SHIFTING POWER, RESOURCES AND CAPACITY TO LOCAL ACTORS:

Insights on Localisation from a Study for the IKEA Foundation

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About this report

Commissioned to inform the IKEA Foundation's new strategy and contribute to broader philanthropic learning, the study *Shifting Power, Resources and Capacity to Local Actors: Insights on Localisation from a Study for the IKEA Foundation* provides practical, evidence-based insights into the interpretations, practices, and transformative potential of localisation—particularly for funders seeking to deepen their localisation practices.

This report is structured in four parts:

PART 1. Background
Introduces the study, its purpose, and approach.

PART 2. What Localisation Means to Different Actors
Explores how localisation is defined, its evolution and drivers, and the perspectives of key actors.

PART 3. What Localisation Looks Like in Practice
Examines who counts as a 'local' actor and how localisation is operationalised, including partner scoping and application processes, funding modalities and flows, risk management and organisational development, approaches to reporting and monitoring progress, and strategies for strengthening local agency.

PART 4. Key Insights and Conclusion
Highlights key insights emerging from the study and their implications for philanthropic practice.

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Contents

Executive Summary

This study was conducted during a period of profound disruption in global development and philanthropy. Geopolitical power dynamics, threats to democracy, declining development assistance, decades-old pressure to decolonise aid, and the urgency of localised climate responses have together challenged funders to reimagine development, shift power, and support new pathways for locally led development.

Commissioned to inform the IKEA Foundation's new strategy and contribute to broader philanthropic learning, this study provides timely, practical, and evidence-based insights into the interpretations, practices, and transformative potential of localisation, particularly for funders seeking to deepen their localisation practices.

The study draws on an extensive body of literature on localisation, complemented by interviews with more than 50 funders, regranters, Global Majority-rooted NGOs and ecosystem actors, as well as group discussions with representatives from expert networks, senior leaders of philanthropic institutions, and monitoring, evaluation, and learning (MEL) specialists.

These engagements remind us that localisation is not a new concept and that its complex, sometimes fractured history holds both valuable lessons and cautionary tales for how we define, support, and practice it today. As illustrated in Figure 1, the roots of localisation can be traced to the post–World War II reconstruction era, and later to the participatory development movements of the 1970s, which placed community empowerment and agency at their core. The 1980s revealed a darker side of localisation, as structural adjustment policies often shifted responsibility to local authorities without providing the necessary resources or capacity to adequately deliver services. Learning from these failures, the 1990s and 2000s saw renewed global commitments — from the Rio Earth Summit's *Local Agenda 21* and the Paris Declaration on Aid Effectiveness to the *Grand Bargain* and *Charter for Change* — all of which reasserted the value of localisation and the expectation that funders should shift power, resources, and legitimacy to those closest to the issues at hand.

A closer look at the literature and experience of practitioners, local partners, and philanthropy leaders reveal important lessons about localisation:

Localisation is a contested and evolving concept that has been shaped by decades of development discourse and shifts in policy, politics and practice. Rather than a single model, localisation exists along a spectrum from efficiency-driven approaches to transformational strategies. Table 1 shows examples of transformational localisation pursuing the rebalancing of power by centring local leadership and shifting decision-making and control of resources to local actors, while efficiency-focused localisation focuses on improving efficiency and programme delivery through decentralised administration, often reinforcing existing hierarchies without fundamentally shifting power.

Who counts as local depends on how funders, intermediaries, and communities define "local" in the context of what they are trying to achieve. There is a growing consensus that localness is a continuum rather than a binary of "local" versus "international." Table 2 illustrates the spectrum of definitions of "local" across actor types.

There is no one-size-fits-all formula for localisation. The ideal degree of localisation for any organisation depends on what it is trying to achieve, the context in which it operates and the type of actors involved. As practitioners advised, be as local as you need to be to achieve your goals, while also keeping in mind that the way funders interpret local actors can directly affect access for local actors to resources, legitimacy, and power.

While intermediaries and regranters remain valued partners for funders, there is a growing consensus among Global Majority NGOs and networks rethinking development that intermediaries need to evolve. Rather than acting primarily as implementers, they should serve as enablers, resource mobilisers, catalysts, and connectors—building local capacity and embedding decision-making closer to communities. This will require funders to purposefully evolve the roles of intermediaries to focus on creating the next generation of intermediaries. In many cases, this may involve phasing out the use of international intermediaries. As one local participant put it, "help us thrive and scale without you."

Localisation requires a mindset and relational approach for funders to work with local actors with humility, mutual respect, transparency, flexibility and trust. Experience demonstrates that, at its core, localisation is about shifting power to local actors and institutions, and building long-term authentic partnerships rooted in respect and collaboration. Trust must become the foundation, and funders must recognise and support the knowledge, leadership, and capabilities of local actors. Study participants emphasised that funders should nurture community aspirations and assets rather than viewing solutions through a deficit lens.

A strong ecosystem is critical for local actors to scale, influence multiple levels, and drive change across sectors. Beyond supporting individual programmes, funders play a key role in strengthening ecosystems to sustain and expand localisation. This requires a nuanced understanding of political economy and ecosystem dynamics, a long-term commitment to ecosystem development, and intentional efforts to connect actors and platforms to amplify local leadership. Long-term, flexible, and hybrid funding models are essential to build local agency, support experimentation, and enable ecosystems to flourish.

Funders can accelerate localisation at scale by creating conditions that enable local leadership, collective action, and systemic impact. Beyond their traditional role as grantmakers, they can act as conveners, connectors, and catalysts—bringing together diverse actors, supporting collaborative platforms, and fostering learning networks. Study participants consistently emphasised the value of horizontal learning, peer-to-peer exchange, and cross-sector collaboration in strengthening local agency.

New development finance, impact investing, and market system models are now an essential but underfunded part of the localisation ecosystem. While traditional grant funding remains a key building block for development, revenue-based financing, including concessionary capital, blended finance, and tailored debt instruments, are critical to build and scale resilient local economies. Integrating grants with innovative capital and for-profit models strengthens the connective tissue between community-driven solutions and broader systemic transformation.

The study found that there is real momentum towards genuine localisation, with many organizations practising localisation authentically. Table 3 and Table 4 highlight progressive grant-making practices that demonstrate how funding flows can evolve to better support localisation. Examples include pre-design funding, pooled funds, blended instruments, and simplified processes that embed flexibility, enable risk-sharing, and reinforce local decision-making. These promising practices signal a shift away from top-down disbursement toward a more diverse, decentralised financial ecosystem, in which local actors are positioned not just as recipients but as co-architects of funding decisions and investment priorities.

Due diligence and risk assessment practices are likewise shifting from compliance-heavy filters toward balanced, trust-based approaches, including proportionate application and reporting processes such as short concept notes, negotiated budgets, narrative reflections, and multi-year commitments. These adaptive practices are gradually replacing rigid logframe templates and annual grant renewal cycles. Intermediaries, in turn, are valued not merely as "pass-through vehicles" for funding but as partners who can pool and share risk with local actors, while providing fiscal hosting and capacity-building support to smaller organisations. Table 5 and Table 6 illustrate how risk management and MEL, when reframed as enablers, can become highly effective and practical tools for advancing localisation.

The rapidly shifting landscape of global funding presents a defining moment of responsibility and choice for funders. During this study, we observed well-established and compelling philanthropy and NGO forums, networks, and organisations that view the current geopolitical disruption as a tipping point and an opportunity to reimagine a system they consider broken for decades.

Many players caution that, painful as this disruption may be, funders should not rush to fill gaps or tinker with existing models, but fundamentally rethink and transform international cooperation, philanthropy, and development finance to the greatest extent possible. Most advocate that we cannot go back to the broken status-quo system; all view localisation as a core element of the transformations needed.

Localisation lies at the heart of a wider reckoning for philanthropy and development—a recognition that sustainable progress cannot be achieved without redistributing power and agency.

Glossary

This glossary provides definitions for key terms and concepts used throughout the report. Its purpose is to ensure clarity and a shared understanding of terminology among readers.

Donor / Funder
An individual, foundation, government agency, or multilateral institution that provides financial resources to organisations, initiatives, or governments. These resources may be delivered through grants, loans, or other mechanisms, often within frameworks of partnership, co-design, and accountability.

Implementer
An organisation that administers funds (including strategy, requirements, and location) previously allocated to programmes by a funder or group of funders. The funder, implementer, and organisation may jointly negotiate and agree on capacity-building programmes and follow-up activities.

Intermediary
For clarity, simplicity, and consistency, this report uses *intermediary* to refer to interface or bridge organisations positioned between a funder (or group of funders) and local actors. Intermediaries facilitate the flow of resources, knowledge, and capacity. Unlike a regranter, an intermediary's role extends beyond funding to include convening, capacity strengthening, coordination, or advocacy within an ecosystem.

Regranter
An organisation that administers funds from a funder or group of funders. The regranting organisation receives funds from a donor and redistributes them to other organisations through a structured regranting process. A regranter differs from an intermediary in that its primary role is financial redistribution, while intermediaries often play broader facilitative or strategic roles beyond funding flows. A regranter may also bring local context, thematic knowledge, and field services (such as language fluency, cultural understanding, site visits, and relevant due diligence within legal and fiscal frameworks). In developing these competencies, regranters may be donor-centric, staff-centric, or community-centric.

Global Majority
Refers to the populations that make up most of the world (including Africa, Asia, Latin America, and Indigenous peoples). The term shifts focus from a "minority" framing to one that recognises their demographic reality and challenges Western-centric power dynamics.

Participants
Throughout this report, participants refers to all individuals consulted as part of the study, including funders, intermediaries, local organisations, and IKEA Foundation's grantees. This term is used in summarising findings, insights, and perspectives across the study cohort.

Partners / Grantees
Organisations that have a formal funding or collaborative relationship with a funder or intermediary. These terms indicate a direct, active engagement in funded programmes or structured partnerships, distinguishing them from broader participants.

Proximate Leadership
Leadership exercised by individuals or organisations with lived experience and direct connection to the communities or contexts they serve. It emphasises decision-making grounded in contextual knowledge, cultural fluency, and accountability to those most affected.

Local Leadership
Leadership originating from actors and institutions rooted in the local context, with ownership over priorities, strategies, and resources. It centres local agency and accountability, ensuring that development and philanthropic agendas are shaped and led by those closest to the issues.

New Finance
Innovative financial mechanisms and approaches designed to mobilise resources for social impact beyond traditional grant-making. *New finance* includes blended finance, social impact bonds, catalytic capital, community-led investment funds, and other tools that leverage private, public, and philanthropic capital in new ways. These approaches may generate some financial return to investors or funders while also shifting power, enabling more flexible, locally driven use of funds, diversifying funding sources, and aligning investment with social, environmental, and community priorities.

Localisation Promising Practices
Strategies and approaches that strengthen the agency, capacity, and leadership of local actors by centring them in decision-making, implementation, monitoring, and evaluation—while fostering their meaningful participation to ensure interventions are effective, relevant, and sustainable. This can also include emerging or innovative approaches that are in early stages of development or adoption—showing potential to strengthen localisation but still experimental, with limited evidence of effectiveness and varied application to date.

Fit-for-Purpose Localisation
The tailoring of partnerships, processes, and funding to specific contexts—including the relevant levels of change needed, the capacities of local actors and their supporting ecosystems, and local knowledge of who is considered *local*—rather than applying a one-size-fits-all approach.

PART 1: Background

INTRODUCTION

Despite high-level commitments from donors and philanthropic institutions, progress toward genuine localisation has been slow and, at times, regressive. Increasingly, there is recognition that sustainable and equitable impact cannot be achieved without deeper attention to proximity, power, and local leadership.

This exploratory study was commissioned by the IKEA Foundation to generate grounded, actionable insights into what localisation looks like in practice—how it is defined, what approaches are being pursued, and what lessons might guide more equitable grant-making and partnership. This study forms part of a broader, field-wide effort to localise aid, humanitarian assistance, and philanthropy—an effort that is conceptually rich but remains uneven in implementation.

The study aimed to:

1. **Clarify what localisation and proximate leadership mean in practical terms**—recognising the diversity of interpretations and absence of a single shared definition.
2. **Highlight promising practices and persistent challenges** in translating localisation commitments into action across both philanthropy and development.
3. **Examine how localisation plays out in key operational domains**, including localising grant making (partner scoping and application processes, funding modalities and flows, risk management and organisational development), approaches to reporting and monitoring progress, and strengthening local agency.
4. **Distil key insights emerging from the study and highlight their implications** for the IKEA Foundation and other philanthropies seeking to advance localisation and proximate leadership.

APPROACH TO THE STUDY

Three-Phase Approach

To build insights systematically, the study unfolded across three interlinked phases:

Phase One: Landscape and Literature Review

The starting point was to map how localisation is currently defined, debated, and operationalised—both within the philanthropic and development sectors and beyond. The study team conducted a structured review of more than 60 sources, including peer-reviewed literature, field-based studies, journal articles, reflective blogs, and policy analyses. Special emphasis was placed on including Southern-authored works and perspectives often underrepresented in mainstream evidence bases. These sources offered important critiques, nuances, and innovations that challenge traditional aid architectures.

Phase Two: Empirical Exploration

The second phase focused on lived practice. Through semi-structured interviews, we engaged a range of stakeholders, including international and local funders, Southern-rooted NGOs, regranting organisations, researchers, and other ecosystem actors across Africa, Asia, and Latin America. With an emphasis on depth and diversity of perspective, the study sought to understand what localisation involves both strategically and in day-to-day practice, exploring the factors that enable localisation as well as the complexities of governance, operational systems, risk management, and trust.

In addition to interviews, targeted group discussions and expert consultations enriched understanding across key thematic and operational dimensions of localisation. A session with the Active Learning Network for Accountability and Performance (ALNAP) explored the rhetoric and realities of localisation within the humanitarian sector, highlighting tensions around accountability, operational flexibility, and risk—while surfacing promising shifts in how funders define success. Another dialogue with the Collaborative for Frontier Finance (CFF) examined how capital allocation—often shaped by distant actors—can be reimagined to centre local investment theses, knowledge systems, and governance, generating insights on trust, risk perception, and contextually informed decision-making.

A group discussion with MEL experts and thought leaders in philanthropy explored participatory MEL, the politics of evidence, and evaluation approaches that build local power and legitimacy of local actors and their knowledge. A peer dialogue with funders—including the former CEO of Firelight Foundation and the former Senior Advisor for Localisation at USAID—examined lessons in navigating institutional constraints, reimagining risk management and due diligence, strengthening collective capacities, and designing funding architectures that support rather than circumvent local leadership.

Together, these interviews and dialogues anchor the study in the wisdom of practice—ensuring that findings are both analytically robust and grounded in the lived realities of those shaping and experiencing localisation on the front lines.

Phase Three: Synthesis, Insights, and Implications

The final phase brought together the analytic and the experiential. Through comparative analysis and synthesis, the study team identified patterns, promising practices, and persistent tensions. These were distilled into key insights with broader relevance for institutions, practitioners, and funders grappling with how to support local leadership in tangible, equitable ways.

The findings are intended not only to inform strategy within individual organisations but also to spark richer sectoral dialogue. This report highlights both what is already working and what remains challenging—aiming to contribute to a grounded, practice-informed understanding of localisation and the conditions required to implement it effectively.

Limitations of the Study

As with any exploratory exercise, this study faced certain limitations. Scheduling interviews and group discussions with key stakeholders proved challenging during the northern hemisphere summer months, which meant that several consultations had to be postponed. In addition, while participants were open to sharing their perspectives on localisation, many were not in a position to disclose internal risk frameworks. This limited the degree to which the study could comment in depth on risk management approaches; however, some organisations were generous in describing the nature of their streamlined, simpler risk and due diligence practices.

These constraints do not diminish the value of the insights gathered; rather, they underscore the complexity of localisation as both a technical and political endeavour.

PART 2: What localisation means to different actors

In this section, we present our synthesis of how localisation is understood and interpreted by different actors across sectors and contexts. Drawing on insights from both the literature and stakeholder interviews, we trace the evolution of the localisation agenda from its early drivers and global commitments to the shifts that are now shaping its meaning and momentum.

THE EVOLUTION AND SHIFTING DRIVERS OF LOCALISATION

The history and evolution of localisation hold valuable lessons and cautionary tales for how we define, support, and practice it today. Understanding where localisation comes from is essential to understanding the nuances of where it is heading. Its evolution from participatory ideals to contested global commitments shows how power, politics, and shifting development paradigms have shaped both its promise and its pitfalls. While the term "localisation" gained prominence following the 2016 World Humanitarian Summit, its intellectual and political roots stretch back decades. Tracing this history reveals layered and sometimes fractured legacies, the negative effects of which are still remembered today in the Global South (also referred to as the Global Majority). The history and evolution of localisation hold valuable lessons and cautionary tales for how we define, support, and practice it today.

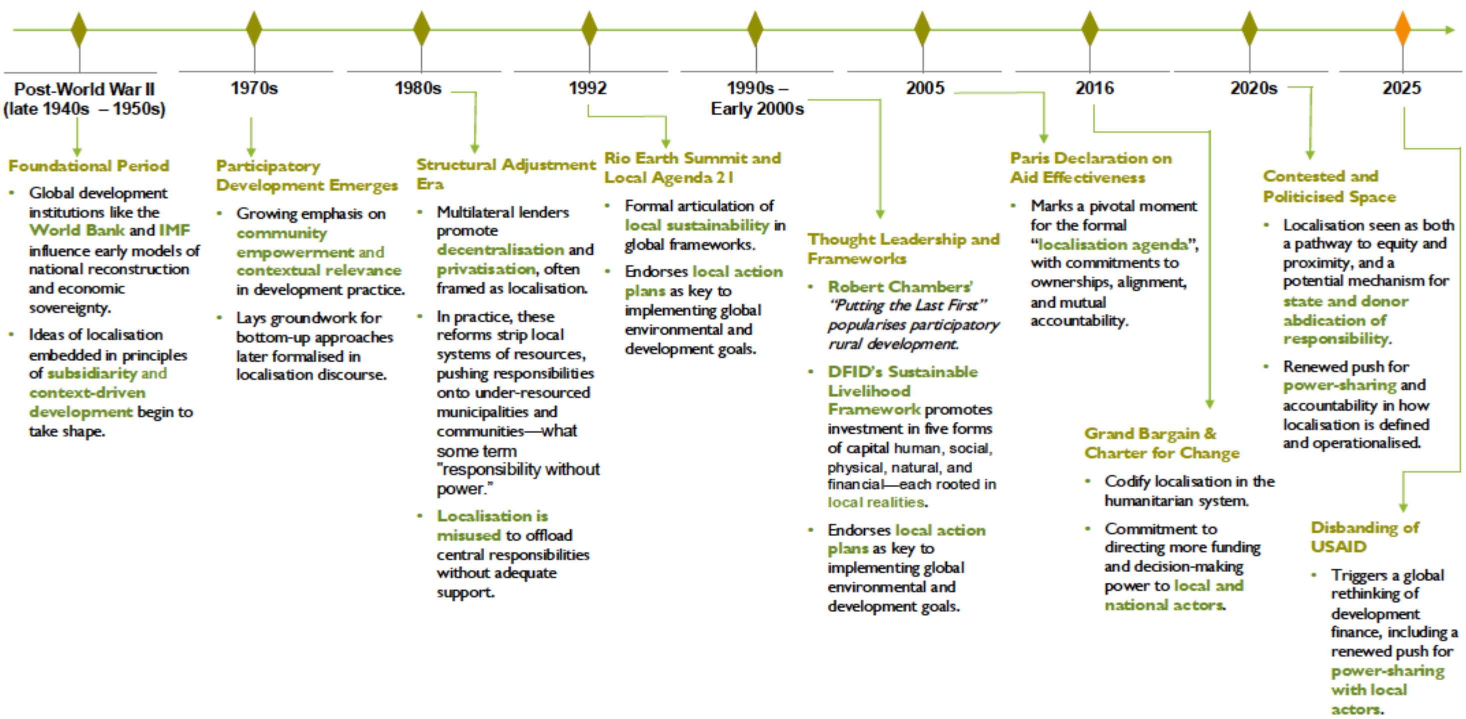
Early concepts of localisation were embedded in principles of subsidiarity and context-driven post–World War II reconstruction, while the 1970s brought participatory development frameworks that emphasised community empowerment and local capital. The 1980s, however, saw structural adjustment policies promote decentralisation and privatisation as efficiency measures—often a distortion of localisation that shifted responsibility to local authorities without the necessary resources. By the 1990s and 2000s, global frameworks such as the Rio Earth Summit's *Local Agenda 21*, the Paris Declaration on Aid Effectiveness, and eventually the Grand Bargain and Charter for Change positioned localisation as a pathway to local control, ownership, alignment, and accountability within both development and humanitarian systems. Figure 1 presents a timeline of the concept of localisation—its origins, major milestones, and shifting meanings from the post–World War II era through to the present.

"To truly shift power, we need to ask ourselves why – as donors – we need to retain the power to trust or why our own perceptions of trust should come into the equation at all when we are not THE ONES with lives or systems at stake."
– **Nina Blackwell**
(Ex-CEO, Firelight Foundation)

Despite these milestones, progress in operationalising the commitments to localisation has been slow. For some, it represents a pathway to equity, proximity, and effectiveness; for others, it serves as a means for international actors to outsource risk and deflect scrutiny. This contrast underscores the inherently political nature of localisation, raising questions of legitimacy, trust, and power. Without confronting inequitable systems and the role of international actors within them, localisation risks becoming symbolic rather than transformative.

Today, the drivers of localisation are shifting dramatically. Increasing demands to decolonise aid, the urgency of localised responses to climate change and pandemics, pressure on donors to demonstrate downward accountability, and new models such as impact investing and market-based approaches are rapidly reshaping the field. These dynamics illustrate localisation not as a single model but as a plural and adaptive process—one that must be anchored in historical awareness, political humility, and a commitment to structural change. Understanding this lineage and its shifting drivers is essential for avoiding past mistakes and moving toward practices that genuinely transfer power, resources, and legitimacy to those closest to the issues at hand.

Figure 1: The concept of localisation, origin and progress



HOW DIFFERENT ACTORS ARE DEFINING LOCALISATION

The study finds that actors interpret localisation in diverse ways, reflecting both technical and political dimensions. Rather than a fixed concept, it exists along a spectrum—from efficiency-driven approaches to deeply political, power-shifting strategies. Definitions vary widely, particularly around who qualifies as a "local" actor, and these distinctions fundamentally influence who sets priorities, controls resources, and defines success.

Two dominant perspectives emerge from the literature, framing localisation along a spectrum of intent and approach. The first, **transformational localisation**, pursues the rebalancing of power by centring local leadership and shifting decision-making and control of resources to local actors. **Efficiency-focused localisation**, by contrast, focuses on improving efficiency and programme delivery through decentralised administration, often reinforcing existing hierarchies without fundamentally shifting power. Importantly, these approaches coexist and actively shape real-world decisions on funding, partnerships, and accountability mechanisms.

What localisation means largely depends on each actor's position in the aid ecosystem, their mandate, and their operational realities. Philanthropic foundations such as the Conrad N. Hilton Foundation, the Ford Foundation, the Open Society Foundations (OSF), and the DOEN Foundation tend to frame localisation primarily as a transformative power shift. Here, localisation embodies more than the reallocation of funds; it entails redistributing decision-making authority, amplifying local voice, and embedding ownership within local actors and institutions. For these organisations, localisation is intertwined with normative commitments to justice, equity, and decolonising aid architectures. It is viewed as a long-term process of capacity strengthening, trust cultivation, and relationship restructuring that sustains systemic change beyond transactional funding.

To these actors, localisation represents a deliberate challenge to entrenched global power imbalances by placing meaningful governance and agenda-setting control in the hands of those closest to lived realities—whether grassroots community groups, subnational governments, or national civil society organisations.

In contrast, other actors—often large bilateral donors, some regranting organisations, and certain development agencies—define localisation more instrumentally as a means to enhance programme delivery. These actors focus on decentralisation, operational responsiveness, and improving cost-efficiency by directing funding and services closer to implementation points. Localisation is thus understood as a continuum, ranging from administrative decentralisation to full local leadership. While such efficiency-driven approaches can enhance sustainability and participation, they often fail to challenge underlying power structures. Consequently, localisation risks being reduced to "local implementation" under centralised control, without genuinely shifting authority or resources.

These divergent framings coexist and interact within many organisations, complicating efforts to universalise a definition of localisation. The motivations behind localisation likewise vary, mixing ethical imperatives to address historical inequities with practical considerations related to programme relevance, risk management, and fiduciary responsibility.

Table 1 provides a snapshot of how different actor types interpret localisation and the motivations underpinning these perspectives. It is not intended to be exhaustive; rather, it illustrates the range of ways in which organisations we spoke to understand localisation within the context of their missions, goals, worldviews, and operating geographies. The snapshot underscores that there is no one-size-fits-all formula—and that fit-for-purpose localisation is what most organisations pursue in practice.

Regional Variations in Localisation

Localisation takes distinct forms across regions, shaped by history, civic space, philanthropic infrastructure, and the maturity of local ecosystems. Yet a common thread is the constraint imposed by global inequalities and extractive funding practices on local agency.

In **Latin America**, vibrant civil society networks and relatively mature institutions promote localisation by enabling partnerships with national NGOs and social movements, with strong attention to Indigenous rights, environmental justice, and systemic policy reform.

Africa faces entrenched donor dominance, fragmented civil society, and funding cuts, yet emerging networks and regional philanthropy platforms are challenging the status quo and promoting local ownership.

Asia's localisation landscape is highly varied, influenced by geostrategic competition, regulatory environments, and diverse civil society capacities, with intermediaries often mediating international engagement.

In **Europe**, localisation is driven by strong civil society networks and social enterprises advancing community-led initiatives and trust-based partnerships. Funding often focuses on capacity building, advocacy, and connecting local actors to global platforms, though compliance requirements, bureaucracy, and scale remain key constraints.

Across all regions, nuanced, context-specific approaches are essential to translating localisation commitments into meaningful local agency. A key insight is that localisation is most effective where local ecosystems are already strong or deliberately nurtured—and where funders are willing to challenge extractive funding practices while building shared frameworks for legitimacy, accountability, and risk. The presence of strong local partners is not a given; it is cultivated through trust, resources, recognition, and respect over time.

Table 1: Interpretations of localisation and the motivations shaping them across actor types

Funders (philanthropic foundations and bilateral donors) **and regranters**

Localisation as shifting power, resources, and voice. Framed as moving both funding and authority to local actors—community, subnational, and national—who hold contextual knowledge. **The distinctive emphasis is on localisation as a philosophy and operating model, embedding trust, equity, and long-term partnership rather than serving as a mere funding channel.**

Local and national NGOs or networks rooted in community practice

Localisation as embedded, bottom-up change. Seen as change that emerges organically from the ground up, driven by local priorities, knowledge, and systems rather than externally imposed agendas. **The emphasis is on community-rooted organisations, ownership, and co-creation across the project cycle.**

Networks, coalitions and **advocacy alliances**

Localisation as systems-level power shift. Defined as disrupting entrenched hierarchies in philanthropy, aid, and investment. **Emphasis is placed on localisation as part of wider systemic transformation—tackling inequality, redistributing power, and rethinking governance—where local actors lead in shaping agendas and structural change, not just programme delivery.**

Regranters, **social investment intermediaries**, and **local financial institutions or fund managers**

Localisation through market-based and financial systems. Positions local fund managers, entrepreneurs, and investors as key decision-makers in shaping capital flows and investment instruments. **The emphasis is on designing regionally specific, accessible, and locally controlled financial mechanisms, reframing localisation as financial architecture reform.**

Implementers working within government frameworks and **funders** focused on systems change

Localisation as government partnership and policy integration. Approached as aligning and embedding local initiatives within government systems and priorities at multiple levels (panchayat, district, state, national). **Emphasis is placed on strengthening the public sector, with local actors not only as service providers but also as co-creators of public policy and system reform.**

Place-based funders, philanthropic collaboratives and regranters

Localisation as ecosystem enabling. Seen as building strong, resilient ecosystems of actors capable of shaping and driving the changes they most value. **The emphasis is on ecosystem-building—strengthening vulnerable populations, unlocking capital, and de-risking investments to test and scale context-specific solutions.**

Local implementers, **community networks**, and **critical Southern scholars or movements**

Localisation avoided or critiqued. These actors often reject the term "localisation," arguing that it is reductive, externally framed, or inadequate to describe genuine community-led transformation. **The emphasis is on privileging terms such as "locally led," "community-led," or "embedded practice" to signal a deeper commitment to authentic, bottom-up change**.

Literature	
Transformation Orientation	**Efficiency-focused Orientation**
Localisation is a fundamental **shift of power, resources, decision-making, and control to local actors**, enabling genuine local leadership and self-determination. It aims to dismantle colonial mindsets and structures embedded in the aid system. Alliance Magazine (2022); Peace Direct et al. (2021); Mathews (2022); OECD (2021) **Funders, iNGOs, Local NGOs, Communities in Global Majority**	Localisation refers to **channelling aid to recipient country entities**. These entities might be public or private. ODI (2012) **Funders, National / State Governments, CSOs, Private Sector**
Localisation means **shifting power and resources to local communities**, with an emphasis on redistributing control and leadership to those closest to the issues. Barbelet et al. (2021) **Funders, iNGOs, Local NGOs**	Localisation means increasing international investment and respect for the role of local actors, with the goal of **increasing the reach**, **effectiveness and sustainability** of humanitarian action. IFRC (2024) **Multilateral Organisations**
Localisation as decolonising aid: Moving from transactional funding to transformative **partnerships that address systemic inequities** in global aid architecture. The Guardian (2024); Peace Direct et al (2021); Barnett et al. (2022) **Funders, iNGOs, Local NGOs**	Localisation as "***more funding to local organisations***" and enhanced participation in decision-making processes while maintaining existing global aid architecture. Council on Foundations (2022); OECD (2021); Publish What You Fund (2025) **Funders, iNGOs**
Localisation is a transformational **process to recognise, respect, and invest in local** and national humanitarian **and leadership capacities**, to better meet the needs of crisis-affected communities. Cooperation Canada (2020) **iNGOs, Development Coalitions**	Localisation is **improving efficiency and effectiveness of aid delivery** by increasing the involvement and capacity of local actors within existing aid systems. Adomako & Cohen (2021); Cooperation Canada (2020) **Funders, iNGOs, Local NGOs**
Locally led development is **the process in which local actors… set their own agendas, develop solutions, and bring the capacity, leadership, and resources** to make those solutions a reality. USAID (2020) **Funders, Local Governments, CSOs, Private Sector**	

Overlapping Terms: Localisation, Locally Led Development, and Proximate Leadership

As perspectives on development equity and effectiveness evolve, several terms are used interchangeably or in parallel, each carrying distinct implications depending on context and usage. While this study primarily uses the term *localisation*, we recognise that it is not universally embraced. At the 2025 Philanthropy Europe Association (Philea) Forum, for instance, some participants argued that *localisation* can imply a funder-driven agenda, suggesting that strategies and solutions are being shifted to local actors from the outside. In contrast, *locally led development* was seen as placing greater emphasis on ownership, initiative, and leadership from the ground up.

Another frequently used term is *proximate leadership*, which prioritises not only the localisation of funding and capacity but also the redistribution of decision-making authority, accountability, and influence to organisations and individuals embedded in the communities they serve. This framing is particularly relevant in contexts where shifting power dynamics—not merely shifting resources—is a central objective.

Each term reflects different emphases, whether on who initiates change, how systems are restructured, or whose perspectives are centred. While this study retains the term *localisation* to maintain continuity with philanthropic and development literature, our analysis seeks to foreground the principles that underpin locally led approaches: community agency, equity, and systemic transformation.

There is no single, universally accepted definition of *locally led development*. Across development, humanitarian action, and philanthropy, actors have shaped their own definitions to reflect distinct histories, mandates, and aspirations. Civil society organisations, in particular, have led in articulating visions rooted in equity, self-determination, and community agency. Many of these definitions build on the principles and commitments outlined in global frameworks such as the Grand Bargain, while expanding them in practice. Notably, most definitions focus on *localisation* rather than the broader—and more political—concept of *locally led development*. Nevertheless, several authoritative sources have offered widely referenced descriptions that align in spirit.

Localisation and Proximate Leadership: Distinct but complementary concepts

The literature reviewed reveals nuanced distinctions between the terms localisation and local/proximate leadership, suggesting they should not be used interchangeably. The *Stanford Social Innovation Review* (Jackson et al., 2020) highlights that “leaders who arise from the communities and issues they serve have the experience, relationships, data, and knowledge… essential for developing solutions with measurable and sustainable impact.” This approach ensures that interventions are led by those with the deepest contextual knowledge, lived experience, and social legitimacy within their communities.

The term localisation can also carry reductive assumptions—as if locally led work must always be small-scale or grassroots. In reality, Global Majority actors, drawing on their pivotal knowledge of local contexts, are leading initiatives of enormous scale, complexity, and global relevance.

The distinction matters because, without prioritising proximate leadership, localisation risks becoming superficial or tokenistic. As Peace Direct et al. (2021) warn, localisation efforts that stop short of transferring real authority to grassroots actors can perpetuate existing power imbalances under the veneer of local ownership. This “cosmetic localisation” may increase local participation or visibility without addressing the deeper structural inequities embedded in global aid and development systems.

Essentially, localisation is necessary but insufficient on its own. To realise the transformative potential of shifting power, it is essential to explicitly prioritise proximate leadership—the empowerment of those closest to the ground—as the cornerstone of any meaningful localisation agenda.

PART 3: What localisation looks like in practice

In this section, we draw from literature, stakeholder interviews, webinars, and group discussions to highlight important aspects of what localisation looks like in practice, beyond definitions and interpretations. The picture that emerges reflects the interplay of grantmaking processes, the ways local agency can be strengthened, and how progress is monitored and assessed. It also raises questions about who is considered "local," revealing the layered complexity of localisation and what is at stake for actors navigating these shifts. The insights illustrate a diversity of approaches and institutional realities, highlighting both promising and emerging practices that shape how localisation is advanced in different contexts.

THE ACTORS IN LOCALISATION

Who counts as a local actor?

Defining a "local actor" remains one of localisation's most persistent and politically charged challenges. The most common administrative marker—national registration—provides a convenient but reductive criterion that often overlooks crucial dimensions such as legitimacy, embeddedness, and autonomy. Many nationally registered NGOs operate primarily as extensions of international aid systems, while unregistered grassroots movements, though lacking formal status, are often deeply trusted and accountable within their communities. This tension underscores the inadequacy of relying solely on administrative definitions.

A growing consensus recognises localness as a continuum rather than a binary category. Relevant dimensions include leadership composition, decision-making autonomy, depth of community relationships, and degree of independence from external influence. These factors are context-dependent: in settings of shrinking civic space, even well-embedded actors may depend on international allies for protection. In aid-dependent economies, autonomy can be constrained by donor funding patterns. This relational understanding foregrounds the idea that truly local actors are not only physically present but also culturally and socially embedded within their communities.

Applying these richer understandings remains challenging in practice. Donor eligibility and compliance requirements often privilege formalised, well-resourced organisations over proximate actors that are deeply embedded but underfunded. Distinctions also blur within national NGOs and intermediaries, some of which sustain grassroots networks while others mirror donor priorities. Increasingly, scholars and practitioners argue for a shift from asking *who* is local to assessing *whether* organisations genuinely act locally, through embedded presence, community accountability, and local leadership. The implications are profound: classification directly affects access to funding, advocacy legitimacy, and the distribution of power within aid ecosystems. Table 2 provides a comparative view of how different actor types define "local."

Table 2: How "local" is characterised or interpreted across actor types

Donors	Regranters	Literature
Actors with proximity, lived experience, contextual knowledge, and agency, including national and subnational NGOs, CSOs, private-sector entities, governments, universities, research institutions, farmer cooperatives, rooted organisations or entrepreneurs, frontline and Indigenous communities, coalitions, continental intermediaries, and regionally staffed entities. Localness is assessed by groundedness, ownership, and responsiveness rather than by registration alone.	**Embedded, values-aligned partners** such as locally governed foundations, country programme staff, national industry associations, Global Majority-based organisations, community-based coalitions, narrative builders, and subnational entities with dynamic knowledge and trust, including those regranting to smaller groups. These actors operate as strategic enablers of others, focusing on ecosystem building, policy influence, and coalition development rather than concentrating power in a single entity.	1. **Organisations headquartered and operating in aid-recipient countries with limited or no international affiliation**, often aligned with aid-effectiveness agendas and compliance-centric systems (USAID, in Adomako & Cohen 2021). 2. **Civil society organisations, networks, or informal community entities leading the design, delivery, and evaluation** of development or humanitarian responses, framed around subsidiarity and decolonisation (Global Fund for Community Foundations 2022). 3. **Actors based in the Global South, unaffiliated with INGOs, accountable to local laws and communities, led by nationals, and financially and politically autonomous** (NEAR 2018). 4. **Registration-based organisations**, with emphasis on contracting efficiency and implementation speed, often tied to fiduciary risk concerns (OECD 2021).
Implementers	**New finance providers**	
Homegrown, community-embedded organisations and leaders–legally established in the country, originating from and accountable to the community they serve. Includes grassroots NGOs, local entrepreneurs, farmers, refugee community organisations, community members emerging as leaders, and local governments. Prioritises lived experience, decision-making authority, and functional embeddedness over mere physical presence.	**Local capital providers and entrepreneurial ecosystem actors with embedded presence, decision-making authority, and contextual fluency**. Includes locally founded fund managers, early-stage capital providers, and financial intermediaries whose leadership and operational teams live and work in the markets they serve. These actors possess deep market knowledge, sector networks, and cultural understanding. They design investment structures tailored to national or regional conditions and maintain daily engagement with the small and growing businesses (SGBs) they finance. Assessment of "localness" is based on functional embeddedness, on-ground operational presence, and alignment with domestic market realities rather than on nominal regional headquarters or registration alone.	

The Shifting Role and Value of Intermediaries in Localisation

Intermediaries have long been integral to development assistance, positioned at the crossroads of donor aspirations and local realities. They extend the reach of funders into communities that might otherwise remain out of view due to compliance requirements, geographic remoteness, or limited donor capacity. Increasingly, international NGOs are voluntarily shifting their role from being primarily implementers of humanitarian and development programmes to serving as intermediaries. Rather than directly delivering services, many now focus on brokering partnerships, channelling resources, and strengthening local organisations to foster sustainable, community-driven development.

While this role is often necessary and beneficial, it can also reinforce power imbalances and slow the growth of local organisations that might otherwise evolve into intermediaries at national, regional, or continental levels. The rise of more proximate intermediaries, local, national, and regional, reflects a growing recognition that sustainable development requires actors embedded in local contexts, capable of navigating between global agendas and community priorities.

Beyond logistics, intermediaries provide donors with flexible and adaptive interfaces, translating ambitions into locally grounded action and leveraging networks to navigate contextual nuance. Evidence from a recent Bridgespan report, a database of over 300 philanthropic collaboratives, and Share Trust's local intermediary landscape study highlights the expanding role and influence of such actors in advancing localisation. A growing body of practice further underscores this: the Oak Foundation's use of regranters and fiscal hosts enables funds to reach unregistered groups; the DOEN Foundation's fund-of-funds approach harnesses existing philanthropic infrastructure; and the Ford Foundation's partnerships with Indigenous-led climate funds illustrate how intermediaries can combine grassroots trust with compliance capacity. As Peace Direct notes, intermediaries serve roles that extend well beyond grant distribution—convenors, brokers, and capacity-builders—though an excessive focus on compliance risks undermining their contextual grounding.

Panel discussions underscored that the role of intermediaries is not simply about transferring funds but about how power is structured within those flows. The former CEO of Firelight Foundation, for example, drew a vital distinction between "community-driven" programming, which reflects donor assumptions about community priorities, and genuinely "community-led" programming, where communities themselves set the agenda. When funding was community-led, they observed that entire structures, systems, and paradigms shifted, not just discrete projects delivered.

"Localisation means being as close as possible to the end beneficiary—that the activities, the funding, the accountability —is as close as possible, and also it puts into consideration the realities of the different contexts."
– **Edson Niwamanya**
(Relevant Impact Innovation)

Intermediaries were also described as translators between donor passions and community priorities. Firelight's approach of asking donors to articulate broad areas of interest (such as early childhood) while allowing communities to decide on the "how" provided a practical model of power-sharing. This demonstrates how intermediaries can broker legitimacy both upwards and downwards, avoiding tokenism and enabling authentic local agency.

At the same time, innovations are reshaping traditional hierarchies. The Conrad N. Hilton Foundation has flipped the donor–partner model by funding local organisations as prime recipients and positioning international partners as sub-grantees. The Open Society Foundations invests in structures such as the Africa Climate Foundation to anchor decision-making closer to communities. Initiatives such as the Change the Game Academy, which trains hundreds of local facilitators across multiple countries, show how new approaches can cultivate the next generation of intermediaries from the Global Majority. Equally, as panel discussions emphasised, intermediaries are unlikely to adopt power-shifting practices unless they are explicitly incentivised by funders. Mechanisms such as partnership criteria, MEL frameworks that assess processes rather than outputs, fair cost recovery, longer-term funding horizons, and feedback loops oriented towards communities rather than donors can create the enabling environment for such practices to take root.

In addition, localisation also demands change within intermediaries themselves. The Firelight Foundation's own transition—from a U.S.-based, non-African-led foundation to a supermajority African-led, decentralised institution—illustrates how intermediaries can localise their own governance, staffing, and accountability. This internal shift is as significant as the regranting choices intermediaries make, reinforcing that localisation is not only about who they fund but also about how they themselves are constituted.

HOW LOCALISATION IS PRACTICED

Localising Grant-making Processes

Beyond high-level commitments to localisation lies the hard work of adapting operational systems, practices, and mindsets to support locally led models of funding and development — perhaps one of the toughest areas in which to truly "walk the talk." Promising practice emphasises flexibility and collaboration in risk management. Pre-design funding allows local organisations to co-create programme strategies and risk frameworks with funders, fostering genuine partnership rather than transactional oversight.

Grantees in distributed renewable energy portfolios have highlighted the value of these co-design processes. Similarly, the ClimateWorks Foundation cites its collaboration with the IKEA Foundation to flip the script, co-creating a tailored risk matrix that enables a smarter, context-specific approach. Other funders complement this by reducing administrative burdens while maintaining safeguards, such as the Good Energies Foundation's tailored reporting and the Conrad N. Hilton Foundation's single compliance framework for their grantees. These examples show how risk-intelligent approaches can uphold accountability without curbing local initiative.

To operationalise localisation, funders and other organisations are adapting practices across multiple domains. These include how partners are identified and engaged, how funding modalities and financial flows are structured, and how risk management and organisational development processes are designed to strengthen local agency. The following sub-sections explore each of these dimensions, highlighting promising practices and practical considerations for embedding localisation in operational systems.

1. **Partner scoping and application processes**

A growing number of funders are rethinking how they identify and engage local organisations, moving away from reliance on Global North iNGOs as default intermediaries. Funders are increasingly experimenting with a spectrum of models, using regional foundations, thematic networks, and local coalitions as trusted conduits to surface contextually grounded organisations. This approach helps capture a broader diversity of actors, including unregistered or nascent groups, and strengthens the legitimacy of funding pipelines by rooting them in existing ecosystems rather than donor-defined structures.

Promising practices recognise the importance of locally rooted, contextually fluent organisations in brokering relationships and regranting funds. Regional and national intermediaries such as the African Climate Foundation and ViriyaENB are increasingly trusted to channel resources in ways that reflect local realities, while some donors go further to seed or build new local entities where the civil society ecosystem is underdeveloped.

Equally, more inclusive approaches are emerging through cluster- or ecosystem-based funding, where groups of organisations are supported collectively, fostering collaboration and peer learning rather than isolating single actors. These shifts reflect a deliberate attempt to expand entry points, reduce gatekeeping, and bring greater legitimacy and diversity into funding pipelines.

In parallel, application processes are being adapted to reduce barriers and ease the administrative burden on local actors. Simplified entry points such as short concept notes, greater use of email, convenings, and open-access online portals are gradually replacing the complex, resource-intensive procedures that previously excluded smaller organisations. Some funders also negotiate proposals directly with grantees, co-creating programme goals and budgets rather than imposing donor-driven designs.

These adaptations to both partner identification and application processes mark a significant step towards operationalising localisation principles. They build trust, widen access, and shift decision-making power closer to the ground. Table 3 provides a concise overview of these practices, illustrating how funders are strengthening local partnerships and simplifying grant application processes.

Table 3: Some practices supporting localised partner selection and application processes

Practice	Overview of the practice	Some examples of organisations driving and supporting practices[1]
Ecosystem mapping and strategic scoping	This practice involves detailed mapping of civil society and philanthropic ecosystems to identify organic structures and trusted intermediaries rather than relying on predefined lists. It strengthens localisation by surfacing contextually rooted actors, broadening the pool of potential partners, and ensuring funding flows through organisations with local legitimacy and networks instead of defaulting to external intermediaries.	— Oak Foundation (conducts scoping to identify Global Majority structures) — Ford Foundation (regional offices identify and connect groups "closest to the problems" with intermediaries such as Indigenous-led funds) — Open Society Foundations (decentralised grant-making via regional offices)
Building new entities and strategic use of cluster funding and fund-of-funds for reach extension	Funding clusters of organisations sparks cross-pollination, while creating new local entities fills critical gaps. Channeling funds through regional or trusted regranters reaches hard-to-access groups. This strengthens localisation by extending resources to unregistered or overlooked organisations, fostering collaboration, and enabling locally embedded actors to take the lead.	— European Climate Foundation (builds new local entities in underserved areas) — Firelight Foundation (funds clusters and sub-grants to unregistered groups) — ClimateWorks Foundation (uses Regional Climate Foundations as regranters) — DOEN Foundation (supports fund-of-fund financing structures e.g., Grounded Investment Company and Restart Catalyst) — Health Care Without Harm (acts as intermediary and fiscal sponsor for Global Majority organisations)
Open access outreach and application portals	Provides online portals for self-initiated applications, combined with leveraging existing networks for outreach. This empowers local actors to apply without formal invitations. It drives localisation by widening entry points, reducing traditional gatekeeping, and giving diverse local organisations direct access to funding opportunities.	— DOEN Foundation (open portal for self-initiated local actors)[2] — Mosaic (co-creates strategies via Leadership Council with proximity to communities)[3] — Good Energies Foundation (tailors reporting and invests in capacity to reduce burdens)
Simplified two-step and narrative-focused applications	Uses informal concept notes leading into short forms that prioritise contextual reflections, with reporting rooted in qualitative narratives and social capital. This supports localisation by lowering procedural barriers, valuing local knowledge, and shifting emphasis from compliance-heavy metrics to lived experience and learning.	— Global Fund for Community Foundations (two-step process with narrative reporting) — Irene M. Staehelin Foundation (light processes, using short concept notes; due diligence conducted for all partnerships, except for initiatives under $50,000)

[1] Where possible, links to publicly available documentation illustrating a practice are provided. Not all examples have corresponding publications.

[2] The DOEN Foundation accepts rolling, open applications through its online portal. With no deadlines, local actors can submit ideas at any time, increasing accessibility and agency.

[3] The Council sets strategy, co-designs grant-making priorities, and guides implementation in partnership with Mosaic's small staff team.

Practice	Overview of the practice	Some examples of organisations driving and supporting practices[1]
Negotiated application processes	Involves open discussions on community goals, flexible requirements (e.g., no formal registration), and commitments to multi-year funding. This fosters localisation by co-defining priorities with local actors, building trust, and ensuring stability for local organisations to lead on their own terms.	— Firelight Foundation (negotiated funding rooted in community desires and cluster funding without registration) — ClimateWorks Foundation (trust-based flexible funding and no-regrets grants for experimentation)
Support Global Majority-led platforms that connect funders with local actors	Focuses on partner scoping through intermediaries and involves resourcing and partnering with platforms, networks, or alliances rooted in the Global Majority that serve as bridges between funders and local organisations. This strengthens localisation by ensuring that agenda-setting and matchmaking are driven by locally rooted voices, amplifying legitimacy and shifting influence toward actors with contextual knowledge and community trust.	— The Kuja Platform is being piloted by Adeso to link local organisations to funding opportunities — India Climate Collaborative

2. **Funding modalities and flows**

Advancing localisation depends on a conducive funding architecture — how money moves, who controls it, and which instruments are deployed — as much as programmatic design. Promising practices show that smarter financial flows can expand local agency, cut through compliance bottlenecks, and reshape donor–intermediary–partner dynamics. These range from direct funding with explicit targets to pooled funds, participatory grant-making, and blended finance instruments, signalling a more diverse and adaptive funding ecosystem.

The Conrad N. Hilton Foundation's commitment to extended grant horizons exemplifies how long-term funding can anchor solutions, build resilience, and strengthen cross-actor collaboration within local ecosystems. Hilton distinguishes between local direct grants and local indirect grants and has refined monitoring tools such as Giving Data. These steps create the internal architecture needed to ensure funding commitments are measurable, transparent, and aligned with its localisation objectives. The Foundation has also committed to directing at least 25% of its grant-making directly to local organisations, a move inspired by the Grand Bargain.

Similarly, the Irene M. Staehelin Foundation has committed to allocating at least 50% of its funding directly to locally led organisations and local intermediaries. While exact figures are still being tracked, the majority of funding also reaches local actors indirectly through INGOs. Most funding is provided via multi-year partnerships, with many agreements lasting three to five years. This approach highlights the importance of clearly distinguishing between direct and indirect support when setting localisation targets and accountability mechanisms.

Beyond long-term funding, participatory and feminist-led models broaden ownership of decision-making, embed legitimacy, and ensure resources reach movements and communities often excluded from mainstream channels.

Amid these developments, the choice between direct funding and regranting is becoming more context-specific and strategic. Direct grants are more frequently preferred in contexts with strong local civil society, ensuring resources reach actors closest to the ground and reducing dependency on intermediaries. At the same time, regranting remains a critical mechanism in fragile settings, where donors' scale or compliance requirements would otherwise exclude local actors. Emerging hybrid models are also gaining traction: some funders seed new national or regional intermediaries, others provide "no-regrets" exploratory grants to test relationships, and a few embed progressive handovers in which smaller organisations are nurtured and then transitioned to larger funders. These approaches reflect a deliberate recalibration of power and risk in global philanthropy, with due diligence and flexible processes increasingly deployed as tools to advance localisation rather than impede it.

Beyond philanthropy, new finance mechanisms are reshaping the localisation landscape. Alongside climate and blended finance vehicles, models such as non-profit to social enterprise hybrids and community capital initiatives are diversifying funding streams, reducing reliance on donor grants, and embedding greater autonomy in local ecosystems. Instruments such as green bonds, climate adaptation funds, and catalytic blended finance structures are creating opportunities for local organisations as co-designers and stewards of resources. These approaches expand the resourcing base beyond donor grants alone, embedding localisation within broader financial ecosystems.

As reflected in Table 4, these practices illustrate how funding flows can evolve to better serve localisation. They highlight approaches such as pre-design funding, pooled funds, and blended instruments that embed flexibility, enable risk sharing, and reinforce local decision-making. These promising practices point to a shift away from top-down disbursement toward a more diverse and decentralised financial ecosystem, in which local actors are positioned not only as recipients but as co-architects of funding decisions and investment priorities.

Table 4: Some illustrative models of direct funding, regranting, hybrid approaches, and innovative finance mechanisms that advance localisation

Practice	Overview of the practice	Some examples of organisations driving and supporting practices[4]
Explicit direct-to-local funding targets with clear definitions and tracking to enhance transparency	Commits to high percentages of direct grants to local organisations in regions where the funder has a strong presence, and backs this with clear definitions, portfolio-wide targets, and grant-data tracking systems. This strengthens localisation by increasing direct resourcing to local actors, enhancing transparency and accountability, and reducing dependence on international intermediaries.	— Conrad N. Hilton Foundation (25% direct commitment with clear definitions and tracking via GivingData[5]) — Helvetas (partner-type flow tracking) — Open Society Foundations (~40–50% direct) — Porticus Foundation (approximately 95% direct in some programmes) — McKnight Foundation (70% direct)
Core operating support and fair overheads to strengthen local organisations' sustainability	Provides multi-year core funding alongside equitable overheads, enabling local NGOs to invest in finance, HR, and compliance systems. This supports localisation by strengthening organisational sustainability, allowing local NGOs to lead with stability and autonomy.	— Ford Foundation (The BUILD program) — Good Energies/ Porticus Foundation (unrestricted targets) — Oak Foundation (full cost recovery to intermediaries)
Participatory grant-making structures	Involves affected communities directly in funding decisions through mechanisms such as community panels, peer reviews, and open calls. This advances localisation by shifting decision-making power to those closest to the issues, ensuring funding priorities reflect lived experience.	— Climate Justice Resilience Fund — Edge Funders Alliance — Firelight Foundation (negotiated funding) — Fenomenal Funds Collaboration Lab — FundAction — Fund for Shared Insight — Global Fund Community Foundation — AgroecologyFund — Participatory Grantmakers Community

[4] Where possible, links to publicly available documentation illustrating a practice are provided. Not all examples have corresponding publications.

[5] A purpose-built grants management system to provide grantees with a unified portal to access resources, reporting schedules, and grant histories, improving transparency and consistency.

Practice	Overview of the practice	Some examples of organisations driving and supporting practices[4]
Partnership compacts with country-set priorities to align funding with local strategies	Enables country partners to define priorities and programme designs, with financing tied to agreed outcomes. This fosters localisation by aligning funding with nationally determined strategies and enhancing local ownership of results.	— Center for Global Development — Millennium Challenge Corporation — USGLC Blueprint — World Bank's Program-for-Results model
Blended finance to crowd-in local private capital	Deploys concessional and catalytic instruments to attract local investors into thematically focused initiatives (e.g., climate, agriculture, SME development), with structures tailored to domestic market realities. It advances localisation by mobilising domestic capital, embedding local financial actors, and reducing reliance on external funding sources.	— Collaborative for Frontier Finance — Catalytic Capital Consortium[6] — Small Foundation's support for Growth Firms Alliance (GFA)[7] — GFA national and local partners in emerging economies — GSG Impact — LeapFrog Investments[8]

The following practices are largely implemented through intermediaries:

Practice	Overview of the practice	Some examples of organisations driving and supporting practices
Fund-of-funds and pooled mechanisms to expand ecosystem reach for smaller local organisations	Supports pooled funds and fund-of-funds that regrant through local or regional structures, facilitating access to smaller or unregistered organisations. This strengthens localisation by widening funding access, building local capacity, and enabling intermediaries to channel resources in line with community priorities.	— Irene M. Staehelin Foundation (pooled funds like NEAR[9] and national NGO-run funds) — Mastercard Foundation (via the Mastercard Foundation Fund for Resilience and Prosperity in Africa, and the Mastercard Foundation Africa Growth Fund[10]) — DOEN Foundation (fund-of-fund financing structures)[11] — Oak Foundation (re-grantors and fiscal hosts for frontline actors)[12]

[6] Members of the consortium include the MacArthur Foundation, the Ford Foundation, the Sorenson Impact Foundation, the Surdna Foundation, Blue Haven Initiative, Builders Vision, Ceniarth, the Lemelson Foundation, the Small Foundation, and the Walton Family Foundation.

[7] The Growth Firms Alliance (GFA), with the IKEA Foundation as a contributor, is a coalition of funders committed to unlocking the potential of growth firms to transform low- and middle-income countries and drive broad-based improvements in wellbeing.

[8] A private equity firm invests in high-growth financial services, healthcare, and climate solutions companies in emerging markets across Africa and Asia.

[9] The NEAR Network operates across Africa, Asia, and the Middle East, supporting localisation through funding programmes and peer-to-peer learning.

[10] This is a fund-of-funds that works through African investment vehicles and fund managers.

[11] Operations include: (i) supporting intermediary pooled funds such as the African Culture Fund (ACF), enabling wider reach to local artists and institutions; (ii) DOEN Participaties (Ventures), its investment arm that allocates capital directly or through other funds where local expertise is limited; (iii) Restart Catalyst – a fund by OPES-LCEF that invests in locally owned women led impact enterprises; and (iv) AgroecologyFund – a grassroots regranting facility for grassroots movements using participatory grantmaking principles in decision-making.

[12] In 2024, over 50% of the Oak Foundation's support constituted core (unrestricted) funding to local intermediaries that regrant to smaller organisations. While recorded as programme grants, these funds effectively serve as intermediary vehicles. The Foundation also provides capacity-building support through its Organisational Development Fund, channelled via intermediaries and consortia in countries such as Ethiopia, Uganda, and Zimbabwe.

Practice	Overview of the practice	Some examples of organisations driving and supporting practices
Contract/grant requirements for fair intermediary partnerships to cascade localisation	Establishes contractual or grant-based standards for equitable partnerships between funders and intermediaries, clarifying responsibilities, cost coverage, and decision-making authority. This advances localisation by ensuring intermediaries have the resources, autonomy, and mandate to empower local actors and cascade decision-making closer to communities, while also requiring intermediaries to offer fairer, longer-term, and less burdensome contracts to local NGOs.	— Peace Direct — Bond UK
Hybrid models with inverted or strategic regranting	Inverts roles by allowing local actors to sub-grant to international organisations, or strategically uses intermediaries to reach fragile or underserved areas, with core support provided to intermediaries. This drives localisation by repositioning local actors as leaders in resource allocation and decision-making, and by extending reach to communities that may otherwise be overlooked.	— Conrad N. Hilton Foundation (inverted intermediaries, locals as primes) — Ford Foundation (intermediaries as reach-extenders with core support) — ClimateWorks Foundation (regional regranters with flexible budgets)
Full cost recovery and core support for intermediaries as 'Reach Extenders'	Provides intermediaries with adequate funding for overheads and core costs, selects organisations proximate to the communities they serve, and invests in their compliance systems and sustainability. This strengthens localisation by ensuring intermediaries are resilient, capable, and accountable, enabling them to effectively support local actors.	— Ford Foundation (core support; intermediary study) — Health Care Without Harm (fiscal sponsor model)[13] — Oak Foundation (full cost recovery; ecosystem scoping) — Porticus Foundation (regional intermediaries)
Proximate/Regional intermediaries as primary regranters	Channels funds through locally or regionally based intermediaries who decide and disburse resources (e.g., micro-grants, pooled funds), with full cost recovery. This advances localisation by placing decision-making power in the hands of actors embedded in local contexts and familiar with community needs.	— Adeso (Proximate Fund) — ClimateWorks Foundation (Regional Climate Foundations) — Health Care Without Harm (fiscal sponsorship) — Porticus Foundation (regional intermediaries) — ViriyaENB (avoids layering)
Women's funds as direct channels to movements (global networks and community-led)	Supports women-led funds that channel resources directly to grassroots women's rights organisations in Global Majority countries, with governance and grant decisions led by proximate feminist actors. This drives localisation by centring local feminist leadership, amplifying community-led priorities, and ensuring accountability to those most affected.	— African Women's Development Fund (AWDF) Equality Fund — Fondo Semillas — Fondo de Mujeres del Sur — Global Fund for Women — Mama Cash — Prospera Network — The Share Trust — Women's Fund Asia

[13] Health Care Without Harm (HCWH) offers administrative, legal, and financial management services that allow smaller local groups to access funding despite compliance barriers, while also building capacity for them to eventually operate as independent entities.

Practice	Overview of the practice	Some examples of organisations driving and supporting practices
Non-profit to social enterprise hybrids	Enables local NGOs to generate mission-aligned revenue (through training, advisory services, or products) to reduce reliance on grants. This strengthens localisation by creating diversified, self-sustaining funding models that give local actors greater independence and flexibility, even as long-term evidence of impact remains emerging.	— Adeso – evolving into a social enterprise; instrumental in establishing Network for Empowered Aid Response (NEAR) — Irene M. Staehelin Foundation – supporting the Pledge for Change initiative managed by ADESO, as well as other funds including Resilio Fund, Urgent Action Fund, African Women Development Fund, and Global Resilience Fund[14]
Support for community capital initiatives	Facilitates community pooling of local funds for development projects (e.g., small business loans or renewable energy), with residents managing priorities and decisions. This advances localisation by transferring control of financial resources to the community level, fostering local ownership, and building civic capacity.	— Catalytic Communities (CatComm) — Cultural Survival (Keepers of the Earth Fund) — Local Futures — Peace Direct's Radical Flexibility Fund

3. Risk management and organisational development

Across the sector, funders are rethinking how they approach due diligence and risk management, seeking to balance fiduciary accountability with trust-based partnerships. Traditional models often imposed rigid, compliance-heavy requirements that disproportionately burdened local organisations, while iNGOs were implicitly trusted. In response, many funders are now adopting more proportionate and context-sensitive approaches.

Due diligence and risk assessment practices are shifting from compliance-heavy filters toward balanced, trust-based approaches. Intermediaries are increasingly valued not merely as "pass-throughs" but as partners that absorb some risk on behalf of smaller organisations while also bringing risk management expertise and capacity-building support. Funders complement this with proportionate application and reporting practices: short concept notes, negotiated budgets, narrative reflections, and multi-year commitments are progressively replacing rigid logframe templates and annual renewals. These adaptations reduce barriers for local organisations while maintaining accountability and learning for donors.

Some funders, such as the Oak Foundation and the Ford Foundation, combine rigorous checks with capacity-building support, ensuring that due diligence becomes an enabler rather than a barrier. Others, like the Firelight Foundation and the Global Fund for Community Foundations (GFCF), redefine risk altogether, treating heavy-handed donor control as a greater risk than community-led decision-making and absorbing financial and programmatic risks themselves rather than passing them down to small organisations. Table 5 presents these promising practices, showing how risk management, when reframed as an enabler, can become a highly effective and practical tool for advancing localisation.

In a panel dialogue, the ex-CEO of Firelight Foundation noted that this shift required deep internal transformation, including decentralising operations, moving to a supermajority African staff and board, and reframing legitimacy as a Northern-founded institution. This internal restructuring was itself a form of risk management, aligning governance and systems with localisation goals while maintaining donor trust. Viewed through a localisation lens, risk management is less about

[14] The Fund is a feminist fund working on crisis response.

controlling exposure to community partners and more about organisational change, incentive design, and long-term commitment to systems strengthening.

Promising practice also highlights the use of intermediaries and flexible frameworks to manage complexity. Organisations such as the ClimateWorks Foundation, Mosaic, and the Porticus Foundation rely on trusted intermediaries who can absorb bureaucratic burden while providing governance and compliance support to grassroots partners. The relational dimensions of risk—bringing donors along on the localisation journey, spreading programmatic risk across phases, and creating time horizons beyond project cycles—require transparency, evidence, and framing change as a shared experiment.

> "We don't manage risk differently because an organisation is local. We manage it based on size, capacity, and need — not geography. Assuming local means higher risk is a lazy proxy. Risk is everywhere. Managing it should be intelligent, not discriminatory. And if you're too afraid of risk, maybe you're not ready to do this work."
> – **Sarah Smith**
> (Conrad N. Hilton Foundation)

Leaner approaches, such as the Irene M. Staehelin Foundation's use of risk typologies to guide support, or the Conrad N. Hilton Foundation's uniform compliance policies, demonstrate that clarity and fairness can coexist with flexibility. The Irene M. Staehelin Foundation applies the same due diligence process to all organisations and, when risks are identified, uses organisational development funds to help them address these issues. This constructive approach strengthens organisations rather than treating compliance as punitive. A recurring insight is that risk appetite varies across funders: some lean toward context-embedded risk intelligence and shared responsibility, while others remain constrained by legal or reputational concerns. Overall, the trend points toward due diligence systems that are more enabling, proportionate, and grounded in local realities, key to advancing localisation without compromising accountability.

Managing Brand Risk

Reputational risk—particularly tied to a donor's brand—can be a 'deal breaker' in grant approvals. Foundations manage brand risk in different, instructive ways. The Ford Foundation strategically manages potential sensitivities associated with supporting frontline initiatives by maintaining a long-term presence and a diverse portfolio, as well as fostering continuous dialogue with regulatory partners. The Conrad N. Hilton Foundation leverages a modest public profile to pursue bold, locally led initiatives. The Oak Foundation minimises exposure through low-visibility practices, while the Porticus Foundation responds discreetly to reputational crises, providing legal and communications support to protect local partners. These approaches show that brand risk is inevitable but manageable, and strategic choices can enable effective localisation.

From these examples, four levers emerge for foundations seeking to support locally led initiatives while safeguarding their brand: diversify grant portfolios to spread risk; deliberately position the brand based on priorities and appetite; maintain engagement with regulators and local communities; and build internal mechanisms for timely, discreet responses. Foundations can further clarify categories of brand risk, document mitigation strategies, and treat capacity gaps as opportunities for support rather than reasons for rejection—reserving refusal for cases of unmanageable reputational exposure.

Table 5: Some proportionate[15] and enabling approaches to due diligence, risk assessment, and organisational development in support of localisation

Practice	Overview of the practice	Some examples of organisations driving and supporting practices[16]
Layered and multi-faceted risk assessments with local reviewers	Conduct comprehensive evaluations covering financial, operational, reputational, and contextual risks, incorporating reviews by local or regional teams familiar with the context. This drives localisation by embedding local knowledge into risk assessment, ensuring evaluations are nuanced, context-sensitive, and supportive of locally rooted organisations.	— ClimateWorks Foundation (multi-layered assessments with regional reviews and policy sharing) — Ford Foundation (layered compliance satisfying U.S. and host-country laws, using local knowledge)
Capacity development based on due diligence results	Apply light, tailored due diligence (e.g., short concept notes, no due diligence for pilot projects) and invest in partner capacity to address identified gaps rather than excluding local NGOs for compliance shortfalls. This advances localisation by building organisational strength, fostering trust, and enabling local actors to participate fully in funding processes while reducing barriers to entry.	— Ford Foundation (via BUILD program) — ClimateWorks Foundation
Contextual and institutional risk framing with proportional/flexible due diligence	Assess risk based on organisational characteristics such as size, governance, and capacity, rather than geography or inherent traits of local actors, and apply flexible, proportionate checks tailored to partner maturity. This strengthens localisation by making risk assessment enabling and responsive to local realities, investing in capacity gaps rather than excluding organisations, and supporting locally led decision-making.	— Conrad N. Hilton Foundation (uniform compliance for all, based on characteristics not geography) — Humanity United (Omidyar) — Adeso (frames iNGOs as financial risks, advocates risk-sharing) — The Conundrum Collaborative — IKEA Foundation (piloted a collaborative compliance approach with the ClimateWorks Foundation) — Global Philanthropy Forum 2025 Session on Risk — Oak Foundation (funds to address compliance gaps, proportional diligence) — DOEN Foundation (proportional assessments, avoids burdensome requirements) — Good Energies/Porticus Foundation (keeps demands proportionate, uses intermediaries for unregistered groups)

[15] We are using "proportionate" intentionally here to mean requirements are scaled to the size, risk profile, and context of the grant/partner, instead of applying the same heavy compliance burden across the board.

[16] Where possible, links to publicly available documentation illustrating a practice are provided. Not all examples have corresponding publications.

The following practices are largely implemented through intermediaries:

Practice	Overview of the practice	Some examples of organisations driving and supporting practices
Trust-based risk management via intermediaries	Uses intermediaries to buffer risks, providing fiscal hosting, capacity-building, and relational risk assessments, while maintaining low visibility to protect local actors and eliminating formal registration requirements for small groups. This strengthens localisation by reducing administrative and compliance burdens, enabling small or emerging local actors to access funding safely and focus on delivering impact.	— Oak Foundation (avoids over-reliance, commissions external reviews for large grants) — Firelight Foundation (no registration necessary, transparent risk absorption) — Health Care Without Harm (invests in reforms despite compliance challenges)
Phased, multi-year grants aligned with local absorptive capacity	Structure and pace grants to co-develop growth and capacity-building plans with emerging grantees, providing support through phased, multi-year cycles. This advances localisation by aligning funding timelines with local organisations' capacity, enabling them to scale sustainably, strengthen systems, and assume greater ownership of programmatic outcomes.	— FCDO (funds project's inception phase, implementation follows an independent readiness review, with funds released annually and tied to results)
Participatory compliance and audit models	Co-design compliance frameworks with intermediaries and local NGOs, giving them a direct role in shaping accountability processes. This strengthens localisation by embedding local knowledge into accountability systems, fostering trust, and ensuring compliance mechanisms are enabling rather than punitive.	— WINGS (developed 4Cs framework, adaptable for compliance co-design) — ClimateWorks Foundation (shares policies like conflict of interest with partners, co-builds governance capacities) — NEAR Network (promotes participatory standards through southern-led platforms for equitable compliance) — IKEA Foundation (piloted a collaborative compliance approach with ClimateWorks)

Reporting, Monitoring, Evaluation and Learning

Monitoring progress towards localisation requires a nuanced approach that captures both quantitative and qualitative dimensions of funding flows, local agency, and influence. Some funders and regranters interviewed go beyond simple metrics of grant allocation to local actors, incorporating measures of decision-making power, strategic roles, ecosystem strengthening, and citizen engagement. Foundations such as the Ford Foundation and the Open Society Foundations develop nuanced indicators of intent, membership, and participation to track shifts in local ownership and influence. Others, like the Good Energies Foundation and the European Climate Foundation, focus on how country teams or local grantees shape strategies, allocate budgets, and influence networks. Qualitative data, including narratives of change, social capital, and local learning, complement quantitative tracking to provide a more holistic view of localisation. Bridgespan proposes that assessing locally led development should prioritise community-defined outcomes, combine quantitative and qualitative data, embed iterative learning, and recognise progress as a journey, ensuring that measurement strengthens local power, equity, and agency rather than merely satisfying funder requirements.

Data collection and reporting approaches are designed to balance accountability with minimal burdens on local organisations. Several organisations, including the ClimateWorks Foundation, the DOEN Foundation, and Mosaic, streamline reporting through annual surveys, optional oral updates, and consolidated tools such as project management platforms. These measures enable grantees to focus on reflection and learning while fulfilling necessary but less burdensome compliance requirements. Practices emphasise flexibility and context-sensitivity: indicators are often co-defined with grantees, global frameworks are adapted locally, and reporting schedules are tailored to the realities of local actors. By embedding feedback loops and maintaining open channels for discussion, these approaches make data actionable and support both strategy refinement and the empowerment of local actors.

Across foundations implementing or moving towards localisation, there is a shared emphasis on learning, adaptability, and capturing nuanced evidence of local agency rather than relying solely on rigid metrics. Table 6 summarises how different organisations are approaching monitoring, evaluation, and learning, highlighting the diversity of frameworks, indicators, and practices adopted to ensure it remains a dynamic, evidence-informed process. Learning loops and adaptive management are increasingly central to embedding localisation as an evolving practice. Organisations such as Adeso, the Oak Foundation, and the DOEN Foundation integrate reflection, experimentation, and piloting into grant cycles, fostering continuous improvement and responsiveness to context. Lessons from failures are deliberately captured and shared, and adaptive frameworks allow strategies to evolve in response to local insights.

Table 6: Illustrative approaches to monitoring progress towards localisation

Practice	Overview of the practice	Some examples of organisations driving and supporting practices[17]
Partner-defined success metrics and social capital indicators	Allows grantees to define success based on their context, using qualitative indicators such as trust, relationships, and social capital shifts. This advances localisation by empowering communities to set their own measures, fostering trust, and reducing extractive evaluation burdens.	— Global Fund for Community Foundations (social capital indicators chosen by grantees) — Oak Foundation (partner-led success definitions, stories of change)
4Cs framework with mixed quantitative and qualitative indicators to measure localisation progress at organisational and ecosystem levels	Uses the 4Cs framework (Capacity, Capability, Connections, Credibility) to measure ecosystem strengths and localisation impact through adaptable, context-specific indicators. This strengthens localisation by providing funders and local actors with a shared, flexible approach to track progress and identify capacity gaps without imposing rigid metrics.	— WINGS (developed 4Cs framework for assessing the strengths of the philanthropy support ecosystem) — Conrad N. Hilton Foundation (tracks % direct funding, local sub-granting) — Open Society Foundations (tracks funding geography, grantee profiles, power shifts) — Irene M. Staehelin Foundation (tracks overheads, co-design, visibility)
Workshops with local partners to co-create M&E tools to enhance data ownership and simplify reporting	Engages local communities and funders in co-designing monitoring and evaluation systems, including defining success, shaping indicators, and assessing results. This strengthens localisation by enhancing relevance, building local capacity, and fostering accountability to community needs.	— CARE USA — Firelight Foundation — Global Fund for Community Foundations — Global Alliance for Communities — ClimateWorks Foundation (simplified surveys, consolidated reports) — Mosaic (optional written/oral reporting, informal updates) — European Climate Foundation (streamlined, flexible formats)

[17] Where possible, links to publicly available documentation illustrating a practice are provided. Not all examples have corresponding publications.

Practice	Overview of the practice	Some examples of organisations driving and supporting practices[17]
Community-designed accountability structures for local governance	Involves communities and local governments establishing mechanisms such as citizen report cards or participatory audits to review public services. This advances localisation by increasing transparency, amplifying community voice, and giving residents influence over service delivery.	— CARE — CIVICUS — Transparency and Accountability Initiative
Partner-led learning and reflective reporting	Encourages grantees to report on learning, challenges, and surprises in their own words, prioritising strategic insights over compliance. This drives localisation by centring local perspectives, fostering reflective learning, and ensuring evaluation processes serve partner priorities.	— DOEN Foundation (light reporting on learning themes) — Porticus Foundation (encourages sharing failures for learning) — Global Fund for Community Foundations (narrative-focused reporting)
Rapid and community-sourced impact assessment techniques	Uses local firms and large-scale surveys with pre-defined community benchmarks to gather timely feedback, avoiding costly or complex evaluation methods such as RCTs. This strengthens localisation by shifting leadership to locally rooted actors, simplifying processes, and producing faster, contextually relevant insights.	— Acumen — 60 Decibels — Innovations for Poverty Action
Community-designed accountability for iNGOs	Enables communities to develop feedback and oversight mechanisms, such as advisory boards, to shape and assess iNGO projects. This advances localisation by embedding local influence into project priorities and ensuring external actors remain accountable to the communities they serve.	— Accountable Now — Active Learning Network for Accountability and Performance (ALNAP) — Adeso (Pledge for Change) — Fund for Shared Insight — Oxfam RINGO
Adaptive strategies and context scanning	Uses evolving strategies informed by continuous context analysis, political-economy reviews, and partner feedback, rather than relying on fixed logframes. This strengthens localisation by keeping programming responsive to local realities and enabling iterative decision-making by local actors.	— DOEN Foundation (living strategies with partner-led learning) — Ford Foundation (context scanning, annual strategy refreshes) — European Climate Foundation (country-led strategy adaptation)
Experimentation and failure-inclusive learning for systemic insights	Embeds learning from pilots and failures into strategy, using tools such as case studies and reflective questions to document barriers and solutions. This drives localisation by allowing local actors to experiment safely, capture context-specific insights, and inform systemic improvements.	— Adeso (experiments with funding models since 2010) — ClimateWorks Foundation (no-regrets grants for experimentation) — Porticus Foundation (prioritises learning from failures)
Centralised public online database for LLD accountability	Creates an open-source database to track grant flows, assess locally led development commitments, and share best practices, leveraging technologies like AI for faster reporting. This strengthens localisation by increasing transparency, enabling shared learning, and allowing local actors to monitor progress and influence accountability systems.	— Brookings — Modernizing Foreign Assistance Network (MFAN) — Publish What You Fund — USGLC

Practice	Overview of the practice	Some examples of organisations driving and supporting practices[17]
Regular feedback loops and partner convenings	Integrates regular check-ins, convenings, and partner surveys—sometimes facilitated via intermediaries—to adapt strategies based on local feedback. This advances localisation by embedding iterative learning into grant cycles and ensuring local actors can shape ongoing programmatic decisions.	— ClimateWorks Foundation (quarterly check-ins, risk-tolerant learning) — Firelight Foundation (quarterly convenings for co-reflection) — Oak Foundation (learning weeks, partner convenings) — McKnight Foundation — Mastercard Foundation (annual partner convenings) — Biovision

Strengthening Local Agency

Strengthening local agency requires more than devolved grant-making. It involves placing local actors at the centre of strategic and operational decision-making. Several models illustrate this shift. The Firelight Foundation and Adeso prioritise governance led by proximate actors, with African-majority boards or Southern-led networks setting agendas and directing funding flows. Similarly, the ClimateWorks Foundation and the European Climate Foundation institutionalise local expertise through country-level advisors or budget holders, aligning strategies with political realities while maintaining coherence with global objectives. The Ford Foundation and New Energy Nexus adopt matrixed governance structures, allowing local offices to interpret shared frameworks, influence global priorities, and implement contextually relevant strategies. These approaches signal a move from token consultation toward genuine redistribution of influence in funding decisions.

Equally important are partnership and collaboration practices that reinforce agency beyond individual organisations, creating space for collective learning and influence. The Firelight Foundation, Mosaic, Biovision, and NEAR invest in platforms, coalitions, and peer-learning networks that amplify collective voice, reduce fragmentation, and strengthen advocacy capacity. Grantees are clustered or networked to share learning, surface community insights, and co-design strategies. Foundations such as the DOEN Foundation, the Conrad N. Hilton Foundation, and the McKnight Foundation emphasise ecosystem-level governance and convening roles, extending strategic influence across broader movements rather than isolated projects.

Several funders are embedding mechanisms to cultivate sustained local leadership, including mentoring, leadership pipelines, and dedicated capacity-building funds. These initiatives equip actors not only to participate in decision-making but also to develop the skills and organisational resilience needed to lead long-term initiatives. Flexible, multi-year funding models further support planning and innovation, reducing constraints imposed by short-term donor cycles.

These practices demonstrate that strengthening local agency is not simply about shifting power within bilateral relationships. It requires building interconnected systems in which local actors collaborate, learn, and guide collective priorities. Table 7 presents illustrative practices from a range of funders and regranters, highlighting approaches that strengthen both individual organisations and broader ecosystems.

Table 7: Some models for strengthening local agency

Practice	Overview of the practice	Some examples of organisations driving and supporting practices[18]
Local advisory boards and partner-board proximity to anchor decisions in local realities	This practice incorporates local advisory boards or direct partner-board interactions to ensure contextual input throughout programme cycles. It strengthens localisation by embedding local perspectives into strategic decisions and ensuring interventions are grounded in community realities.	— DOEN Foundation (proposes local advisory boards for grantees) — Irene M. Staehelin Foundation (grantees speak directly with board members) — European Climate Foundation (country colleagues as advisors and budget holders) — McKnight Foundation
Decentralised and matrixed governance structures	Employs matrix models where regional and global teams jointly shape strategies, with decision-making rooted at country levels and local interpretation of frameworks. This advances localisation by placing authority closer to local actors, allowing them to adapt global strategies to context-specific needs.	— ClimateWorks Foundation (decentralised decision-making at regional level) — Ford Foundation (matrix with regional directors and global heads) — New Energy Nexus (matrixed governance with local interpretations)
Community-led priority setting and inclusive consultations to redistribute agenda-setting power	Allows communities and grantees to determine priorities through consultations and direct input, with governance starting from beneficiaries such as youth. This drives localisation by shifting agenda-setting and decision-making power to local actors, ensuring programmes reflect lived experience and local priorities.	— Firelight Foundation (communities determine priorities, governance from children/youth) — Open Society Foundations (inclusive consultations with local grantees) — Mosaic (bottom-up strategies via Leadership Council) — Legado
Use of AI tools for community forecasting and adaptation	Deploys artificial intelligence tools using localised data to anticipate threats such as disasters or shocks, enabling real-time adjustments by local actors. This strengthens localisation by equipping local stakeholders with predictive insights and decision-making capacity.	— Mercy Corps — USGLC (Blueprint for Change) — UNDP (Crisis Risk Dashboard)
Amplify narratives of local civil society value	Supports funders and CSOs in building and amplifying narratives that centre civil society as drivers of change, using campaigns like open letters or media initiatives. This advances localisation by increasing recognition and legitimacy of local actors, influencing policy, and attracting support for locally led initiatives.	— CIVICUS — Global Fund for Community Foundations — Movement for Community-Led Development (MCLD) — NEAR — Peace Direct — RINGO (a systems change initiative exploring the future of international NGOs) — Irene M. Staehelin Foundation (funds local actors' representation in international agenda forming spaces)
Support transition of non-profits to social enterprise models for autonomy	Encourages local non-profits to launch mission-aligned businesses to diversify revenue and reduce reliance on donor funding. This drives localisation by fostering financial independence, enabling local organisations to sustain and scale initiatives on their own terms.	— Adeso (evolving to social enterprise model)

[18] Where possible, links to publicly available documentation illustrating a practice are provided. Not all examples have corresponding publications.

Practice	Overview of the practice	Some examples of organisations driving and supporting practices[18]
Support collaboration between social ventures and government	Engages locally founded ventures to work with governments as early co-creators for sustainable scaling, building relationships from the outset rather than handing off pilots. This strengthens localisation by embedding local actors in decision-making and policy influence, ensuring innovations are contextually relevant and scalable.	— Mulago Foundation — Rippleworks
Building networks and coalitions for collective advocacy	Supports clusters or coalitions for shared advocacy, convening stakeholders to coordinate and reduce fragmentation. It advances localisation by enabling local actors to pool resources, amplify their voice, and pursue joint strategies for systemic change.	— European Climate Foundation (convenes stakeholders for advocacy) — Mosaic (supports network models like coalitions for ecosystem alignment)
Institutional alignment and advocacy for systemic change	Aligns internal leadership (e.g., CEO/Board) with localisation priorities and uses advocacy to influence other donors and build partnerships. This drives localisation by reinforcing organisational commitment and creating enabling conditions for local actors to lead and shape funding ecosystems.	— Conrad N. Hilton Foundation (CEO/Board-backed advocacy and partnerships) — Adeso (Proximate Funds with national boards, Pledge for Change)
Support formalisation and expansion of mutual aid groups	Formalises mutual aid groups (e.g., women's self-help or faith-based networks) as recognised players in development and response. This strengthens localisation by legitimising locally rooted networks, enhancing their capacity to sustain well-being, and increasing community-led solutions.	— ALNAP & Local to Global (research on mutual aid impacts) — Ford Foundation (Weaving Resilience Initiative) — Mutual Aid Hub — Mama Cash and Urgent Action Fund — South-South Medical Alliance
Support coordination between CSOs and local government	Facilitates joint initiatives between CSOs and local government, such as shared training, capacity building, and trust-building activities. This advances localisation by fostering cooperative governance, increasing accountability, and embedding local knowledge into service delivery.	— ODI — Saferworld — Carnegie Endowment — Open Government Partnership — United Nations Economist Network
Platforms for peer learning and cross-pollination to strengthen local capacity	Supports clusters or networks for shared learning, joint data collection, and collective policy influence. This strengthens localisation by creating spaces where local actors exchange knowledge, collaborate, and build collective influence.	— Firelight Foundation (funds clusters for cross-pollination and collective voice) — Adeso (NEAR as self-organising platform, Pledge for Change for equitable partnerships) — Mcknight Foundation (long-standing Regional Communities of Practices annual convenings) — Biovision (brings together cross-country policymakers and policy advocacy actors)
Integrate community-based business into disaster response	Engages local businesses in disaster preparedness, response, and recovery, including supplying resources, logistics, and local hiring, focusing on SMEs and associations. This drives localisation by leveraging local economic actors for resilience, embedding recovery capacity within communities, and supporting local ownership of response efforts.	— OCHA and UNDP (Connecting Business Initiative) — UN Office for Disaster Risk Reduction — World Economic Forum
Coalition-building amongst local CSOs to enhance collective capacity and action	Encourages local CSOs to coordinate around themes like gender rights or climate, sharing resources and forming regional coalitions for direct funding. This strengthens localisation by amplifying the collective voice and agency of local actors, increasing their strategic influence.	— CIVICUS (Shifting the Power initiative) — Global Alliance for Green and Gender Action — Global Fund for Community Foundations

Practice	Overview of the practice	Some examples of organisations driving and supporting practices[18]
Global majority-based regional convenings to centre Global Majority actors	Organises convenings in diverse Global Majority cities to share ideas, co-develop locally led development models, and establish principles for practice. This advances localisation by centring local actors in knowledge creation, building peer networks, and shaping sectoral agendas from the Global Majority perspective.	— AfricaXchange 2025 — Coalition for Good Schools — Movement for Community-Led Development (MCLD)

PART 4: Key insights and conclusion

Across funders, intermediaries, and local actors, promising practices, shifting power dynamics, and new funding approaches are driving change—challenging traditional models and opening pathways for more locally led, contextually relevant, and fit-for-purpose practices.

What follows are the study team's reflections, synthesising lessons and insights from global debates on localisation, literature reviews, and stakeholder consultations. The focus is on the opportunities, tensions, and practical considerations shaping localisation today, with particular attention to strengthening proximate leadership and ensuring funding practices align with the realities and ambitions of local actors and the communities they serve.

KEY INSIGHTS

INSIGHT 1: An opportunity to reimagine a development system that has been broken for decades.

We are on the brink of a long-awaited global shift in reimagining development assistance, including new ways for funders and iNGOs to better support localisation.

While the push for localisation has progressed slowly over past decades, there is broad agreement that the current geopolitical disruption in global development and philanthropy feels and looks markedly different. In the course of this relatively short study, we encountered well-established, compelling philanthropy and NGO forums, networks, platforms, and organisations that see this disruption as a tipping point—an opportunity to reimagine a system they say has been broken for decades.

Many players caution that, as painful as this disruption may be, funders should not rush to fill gaps or tinker with existing models, but about fundamentally rethinking and transforming international cooperation, philanthropy, and development finance to the greatest extent possible. Most advocate that there is no going back to the broken status-quo system, and **all view localisation as a core element of the transformations needed**.

Below is a sample of some of the leading forums, platforms, and networks that are now creatively and forcefully asserting power-sharing transformations in philanthropy and global development:

1. **Africa Philanthropy Forum**	The African Philanthropy Forum is a pan-African network of philanthropists and social investors that convenes leaders to shape inclusive and transformative giving across the continent. It provides a platform for reimagining philanthropy as an agent of systemic change, rooted in African realities and agency.
2. **Shift the Power Campaign**	The #Shift the Power Campaign is a global movement challenging traditional philanthropy and aid by advancing community-led philanthropy, participatory grantmaking, and subsidiarity. Its widely cited 2019 Manifesto for Change has reframed localisation debates and mobilised a broad coalition of organisations, including CIVICUS, Adeso, and the Global Fund for Community Foundations.
3. **The Philea Forum**	The Philea Forum is Europe's largest annual gathering of philanthropic organisations, hosted by Philea (Philanthropy Europe Association), to debate philanthropy's role in tackling inequality, justice, and systemic change. It uses foresight and futures-thinking tools to help foundations interrogate their practices and reimagine more equitable approaches.
4. **Partos**	Partos is the association of Dutch development NGOs, serving as a convening platform for more than 100 organisations to collaborate, innovate, and reflect on their evolving role in global development. It has been at the forefront of discussions on the "New INGO roles in shaping the future of Global Development," urging a shift from dominance to facilitation, partnership, and eventual exit when appropriate.
5. **Impact Trust Philanthropy Dialogues**	The Impact Trust Philanthropy Dialogues are a series of global conversations exploring the contradictions of philanthropy and aid, with themes such as decolonisation, Ubuntu-informed giving, and reparative justice. A recent dialogue on Philanthropy in Crisis: Confronting Contradictions, Seeking Solidarity examined the intersecting challenges of aid contraction, trade fragmentation, and philanthropy wrestling with its own contradictions.
6. **Engaged Donors for Global Equity**	EDGE Funders Alliance is a global network of nearly 500 donors and foundation leaders across more than 40 countries, working to align philanthropic resources with social movements and systemic change. Known for its bold stance on risk and accountability, EDGE emphasises solidarity with grassroots movements and dismantling extractive funding models.

INSIGHT 2: A mindset shift is essential.

Localisation requires a fundamental shift in mindset and relationships — one grounded in humility, mutual respect, transparency, flexibility, and trust — to redefine how funders work with local actors.

Experience demonstrates that at its core, localisation is about shifting power toward local actors and institutions. This means it is imperative for funders to move beyond short-term, donor-driven interventions to build longer term authentic partnerships rooted in respect and collaboration. Trust becomes the foundation—believing in the capabilities, knowledge, and leadership of local actors. Supporting aspirations rather than imposing external agendas allows local priorities to guide the direction of development efforts.

Humility is central to localisation. International actors must recognise their limitations and the inherent value of local expertise. Transparency in decision-making and resource allocation fosters accountability and strengthens these partnerships. Letting go of control, rigid procedures, and the assumption of superior knowledge enables genuine local ownership.

Localisation also means acknowledging that meaningful change and capacity building take time. Flexibility ensures that approaches remain relevant and adaptive to diverse cultural, political, and social contexts. Finally, localisation thrives on contextual understanding: success depends on relevance to local realities, not replication of external models. In essence, localisation is both a mindset and a moral commitment to equity, mutual respect, and sustainability in development practice.

INSIGHT 3: Determining fit-for-purpose localisation is key.

There is no one-size-fits-all. The ideal degree of localisation depends on what you are trying to achieve.

The appropriate degree of localisation depends on what an organisation is trying to achieve, the type of actors involved, the sector in which they operate, and the scale at which they seek to drive change. As one organisation put it: *"Be as local as you need to be for what you are trying to accomplish."*

For example, the degree of localisation that makes sense for the European Climate Foundation's industrial transformation efforts—embedding climate-friendly technologies into industrial modernisation and investment agendas—is very different from what is needed for the Selco Foundation, whose mission is to strengthen the sustainable energy sector in India by starting with the user and addressing barriers to access.

Some foundations set targets for localisation. The Irene M. Staehelin Foundation Board adopted a commitment to direct at least 50% of its funding across various portfolios to locally led organisations and local intermediaries.

INSIGHT 4: Successful localisation requires attention to ecosystem dynamics.

Understanding ecosystem dynamics, scale, and political economy is essential to sustaining and scaling the benefits of localisation, but it is often underfunded.

Localisation cannot be sustained or scaled without a deep understanding of the surrounding ecosystem and political economy. From a market systems perspective, this means recognising the interdependence of value chains, incentives, and actors. From a development and humanitarian lens, it involves understanding how local capacities, institutions, and networks can be strengthened and connected. In both cases, the ability to link actors, align efforts, and create platforms for local strengths to scale is critical.

Ecosystem actors noted that while they were working effectively with local actors in projects, they often lacked the support needed beyond the project to join up fragmented efforts, connect players across ecosystems, and build networks that could exert influence at scale. They also emphasised that funders must resist acting in silos or duplicating efforts, and instead collaborate more intentionally to reinforce and expand what already exists.

"If a local organisation is sub-granting to an international one, that's real power shift."
– **Sarah Smith**
(Conrad N. Hilton Foundation)

Illustrative examples of ecosystem connectivity show the power of coordinated, multi-actor approaches. The Mexican Climate Initiative (ICM) coordinated around 30 NGOs to influence federal, state, and municipal policy, contributing to the Energy Transition Law and unlocking an estimated 10 GW of renewables and $10 billion in investment. The Council on Energy, Environment and Water (CEEW) anchored local voices in national decision-making while shaping global climate debates, and the India Climate Collaborative (ICC) mobilised domestic philanthropy and strengthened institutional capacity to enable Indian actors to lead on climate solutions. Viewed side by side, these cases demonstrate how knowledge, networks, and financing can amplify local impact at scale.

INSIGHT 5: There is good localisation practice and experience to build on.

Many participants appear to demonstrate good localisation practices, others are progressing towards localisation, and most are insightful about their challenges and limitations.

Although our exposure to IKEA Foundation partners was limited to interviews, website searches, and document reviews, we observed that many appear to be practising localisation quite well. Others are in the process of advancing their localisation practice, intermediaries are exploring how to strengthen their localisation practice, and some iNGOs are struggling with the realities and limitations of what is now recognised as an outdated iNGO operating structure[19]—with multiple layers of global, national, and sometimes local offices and expatriate staff.

Overall, funders can be encouraged that many organisations are already practising localisation, while others are seeking to deepen their emerging practice. Funders are well-positioned to support these efforts by leveraging their relationships, resources, and influence to facilitate more robust localisation across their partner networks.

With the caveat that we have not studied these participants in depth, the following table highlights examples of the continuum of localisation efforts among IKEA Foundation partners, as observed in our discussions.

Organisations with fit-for-purpose localisation embedded in their mission and operating model	Organisations intentionally progressing towards a more localised model	Organisations exploring ways to advance localisation as regranters
ViriyaENB (Indonesia) – A locally led organisation working within national and sub-national structures, integrating localisation into its core operations.	**Agroecological Fund** – Developing regional hubs in Kenya, India, and Mexico to operate independently, demonstrating a clear commitment to localisation.	**ClimateWorks Foundation** – Utilises regional regranters and coordinates with local/international organisations, exploring more localised models.
Biovision – Collaborates with local organisations on agroecological transition, policy change, and finance, with local organisations highly valuing their model.	**GOGLA** – Implements through national industry associations and regional membership units, encouraging local leadership in the off-grid solar energy sector.	**Crux Alliance** – Regrants to NGOs with local offices, the Agora/INETTT model includes helping locals establish partner organisations.
Climate Emergency Collaborative Group – Among the most intentional climate regranters regarding localisation, prioritising local organisations, staff, and governance.	**Helvetas** – Appointed a Localisation Coordinator and country focal points, embedding capacity plans in new projects; localisation integrated into the core mission and values.	**European Climate Foundation** – Regrants in Europe; approach to localisation at both EU and member state levels, assessing localisation strategies.
Foundation for Ecological Security (India) – Works with local, especially women-led, institutions to lead development efforts and strengthen their capacities.	**World Resources Institute** (India office) – Works with small local organisations, building capacity and mobilising funding, progressing towards a more localised model.	**Health Care Without Harm** – Regrants to national/regional NGOs for climate and health system decarbonisation work, evaluating localisation opportunities.
		Stichting Nederlandse Vrijwilligers (SNV) – Nexus grant mandates localisation, ecosystem strengthening, and role evolution from implementer to facilitator, exploring deeper localisation.

[19] A legacy model in which iNGOs maintain multiple tiers of global, regional, and national offices—often staffed by expatriates—with centralised decision-making and administrative layers. While intended to ensure oversight and coordination, this structure can increase complexity, raise transaction costs, and create distance from local actors.

INSIGHT 6: Intermediaries are key but must shift their roles going forward.

In the short term, international intermediaries are needed to continue bridging donor ambition and local realities, but in the medium to long term they will need to deepen their localisation practice, shift their roles, or exit and let local organisations grow to be intermediaries.

Forums discussing the transformation of development assistance have argued that the model of iNGO intermediaries has long outlived its usefulness in many (but not all) circumstances, and that a new model of growing and strengthening locally led intermediaries is needed at this critical moment of reimagining development assistance and the role of funders.

In a transition to a new system, intermediaries and iNGOs need to continue playing a bridging role, but going forward their roles must evolve to support, enable, and accelerate the capacity of local organisations to grow and mature into intermediary roles. Not all will be suited to become intermediaries, but some will, provided iNGOs enable that growth rather than stand in the way. The Partos platform on new roles for funders and intermediaries highlighted the new roles that intermediaries and iNGOs should play, including resource mobilisation, door opening, relationship building, connecting players, and local brand development to inspire confidence among funders.

Progressive examples are emerging that reimagine the role of intermediaries to better support localisation. For instance, the Conrad N. Hilton Foundation funds local organisations as prime recipients, with international partners as sub-grantees, strengthening local agency and aligning grants with actual capacity. Acknowledging that intermediaries based outside local contexts can unintentionally recentralise power, the Open Society Foundations is supporting genuinely local structures, such as the Africa Climate Foundation, to embed decision-making closer to communities. These approaches illustrate how intermediary models can evolve to balance compliance, reach, and local empowerment, reinforcing localisation in practice.

INSIGHT 7: New catalytic roles for funders.

Funders can accelerate localisation at scale by acting as conveners, connectors, and network catalysts.

Effective localisation often requires funders to step beyond the traditional role of grantmaker. By strategically convening diverse actors, supporting collaborative platforms, and investing in learning networks, funders create enabling conditions for local leadership, collective action, and systemic impact. Participants consistently emphasised the value of horizontal learning opportunities, peer-to-peer exchange, and cross-sector collaboration to strengthen local agency.

Funders are uniquely positioned to connect actors across sectors, scales, and geographies, providing visibility, network-building, and opportunities for agenda-setting. For example, cross-country peer learning facilitated by initiatives supported by Biovision, the Firelight Foundation, and the McKnight Foundation demonstrates how Communities of Practice can enable under-resourced local actors to share strategies, seize policy windows, and coordinate advocacy or service delivery at scale. Similarly, platforms such as the India Climate Collaborative and the Irene M. Staehelin Foundation illustrate how funders can amplify local voices in national and international policy spaces, creating channels for influence that would otherwise be inaccessible.

These convening and learning roles foster collaboration while strengthening the agency, legitimacy, and decision-making power of local actors. When funders invest in these functions, they can accelerate the diffusion of effective localisation practices, support movement-building, and reinforce systemic change—ensuring that local actors remain at the centre of shaping priorities, resources, and outcomes.

INSIGHT 8: The promising role of new finance in localisation

New finance and for-profit business models are an essential but underfunded part of the localisation chain.

While traditional grant funding remains a critical building block for improving incomes, livelihoods, and local economies, other forms of finance are essential to ensure sustainability by growing local economies and supporting small and growing businesses.

Revenue-based financing, including concessionary capital, blended finance, and tailored debt instruments, is critical for building and scaling resilient local economies. Integrating grants with innovative capital and for-profit models strengthens the connective tissue between grassroots solutions and systemic transformation, making localisation more inclusive, resilient, and scalable.

The Collaborative for Frontier Finance, a multi-stakeholder initiative supported by several foundations, aims to increase access to capital for small and growing businesses in emerging markets, building the capacity of domestic fund managers, shifting decision-making closer to local entrepreneurs, and catalysing economic empowerment from within. Similarly, the India Climate Collaborative links grassroots innovators with global philanthropies, creating multi-scalar investment pipelines that advance both climate and localisation objectives. Hybrid models that combine grants with market-based approaches, as seen in the work of Relevant Impact Innovation and Crux Alliance, provide pathways to scale, sustainability, and systemic impact that grant funding alone often cannot achieve.

INSIGHT 9: Focus on assets not deficits.

An asset-based approach to localisation opens far more possibilities than a deficit perspective, which often reinforces assumptions that local organisations "cannot do it."

Participants noted that shifting from a deficit-based lens to an asset-based perspective transforms how localisation is understood and practised. Rather than focusing on perceived weaknesses, funders and intermediaries increasingly recognise local knowledge, aspirations, networks, and institutional capital as strategic assets capable of driving impact at scale. The Ford Foundation's regionally embedded offices and the Oak Foundation's trust-based partnerships illustrate how asset-based framing reduces the need to impose external models or parallel systems, creating space for locally led solutions and authentic ownership. Legado, for example, embeds this approach in its "thriving futures" methodology, asking communities, "*What does it mean to live well in your particular place?*" Here, assets extend beyond financial resources to include intact ecosystems, governance traditions, cultural heritage, and community cohesion.

Asset-based thinking also enables innovative approaches to funding and business models. Funders can design context-aligned, hybrid financing structures—blending grants with impact-driven capital, revenue-based financing, and market-oriented approaches—that enhance systemic change while strengthening local agency. For example, grantees of the Firelight Foundation requested funding 'in clusters,' which fostered shared learning, joint data collection, and collective policy influence. Cluster-based approaches allow resources to move more strategically, creating opportunities for cross-pollination and scaling solutions beyond individual projects.

A further enabler of localisation is true cost recovery. Indirect costs such as administrative overhead, coalition-building, capacity development, and organisational strengthening have historically been underfunded, placing local organisations and intermediaries at a structural disadvantage. Providing full cost recovery, and where possible core institutional funding, ensures these actors can sustain their roles as convenors, integrators, and amplifiers of local innovation. The ClimateWorks Foundation's support to locally governed regional climate foundations demonstrates how institutional backing strengthens local intermediaries to act as regranters, connectors, and ecosystem builders.

"You can't just transfer risk to an intermediary or local partner without transferring power and resources too. That's not localisation — it's outsourcing liability."
– **Diana Picon Manyari**
(Health Care Without Harm)

These practices do more than correct misperceptions: they show how new forms of finance, hybrid business models, and asset-based thinking are interlinked, reshaping the localisation chain itself—enabling local actors to exercise greater agency and scale their solutions.

INSIGHT 10: 'Letting go' is critical for funders.

Right-sizing risk, MEL, and reporting to advance localisation requires trust, co-creation, and letting go.

Perhaps one of the hardest shifts for funders in truly enabling localisation is letting go of rigid, top-down compliance frameworks, KPIs, and overly burdensome reporting that may satisfy boards and auditors but fail to reflect local realities, assets, and capabilities. Shifting mindsets to embrace risk-intelligent approaches that support rather than constrain localisation is a first step.

Many well-known foundations receive low ratings from their partners in the Centre for Effective Philanthropy (CEP) Grantee Perception survey with respect to overly burdensome compliance, reporting, and evaluation practices. While the IKEA Foundation partners interviewed reported mixed experiences, some were unequivocal: these approaches must change if foundations are serious about localising their funding models to enable trust and locally led development.

As Section 3 on *What Localisation Looks Like in Practice* shows, local organisations, regranters, and funders are beginning to reframe risk as an organisational characteristic rather than a regional inevitability. Focusing compliance assessments on governance, internal capacity, and institutional maturity—rather than geography—helps funders build equitable partnerships that empower local actors to take initiative and innovate.

INSIGHT 11: Organisational strengthening underpins localisation.

Without flexible, long-term funding to ensure strong organisational systems, localisation cannot thrive. While there is a recognition among funders that multi-year funding is needed to sustain and grow local organisations, the average length of grants needs to be extended to fully support the potential of localisation.

The architecture of funding profoundly shapes the prospects for localisation. A recurring message across participants is the critical need for longer-term, flexible funding to support localisation. Philanthropy as a sector has been slow to adopt longer-duration grants, even though standard 12–18-month cycles are widely regarded as insufficient for building durable relationships, adaptive capacity, and multi-actor coordination. Multi-year grants of three to five years allow local organisations to engage in deeper strategic planning, institutional development, and systems-building rather than constant short-term project delivery. Effective grant design for localisation should strengthen connections between actors, enabling ecosystems to respond, adapt, and scale solutions.

"The irony is that we expect local actors to have strong financial systems, but we (donors) often don't fund the indirect costs they need to build those systems."
– **Sarah Rose**
(Former Senior Advisor for Localisation at USAID)

Participants noted that transitioning from short-term to multi-year grant commitments provides local organisations with the continuity and flexibility required to cultivate durable relationships and plan strategically. They urged funders to expand grant durations more broadly to better support long-term impact and organisational resilience.

Section 3, Table 4 illustrates the diversity of strategic funding approaches and shows how, when funding architecture is designed with ecosystem health in mind, financial flows can move beyond isolated project outputs to deliver sustained, interconnected change.

CONCLUSION: IDEAS FOR A WAY FORWARD

Experiences from funders illustrate that localisation is simultaneously a political, economic, and organisational journey. It requires communities to lead, intermediaries to act as enablers, and funders themselves to shift internally—revising governance, staff roles, and incentives to truly embed local decision-making. These lessons underscore that the pathways outlined below are not merely operational recommendations but markers on a broader transformational journey, where funding practices, organisational structures, and strategic mindsets converge to create lasting change.

1. Embrace flexible, fit-for-purpose funding models	Funders should move beyond rigid, short-term project cycles and adopt multi-year, phased, and context-sensitive grants. Such funding structures enable local organisations to scale sustainably, build internal systems, and respond adaptively to emerging needs. Importantly, funders should align grant design to partner absorptive capacity, avoid one-size-fits-all approaches, and prioritise long-term ecosystem impact over immediate outputs, allowing actors to set their own priorities and timelines.
2. Support hybrid and innovative financing approaches that recognise local assets	Traditional grants are necessary but insufficient to catalyse sustainable localisation at scale. Funders can combine grants with catalytic, concessionary, or revenue-based instruments to mobilise local investment and reduce dependency on external donors. Recognising local knowledge, networks, and institutional capital as legitimate economic value strengthens agency, resilience, and sustainability. Additionally, funders can explore blended finance mechanisms and social investment tools that allow local organisations to leverage their own assets, generating re-investable returns for their communities.
3. Invest strategically in intermediaries to redistribute power and resources	While intermediaries remain essential for bridging donor resources and local actors, funders should ensure these intermediary partners operate to amplify, rather than recentralise, power—actively enabling local leadership. High-capacity, familiar iNGOs are no longer sufficient proxies for local insight; instead, funders should cultivate relationships with a wider spectrum of actors, including smaller, less-resourced organisations that may more accurately represent communities. Funding models can be adapted so that local organisations act as primary recipients, with intermediaries in complementary, supportive roles—phasing into advisory functions and strengthening overall ecosystem capacity.
4. Reframe risk and compliance to enable equitable partnerships	Barriers such as inequitable indirect cost recovery, risk-averse compliance models, and constrained absorptive capacity trap funders in intermediary-dependent cycles. Effective localisation requires rethinking risk to be enabling rather than exclusionary. Shifting from broad, geography-based risk profiles to institution-focused assessments allows funders to partner equitably with local actors. Co-designed compliance frameworks, tiered risk approaches, and capacity-strengthening support reduce administrative burdens, build trust, and enable smaller organisations to participate safely and sustainably.

5. Embed local knowledge and leadership in monitoring, evaluation, and learning	MEL systems that reflect local priorities and expertise are both a political and economic lever. Funders can strengthen accountability by privileging partner-led success metrics, community-sourced evaluations, and locally informed audit processes. This approach shifts power over knowledge production to local actors, reduces extractive practices, and aligns economic incentives—time, funding, and technical resources—toward learning that is contextually relevant, action-oriented, and locally owned.
6. Leverage convening power and learning networks to amplify local voices	Funders have a unique capacity to connect actors across geographies, sectors, and scales. Through convening diverse stakeholders, supporting peer learning, and facilitating shared platforms, funders can accelerate the diffusion of localisation practices. Strategic investment in learning networks empowers local actors to shape agendas, influence policies, and engage in collective action, while creating enduring platforms for knowledge exchange and collaboration.
7. Approach localisation as a long-term transformation, not a project	Perhaps most importantly, funders should view localisation as a systemic shift rather than a series of isolated interventions. Supporting the maturation of local organisations, intermediaries, networks, and ecosystems requires patience, coordination across funders, and sustained investment in capacity, governance, and relationships. Short-term fixes or ad hoc interventions risk reinforcing dependency and perpetuating centralised power structures, undermining the very goals of localisation. Only a committed, long-term approach ensures that local leadership, agency, and self-determination are genuinely realised.

The shifting landscape of global funding presents a defining moment of responsibility and choice. This study was conceived and conducted during a period of profound disruption in global development and philanthropy. Localisation itself is not a new idea—place-based and community-centred approaches have long been central to giving traditions in many cultures, and governments have for decades sought to decentralise authority and decision-making. Yet the current geopolitical moment, the polycrises, and the sudden defunding of major international development programmes, have destabilised already debt-burdened countries. The resulting shocks are being felt most acutely in local communities, where lives and livelihoods are being lost.

In this context, localisation is both urgent and necessary. It requires not only a recalibration of funding priorities but also a reimagining of power, trust, and partnership in development. It challenges funders to move beyond transactional approaches, embracing strategies that strengthen local ecosystems, foster resilience, and embed equity at every level. Our hope is that this study will contribute to the growing imperative to rethink Western-centric approaches to philanthropy and development, situating localisation as a fundamental shift in power, practice, and partnership.

ANNEXES

Annex A: Acronyms

ACF	African Culture Fund
AI	Artificial Intelligence
ALNAP	Active Learning Network for Accountability and Performance
AWDF	African Women's Development Fund
CEEW	Council of Energy, Environment, Water
CEO	Chief Executive Officer
CFF	Collaborative for Frontier Finance
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DFAT	Department of Foreign Affairs and Trade (Australia)
EDGE	Engaged Donors for Global Equity
FCDO	Foreign, Commonwealth & Development Office (United Kingdom)
FCRA	Foreign Contribution Regulation Act
GDPR	General Data Protection Regulation
GFA	Growth Firms Alliance
GFCF	Global Fund for Community Foundations
GOGLA	Global Off-Grid Lighting Association
GSG	Global Steering Group for Impact Investment
HCWH	Health Care Without Harm
HR	Human Resources
ICC	India Climate Collaborative
ICM	Mexico's Climate Initiative
ICVA	International Council of Voluntary Agencies
IFRC	International Federation of Red Cross and Red Crescent Societies
iNGO	International Non-Governmental Organisation
KPI	Key Performance Indicators
LLD	Locally-Led Development
MCLD	Movement for Community-Led Development
MEL	Monitoring, Evaluation and Learning
MFAN	Modernizing Foreign Assistance Network
NEAR	Network for Empowered Aid Response
NGO	Non-Governmental Organisation
NNGO	National Non-Governmental Organisation
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
OSF	Open Society Foundations
Philea	Philanthropy Europe Association
RINGO	Re-Imagining the INGO
SGB	Small and Growing Business
SINA	Social Innovation Academy
SME	Small and Medium Enterprises
SNV	Stichting Nederlandse Vrijwilligers (Dutch Volunteers Foundation)
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USGLC	U.S. Global Leadership Coalition
WACSI	West Africa Civil Society Institute
WINGS	Worldwide Initiatives for Grantmaker Support

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Annex C: Organisations consulted

The study team consulted representatives from the following organisations. To ensure data privacy and GDPR compliance, only organisational names are listed.

Funders

1. Conrad N. Hilton Foundation
2. DOEN Foundation
3. Firelight Foundation
4. Ford Foundation
5. Good Energies Foundation, by Porticus
6. Irene M. Staehelin Foundation
7. McKnight Foundation
8. Oak Foundation
9. Open Society Foundations
10. Porticus Foundation
11. The ShareTrust

Regranters[20]

12. Agroecological Fund
13. ClimateWorks Foundation
14. Crux Alliance
15. Dutch Relief Alliance
16. European Climate Foundation
17. Global Fund for Community Foundations
18. Health Care Without Harm
19. Iniciativa Climática de México
20. Mosaic
21. New Economics Foundation
22. New Energy Nexus
23. ViriyaENB
24. World Resources Institute

Implementers (including local actors)

25. Adeso
26. African Youth Action Network
27. Biovision Foundation for Ecological Development
28. Chapter Zero Alliance
29. Council for Environment, Energy, and Water
30. Danish Refugee Council
31. ENVenture
32. Foundation for Ecological Security
33. GOGLA
34. Helvetas
35. IFRS Foundation
36. India Climate Collaborative

[20] Some organisations are 'Regranters' as well as 'Implementers'. For ease of reference, we've grouped them according to their primary roles.

37. Kenya Community Development Foundation	
38. Legado	
39. Professional Assistance for Development	
40. Rainforest Alliance	
41. Refugee Consortium of Kenya	
42. Relevant Impact Innovation	
43. SELCO Foundation	
44. Social Innovation Academy (SINA)	
45. Stichting Nederlandse Vrijwilligers (SNV)	
46. Sustain Plus	
47. Synergy	
48. Zambian Governance Foundation	

Others

49. Dalberg	
50. International Evaluation Academy	
51. Partos	
52. WINGS	

Panel/group discussions

53. Active Learning Network for Accountability (ALNAP)	
54. The Collaborative for Frontier Finance	
55. Funders	Conrad N. Hilton Foundation
	United States Agency for International Development (USAID)[21]
	Firelight Foundation[22]

[21] Former Senior Advisor for Localization

[22] Former CEO