partners as riskier (sometimes in the absence of evidence), prompting risk averse behavior on the part of the donor agency. Lack of clarity on risk is another factor. All humanitarian interventions carry risk. Limited guidance on how to balance fiduciary, security, programmatic, reputational, and other risks, can contribute to maximal risk aversion. Criteria on what it would	Funding local organizations

⁶ For instance, Futures Collaborative reported that in Khartoum state, state-level ERR coordination groups “improved efficiency and external trust but also concentrated power and excluded diverse voices.” Futures Collaborative. (2025). [We are the System Now: How Sudan's Emergency Response Rooms are Rewriting Aid](#).

	take to transition a partnership to shift from high risk to low risk are also often opaque, as in the case of the SHF which provides more limited investment in “high risk” organizations without clarity on what would transition them to “low risk.”	
Humanitarian principles	Donors noted that humanitarian principles of neutrality and independence can complicate humanitarian action, as local organizations operating in conflict zones may be—or may be perceived to be—partisan or aligned with a party to the conflict.	Funding local organizations Local decision-making
Donor policy and practice on project design and management		
Donor-driven projects	One of the most commonly cited barriers were top-down, prescriptive scopes of work that make it difficult to respond to local priorities or adapt to changing circumstances, even as circumstances in Sudan have proven highly fluid.	Local decision-making
Distortionary targets	An important role of international partners is often to channel resources to local organizations. However, as some interviewees noted, when donors impose hard targets for channeling funding to local downstream partners, distortionary or unintended effects can emerge, including concentrating resources from multiple INGOs and pooled funds among a small number of "high-capacity" NGOs. This dynamic can inadvertently overwhelm smaller local NGOs; it also risks reinforcing the entrenchment of power in a small number of organizations. Targets can reduce cost efficiency when requirements to fund local partners add layers of administration and management costs without adding value. One INGO highlighted an example of needing to contract with a local firm just so that firm could then issue a contract to a service delivery provider.	Funding local organizations Local organizational capacity
Overhead policy gaps	Communication costs, transfer fees, staff support, internet access, and other indirect costs enable organizations to sustain operations in difficult environments. However, some donors restrict or discourage overhead payments to local organizations. In other cases, indirect cost recovery (ICR) rules are unclear, creating confusion and limiting consistent application by donor staff or lead partners.	Funding local organizations Local organizational capacity
Limited funding for locally led processes	Co-creating projects and workplans, gathering local feedback, and other processes that enable local decision making require an implementing partner to expend considerable staff time and resources to do them well. However, donors do not always allow or encourage budget—or build in the timeframe—for these types of activities, especially in the context of humanitarian response.	Local decision-making

Onerous reporting requirements	The standard frequency of humanitarian reporting requirements may be more onerous for local partners that are both responding to and directly experiencing a crisis. For international intermediaries working with emergency response groups, it can be challenging to enforce deadlines and formal management structures on activist-led grassroots movements, which often have no formal plans. Documentation requirements, such as providing original copies of receipts in places like Darfur, can be particularly challenging.	Funding local organizations Local organizational capacity
Internal inconsistency within donors	Within individual agencies, approaches to localization sometimes vary significantly across teams—with humanitarian divisions often focused on local financial flows rather than locally led decision-making, with up-front requirements for activity identification that can limit opportunities for co-creation or adaptation based on local feedback.	Funding local organizations Local decision-making
Burn rate pressure	INGOs noted that donors—driven by reporting or political imperatives—sometimes impose unrealistic burn rates for funds, which can affect their relationships with partners. One INGO noted that it would be helpful to have donor support—and aligned messaging between donors' contract/award management teams and program teams—to understand how they can speed up getting money to the ground while remaining in compliance with legal and audit criteria.	Funding local organizations
Restricted engagement with government authorities	Some donors impose requirements circumscribing engagement with local authorities. These restrictions can hinder local organizations' operational effectiveness, limit their ability to implement interventions, and potentially compromise project outcomes in contexts where some level of government coordination is necessary for access or permissions.	Local organizational capacity Local decision-making

5. Recommendations

5.1 Recommendations for donors

All donors should...

1. Create space for local decision making through flexible funding

- Nearly every interviewed intermediary highlighted the importance of flexible funding to respond to local priorities in an evolving context.
- Where donors do have sectoral requirements imposed by legislatures or other requirements, approaches that allow partners to propose priority interventions within donor parameters can allow flexibility within boundaries.
- Cash transfers, as a modality, are inherently flexible, allowing recipients to determine how to use them, provided there are functioning markets, sufficient liquidity, and a minimum level of security to enable transactions to be conducted safely.
- Requiring and budgeting for co-creation or other participatory processes during program design and implementation can help ensure activities reflect local priorities; inception periods may be used to award money quickly and then co-create and hone activities post award.
- Context-driven feasibility testing—understanding the local context and testing the practicality of commodities or interventions before full implementation—can help avoid mismatches between project design and actual community needs, though this approach also requires a commitment to scaling (and continued adaptation) rather than persisting in pilot mode.⁷

2. Meet directly with local actors, including local downstream partners

- Donors should exercise their convening power to bring local downstream partners and other local actors based in Sudan to inform strategic, partnership, or programmatic decisions. Relying on intermediaries to channel the perspectives of their local partners introduces the risk of gate keeping.
- During strategic planning stages, donors can hear directly from local stakeholders their assessment of the context, priorities, the roles they are currently playing in the response, the roles they would like to play in the future, and what they need to get there.
- During the project planning stages, conversations with local downstream partners can inform transition plans for shifting identified functions to local actors with milestones and accountability mechanisms.

⁷ One Sudanese organization pointed to the example of the WFP's distribution of certain food commodities that did not match local needs and preferences.

- During implementation, donors can hear directly from local downstream partners about progress, barriers, the extent to which they have opportunities for leadership and decision making, and the quality of partnership with the lead partner. For example, in Sudan, donors should ensure they speak with local downstream partners about the effects of the official vs. black market exchange rates
- It may be particularly useful for donors to explore opportunities for convenings in Sudan. Convening in Nairobi, if donors are based there, should be a secondary option since it may exclude responders who cannot access visas or travel safely. Meeting in a third country may be easier for some Sudanese responders to access if donors are unable to meet in Sudan. For all locations outside of Sudan—and even some within-country destinations—convenings will be more accessible to Sudanese responders if travel costs are covered.

2. Complement space for local leadership with improved contextual analyses and monitoring

- Go beyond required, pre-award “box-checking” analyses to include high-quality political economy analysis and analysis of local system performance (e.g., “5Rs” or “whole system in a room” approaches) to ensure funding is context sensitive, aligns with actual needs and capacities, seeks to strengthen local delivery systems (and avoid duplicating or sidelining existing capacities), and is aware of potential spoilers. Ensure these analyses are ongoing and iterative throughout programmatic engagement, not just pre-award.

3. Articulate and socialize institutional risk tolerance

- Develop and socialize an institutional risk appetite statement—with an implementation plan—for Sudan.
- Disaggregate into different types of risk, including fiduciary, programmatic, legal and reputational to support a more nuanced approach to risk
- Give staff guidance on how to weigh different types of risk, across and within categories (for example, within the category of financial risk there may be zero tolerance for intentional waste, fraud and abuse but a higher tolerance for mistakes that stem from inexperience).
- Recognize that internationally led responses also carry their own risks.
- Be transparent about what it means for a partnership arrangement to be classified as low, medium, or high risk—and how a partner would move from one category to another.

4. Align institutional incentives with localization goals

- Build into donor staff job descriptions and performance review criteria qualities around expanding partnerships, listening to local stakeholders, reducing barriers, facilitating devolution of power, and understanding local systems. Donor staff are extremely busy and often manage multiple priorities at once. When facing competing demands for their scarce time, they will reasonably prioritize those goals and actions that their supervisors pay most attention to and what they will be held to account for achieving. Expanding performance expectations to include approaches that advance locally led action can help staff invest their time in these important goals.

- Reward innovations in fostering local leadership within strategy setting and programming.
- Integrate a review of localization approaches into portfolio reviews, tracking the extent to which programs/projects have documented use of a set of good practices for local leadership and equitable partnerships. Good practices may include things like co-creation processes, adaptation based on local accountability and feedback, participatory MEL, pass through of overheads to local downstream partners

All donors working through international intermediaries in Sudan should...

1. Build expectations for good partnership practices into selection criteria, budgets, and accountability

- Since these models will remain important to the humanitarian response in Sudan, attention to equitable partnerships and devolution of local leadership within them become even more important.
- Integrate expectations for local leadership into the terms of reference in calls for proposals or invitations to tender. Terms will look different depending on the project, but could include, for instance, a specification that the partner “support local actors to deliver” results vs. “deliver” those results directly, requirements for co-creation, and an expectation for capacity strengthening driven by organizational priorities.
- Select international partners, in part, on the basis of their relationships with local actors, ability to devolve leadership, and key personnel attributes that enable these factors. As part of the evaluation or award criteria for applicants' or tenderers' proposals, include, alongside technical specifications, criteria on the applicant's ability to elevate local leadership and decision-making power in their work. This may include assessing how they would integrate local accountability and feedback, jointly identify and support local priorities for capacity strengthening, invest in the strength and resilience of local systems, transition responsibility to local actors, etc. (as relevant, depending on the focus of the award). It may also include screening proposed key personnel with an eye to the qualities and experience that support genuine partnerships. To the extent possible, incorporating references from the INGO's prior local partners could add value, as well. Most INGOs do many of these things to a degree but are rarely asked to compete on the basis of these qualifications. The SHF offers a partial example of this, with its new area based consortiums preferencing joint proposals from local and international NGOs that exhibit strong local leadership.
- Budget for the local leadership approaches expected of partners. It takes considerable staff time and other costs to co-create, facilitate, and coordinate participatory approaches. Ensure partners have funding to pursue these approaches.
- Ensure accountability processes (e.g., milestones, MEL plans, donor check ins) focus on how partners elevate local leadership. These should go beyond questions of how much money partners are sub-awarding to downstream partners to include a focus on qualitative elements, including, for instance, how they co-create activity design and implementation, co-develop risk mitigation plans and share risk, and support local capacity strengthening.

- Create opportunities to hear direct feedback from local sub partners and grantees, including on the quality of the relationship with the lead partner and any challenges.
- Value/allow for participatory grant making processes. For example, some of FRF's WFF grantees rely on nominations by their network of trusted local WLOs, some of which have local stakeholders on review panel for grantmaking

2. Align internal donor messaging around speed and compliance when devolving funding to local actors

- INGOs working with local partners report receiving unclear or conflicting signals from some donors. Programmatic staff push for rapid devolution of resources while compliance frameworks require steps that slow that process. Donors should ensure their program and contracts/awards teams are aligned on how they consider tradeoffs and convey expectations and flexibilities when it comes to the goal of moving money quickly to local actors.
- Convey donor risk tolerance clearly to INGO partners, along with an explicit interest in reducing compliance burden on local actors. Donors should ensure staff understand which reporting requirements are legally mandated versus flexible; this distinction may allow greater flexibility in practice.

3. Ensure capacity strengthening is prioritized, demand driven, and broader than compliance

- Capacity strengthening efforts must be demonstrably demand driven, to include capacities that go beyond donor compliance to include technical or operational capacities that support the organization's ability to perform roles and have relationships that foster effective response.⁸
- Where capacity strengthening is a goal, it is important that donors emphasize with partners the importance of capacity strengthening efforts as a core part of programmatic efforts, with commensurate attention given to it during accountability processes (e.g., MEL, check ins).
- Encourage two-way capacity sharing, with articulated goals for how the lead partner can better work with local sub-awardees.

4. Reinforce equitable indirect cost recovery

- Clarify expectations of overhead passthrough to local sub-partners/grantees with accountability for its execution. Donors should be explicit about overhead and ICR rules with lead partners and convey their expectations—during budget review processes and accountability conversations—that lead partners will cover downstream partners' overhead

⁸ For example, USAID had several tools to help frame local capacity strengthening efforts in a systems-focused demand driven way. The [“5 Rs Framework”](#) can guide a joint approach to identifying capacity strengthening within a systems lens. The [Organizational Capacity Assessment](#) tool was used to facilitate a process by which NGOs and CSOs identified their capacity strengthening goals.

rates in a comparable manner.

5. Build in support for local partner security and protection

- Protection and security costs may exceed what can be covered through overhead rates. For awards to local partners, donors should consider building dedicated funding for protection and security into awards. Similar costs could be built into awards to international intermediaries that support Sudanese organizations, along with clarity that duty of care responsibilities include security and protection.
- Another possibility could be for a donor to create a separate award, alongside its programmatic awards, to support the protection and security needs of local sub-partners and grantees, as needed.
- Conduct joint risk assessments with local partners. Security needs vary considerably across Sudanese organizations. Some have strong protection protocols in place; others may benefit from capacity support or connections to INGO security advisors. Joint risk assessments can help target security and protection support to individual local partners' needs.

If a donor can fund Sudanese organizations directly, they should...

1. Reduce barriers to direct partnerships

- Promote direct funding modalities that allow national NGOs to access resources efficiently while meeting compliance requirements, including:
 - Determining if due diligence processes can be streamlined to match the award's size/level of complexity;
 - Structuring due diligence processes with an eye to shift from a more binary "go/no go" outcome to one that seeks to identify "how to get to yes," exploring approaches and support that could lead to approval, including co-creation of risk mitigation plans and building budget for risk mitigation needs into an award;
 - Utilizing mechanisms with lower administrative compliance (e.g., milestone-based awards that require lower burden financial tracking than cost reimbursable awards);
- Dedicate a pot of funding for Sudanese partners through a separate funding window and/or award(s) with restricted competition to local partners so that Sudanese organizations are not competing against more experienced INGOs.
 - Advertise the call for proposals in locally accessible channels (not just donor government websites);
 - Provide award documentation—the call for proposals and any supplemental documentation on requirements—in Sudanese Arabic;
 - Start with concept note vs. full blown application to reduce burden on those unlikely to proceed in the process;
 - Reduce emphasis on past direct donor experience in the application process;
 - Exclude education requirements for key personnel to recognize that staff with relevant expertise can come from a variety of backgrounds.

- Consider creating a separate award for strengthening local actors' compliance capacity. When compliance capacity is bundled with programmatic awards, lead partners may underinvest in these goals because attention is diverted to achieving sectoral outcomes or because they have a disincentive to strengthen potential competition.

2. Ensure transparency requirements allow for partner protection

- Since it may be risky for some Sudanese NGOs to be listed as receiving donor funding or engaging in humanitarian response, it is important that donors have exceptions to transparency requirements (e.g., allowing redaction or generic partner names/identification numbers) and that these exceptions are conveyed to prospective and actual local partners.

3. Reflect the importance of local engagement practices in the award

- In general, local organizations do not inherently engage with local communities well just by virtue of being a "local organization." As noted above with reference to international intermediaries, engaging with Sudanese partners on their locally led and participatory approaches is also important.

4. Beware of the limitations and challenges of local funding targets or thresholds

- Do not reduce a commitment to locally led humanitarian action exclusively to a direct local funding target. Devolving resources is very important, but it is also critical to take into account where governance and decision-making lies (it is possible to have local funding without local decision making); the role local actors want to play, in what kind of relationship, with which other actors; and how best to reach a diversity of local actors, including marginalized or excluded groups.
- Ensure local funding requirements do not destabilize the structures and systems they are intended to support. As donors increasingly require international partners to demonstrate local engagement, there is a risk that bodies like the LCC and ERRs become overwhelmed by competing INGO demands for partnership, driven more by donor requirements than genuine commitment to locally led response. Donors should map the local actor landscape before setting partnership requirements and should clearly understand from local actors how they want to be supported and in what kinds of partnerships.
- Where there are targets for local funding, reduce potential distortionary or unintended effects by asking:
 - Whether local funding requirements limit the diversity of local organizations/communities that might ultimately be engaged, potentially overlooking smaller organizations with lower administrative capacity or organizations that represent marginalized or excluded groups.
 - Whether local funding targets risk overburdening the handful of high profile, high-capacity organizations that multiple partners are approaching for partnership.

- Whether local funding targets drive inefficient behavior by creating a local partnership as a purely administrative layer between funder (or international intermediary) and service provider.

5.2 Recommendations for international intermediaries

- 1. Protect the integrity of grassroots structures.** International organizations working with Sudan's mutual aid movement should be deliberate about how their engagement affects the character and independence of grassroots movements. Two risks warrant particular attention.
 - The first is instrumentalization: as funding becomes more constrained, there is a growing danger that relationships with local structures are treated as a competitive asset rather than a genuine partnership commitment. This risk can be mitigated by building real partnerships with these groups and ensuring that their objectives and capacities are the primary driver of future partnerships.
 - The second is formalization: increased international funding can inadvertently push volunteer-led grassroots movements toward the structures and reporting requirements of formal NGOs, potentially compromising the community embeddedness that makes them effective. This risk speaks to a system-wide imperative to strengthen the wider ecosystem of local actors, alongside mutual aid groups, in order to provide a robust local “wrap-around” that can support these community groups.
- 2. Harmonize compliance and due diligence requirements as much as possible.** Local organizations that receive funding from multiple international intermediaries simultaneously face a significant and largely unnecessary burden in navigating different due diligence processes, reporting templates, and overhead policies.
 - CCS's ongoing efforts to harmonize ICR policies and due diligence requirements across its consortium of international and national NGO members offers a practical model for reducing this burden. International intermediaries should review and coordinate the requirements they place on shared local partners and ask where standardization or simplification is feasible without compromising accountability.
- 3. Design projects collaboratively with local partners from the outset and invest in building trust.** International intermediaries should involve local partners in project design from the earliest stage, rather than arriving with pre-defined scopes of work for local actors to implement. This approach requires establishing and maintaining relationships with local actors outside of project parameters. INGOs' ability to act on this recommendation is, to a large degree, contingent upon donor behavior: offering flexible enough funding for partners to define their approaches and providing sufficient time for co-creation processes to take place, either during the application timeline or during an inception period.

4. **Acknowledge and address the real cost of transfers.** The gap between donor-imposed transfer fee caps and actual costs is a consistent theme. Hope Sudan notes that SHF's 7 percent cap on transfer fees bears no relation to the actual costs of up to 20 percent that organizations face in Darfur. PTP absorbs these costs directly rather than passing them to ERR partners. International intermediaries should engage with the actual cost of moving money in Sudan and work with local actors to find a solution, which may include advocating to donors for increased flexibility.