

Direct Partnerships with Local Organisations

Opportunities, Risks and Setting a
Research Agenda

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Executive Summary

The shift towards locally led development in international cooperation has become a crucial goal for many actors in the development sector. Currently, however, the transition is symbolic rather than substantive, with existing assumptions about local organisations' capacities and risks hindering true power shifts. This policy paper is based on findings from a series of workshops organised by THRIVE Institute in partnership with the Ministry of Foreign Affairs (MFA) of the Netherlands and the Knowledge Platform for Security and Rule of Law (KPSRL) within the Project "Shifting Discourse in Rule of Law Development Policy". While this policy paper was prompted by the MFA's concerns about local organisations' capacity to manage programs and fiduciary risks associated with direct funding, it highlights the importance of understanding risk and capacity first and primarily from the perspective of local civil society actors and the challenges they experience to mitigate these risks.

Through evidence and analysis, this paper highlights the necessity of addressing power imbalances and reassessing the role of international intermediaries like INGOs. It emphasises the need for donors to establish equitable partnerships with local organisations, focusing on mutual accountability. To support this transition, policy insights aimed at facilitating legitimate, sustainable, and impactful partnerships between donors and local actors are outlined. Further, this transition towards locally led development includes revising development cooperation governance 'starting from the South', enhancing multi-year funding, and establishing shared accountability frameworks. Finally, the policy paper lays the foundation for a research agenda to provide further evidence to inform future policymaking on locally led development.



Introduction

In international development cooperation practice, important discussions are taking place on efforts to **transition from an ‘aid’ model towards strengthening locally led efforts and establishing more direct partnerships between donors and local development actors**. Concepts like ‘localisation’, ‘locally led development’, ‘people-centred justice’, ‘shifting power’, and ‘decolonisation’ are no longer only aspirational buzzwords¹ but are starting to become operational imperatives for international development actors. However, in practice, **this shift comes with challenges and is thus taking place at a slower pace**,² in particular in terms of funding. There is a risk that localisation efforts remain a symbolic gesture rather than a concrete system-wide change in power dynamics and decision-making in the international development cooperation field.

One of the barriers to effective localisation is that **the development ecosystem is rooted in many assumptions regarding the attitudes, worldviews, capacities, and risks related to direct partnerships with local actors**. These underlying assumptions translate into the upholding of traditional development cooperation models and structures where the funding is predominantly allocated to intermediary organisations, multilateral organisations, and International Non-Governmental Organisations (INGOs), who then redistribute the funds to local civil society organisations (CSOs). An effective transition into direct partnerships between donors and local CSOs needs to be **supported by existing evidence debunking or confirming those assumptions**, and by **setting a collaborative research agenda** to gather evidence to fill existing knowledge gaps on the effectiveness of partnerships with locally led organisations. This can help ensure that development programmes are more effective and sustainable and that efforts do not end when funding runs out or when the organisations implementing these programmes shift their operations.

This policy paper was developed within the framework of the Knowledge Management Fund (KMF) Project “Shifting Discourse in Rule of Law Development Policy”. A workshop where we conducted an assumption mapping exercise with the Dutch Ministry of Foreign Affairs (MFA) staff took place on May 16, 2024. Following the workshop, the MFA identified questions that need to be addressed to inform policymaking on localisation. On October 22, 2024, the first version of this paper was presented to the MFA. This final version incorporates feedback and provides evidence-based policy messages for addressing these assumptions. Likewise, it offers a foundation for a future research agenda for producing evidence to answer some of the policy questions on locally led development.

¹ For the purposes of this paper, the terms ‘localisation’ and ‘locally led development’ refer to perspectives and notions that centre people and their communities in the pursuit of justice and development. ‘People-centred justice’ seeks to place the ‘justice needs’ of people and their communities at the core of legal solutions and interventions. ‘Shifting power’ or *#shiftpower* as this movement is more widely known, refers to a growing movement of development cooperation actors who are calling for shifts (in particular around resourcing) in international development cooperation [towards global solidarity and movement generosity](#).

² For instance, in 2023 USAID’s direct funding of local organisations was 9,6%, down from 10,2% the year prior. The [USAID Localization Progress Report FY 2023](#)

Challenging Existing Assumptions: Key Messages from Research

Challenging assumption 1: Local organisations have insufficient capacity to implement programs without technical assistance from International Non-Governmental Organisations (INGOs)

The assumptions about the capacity of the local actors to manage programs and funding are often linked to perceptions of their **legitimacy in the context of their specific operations**, which are assessed differently by different actors. For example, research on civil society engagement with land rights advocacy in Kenya³ showed that different actors place greater value on different sources of legitimacy for CSOs. *Content-specific knowledge, transparency, and the ability to achieve and demonstrate tangible results* were sources of legitimacy valued by all actors. Donors valued *online visibility and diligent management and reporting practices*, whereas local organisations and communities placed greater value on *long-term engagement in the field, embeddedness in the community and the active involvement of community members, and the ethno-religious background of individual representatives*.

For local CSOs, navigating and fulfilling legitimacy expectations while also delivering meaningful results for communities through limited funding available for operational support and organisational development is an additional challenging task that perpetuates power imbalances. Research in Malaysia⁴ has revealed that informal community-based⁵ and refugee-led initiatives face greater barriers to participation due to their precarious or marginalised position vis-a-vis INGO country offices and CSOs. Often arbitrary policies around legal status has created obstacles to complying with formal requirements imposed by the donors, such as the legal status of organisations, bank accounts, and other formal checks and balances created to satisfy taxpayers in the Global North. Similar challenges were identified in research on organisations working on statelessness in the Dominican Republic and Kenya.⁶ The assumption that for local organisations to be funded they *must* function similarly to larger organisations prevents many such organisations from receiving funding to strengthen their organisational capacity and their effectiveness in the field. Their funding is often limited to providing services to their communities. The result is that local organisations that can successfully mimic INGO structures, irrespective of their legitimacy or impact on the ground, receive larger funding.

Significantly, however, it must be reiterated that despite these challenges informal community-based and other marginalised groups such as forced migrant-led initiatives do self-mobilise to attempt to address social challenges for their own and other communities,⁷ demonstrating that they have the local

³ M Spierenburg, M Matelski, S Zijlstra, L van Kempen, M Dekker, A Nangulu, and B Otundo, '[Interim findings: civil society engagement with land rights advocacy in Kenya](#)' (2019)

⁴ Findings from doctoral research conducted by one of the authors of this policy paper. K Kaur, *Imaginaries of Laws, Borders and Rights: Forced Migrant Voices of Change* (PhD thesis). Tilburg University (2024)

⁵ For a discussion on the roles of community-based organisations, see M Matelski and L Woensdregt, '[What's \(in\) a CBO? Analysing community representation in the Kenyan aid chain](#)' (2024); see also K Kaur, *Imaginaries of Laws, Borders and Rights: Forced Migrant Voices of Change* (PhD thesis). Tilburg University (2024).

⁶ Preliminary findings from doctoral research conducted by one of the authors of this policy paper (MJ Recalde-Vela)

⁷ K Kaur, *Imaginaries of Laws, Borders and Rights: Forced Migrant Voices of Change* (PhD thesis) Tilburg University (2024); Z Sahin Mencutek, 'Refugee community organisations: capabilities, interactions and limitations' (2021) *Third World Quarterly*

knowledge, expertise and capability *if not capacity* to localise development programmes in a context with supportive infrastructure and legal/political backing. Local actors, especially refugee-led initiatives, rarely receive access to international recognition or funding despite often being regarded by refugees/local communities themselves as an important source of assistance.⁸ Indeed, marginalised actors, including refugees, demonstrate agency by creating informal economies, engaging in entrepreneurship and finding work in host communities.⁹ They are “experts of their own context, have decades of experience in allocating aid, and know what is needed.”¹⁰ Nevertheless, despite the need to recognise and legitimise this agency of such local actors, it is important to keep in mind the need to implement an overall civil society and political infrastructure and supporting legal frameworks so as not to place the burden of ‘development’ on the most marginalised actors.¹¹

Institutional donors use the narrative that legitimacy standards and policy priorities are driven by the donor’s accountability to taxpayers. This assumption is also underpinned by the broader assumption in the development field that adopting the right ‘technical’ and ‘managerial’ tools, skills, and interventions will result in the desired development outcomes. Primarily, public opinion in donor countries upholds the ‘charitable’ narrative around development cooperation, in which the giver of ‘aid’ has the right to decide on and set the boundaries to the needs/agency of the receiver. To counter this, public information and messaging on locally-led development can be adapted to reinforce the message that people in the Global South are neither incapable nor agency-less,¹² as historically assumed in neo-colonial aid logic and often portrayed by the Global North media, but are equitable partners in addressing global security issues, poverty and other global challenges.¹³ There is a growing body of research which demonstrates that counteracting negative media portrayals can reduce biases against marginalised groups. Such counter-narratives are significant to build support for not only development cooperation agendas but also shifting away from more harmful sentiments in society at large.¹⁴

Furthermore, targeted political advocacy and sharing of evidence on the security, economic, reputational and other benefits of building equitable partnerships for all development actors is key for localisation policy to be mainstreamed in the sector.

42(1): 181-199; A Betts, L Bloom, J Kaplan, and N Omata, *Refugee Economies: Forced Migration and Development* (Oxford University Press 2016)

⁸ K Pincock, A Betts, and C Easton, *The Rhetoric and Reality of Localisation: Refugee-Led Organisations in Humanitarian Governance* (2021) 57(5) *Journal of Development Studies* 719

⁹ A Betts, L Bloom, J Kaplan, and N Omata, *Refugee Economies: Forced Migration and Development* (Oxford University Press 2016)

¹⁰ G van Selm, [‘Shifting the power: What does new evidence mean for public engagement with aid?’](#) (2023)

¹¹ N Omata, ‘Community resilience or shared destitution? Refugees’ internal assistance in a deteriorating economic environment’ (2013) 48(2) *Community Development Journal* 264; N Omata, ‘Humanitarian Assistance as Performance? Expectations and Mismatches Between Aid Agencies and Refugee Beneficiaries’ (2022) *Ethnos* 1-19; K Kaur, *Imagines of Laws, Borders and Rights: Forced Migrant Voices of Change* (PhD thesis). Tilburg University (2024)

¹² G van Selm, [‘Shifting the power: What does new evidence mean for public engagement with aid?’](#) (2023)

¹³ [‘Europe’s former imperial powers continue to target aid to ex-colonies’](#) *The Guardian* (2015)

¹⁴ See further: G Allport, *The Nature of Prejudice* (1954) EG Bruneau, [‘The Power of Being Heard: The Benefits of “Perspective-Giving” in the Context of Intergroup Conflict’](#) (2012) 48(4) *Journal of Experimental Social Psychology* 855; E Ben-Porath and L Shaker, [‘News Images, Race, and Attribution in the Wake of Hurricane Katrina’](#) (2010) *Social Science Research Solutions*; N De Genova, ‘Spectacles of Migrant “Illegality”: The Scene of Exclusion, the Obscene of Inclusion’ (2013) 36(7) *Ethnic and Racial Studies* 1180

Challenging assumption 2: Fiduciary risks are higher when funding is directly distributed to local organisations

One of the assumptions identified by the MFA as limiting for transition to locally led development is the belief that risks of fraud and misappropriation of funding (fiduciary risks) are higher when the funding is distributed directly to the local CSOs by the donors, without involving intermediary INGOs. Currently, no reliable evidence definitively supports or refutes this concern. This could be potentially explained by the relative novelty of the locally led development movement, and the absence (or limited accessibility) of historical data that would be required to conduct such analysis. We would like to offer several insights from existing literature to help unpack this issue and propose several considerations for policy.

Firstly, INGOs – who are largely perceived as being reliable partners – are not immune to fraud and misuse of funding.¹⁵ Fraud and corruption do occur in financing development agendas and must be diligently prevented and addressed. However, a very recent report from the Anti-Corruption Resource Centre shows that corruption in relation to the allocation and financing of development programmes can be attributed to governmental officials, private sector actors, aid agencies and intermediaries, customs/border officials and debt/financial officials. Whilst local CSOs are vulnerable to corruption/fraud, this report illustrates that “there are also potential integrity risks related to donors’ own procurement processes, not least given that a large proportion of bilateral donor assistance is contracted to companies from the donor country, which may heighten the potential for a conflict of interest with suppliers”¹⁶.

Secondly, to shift towards direct funding for local organisations, all development actors collectively should thoroughly rethink their approaches to risk and compliance. If existing policies are maintained and intermediary INGOs—which often have elaborate corporate structures to meet donor requirements, manage risks and “translate” results—are simply removed from the picture, local CSOs and grassroots organisations will be pressured to mimic the INGO structures. Applying the same (or just slightly alleviated) due diligence requirements to the local CSOs will create an excessive compliance burden on the local partners and erode their resources – often already exacerbated by conflict and instability taking place in the contexts they work in – and the necessity to navigate the needs of their constituencies and the demands of local governance¹⁷. Combined with uncertain and limited funding, this can indeed increase incentives for opportunistic behaviour and fraud.¹⁸ Therefore, a revision of donor requirements and approaches to risk management and compliance is necessary to avoid pushing local CSOs to transform into “local” corporate-like versions of the intermediaries they replace. In the next section of this paper, we make several suggestions for possible policy directions.

Further, existing risk management frameworks designed to protect each actor’s organisational risks separately are ill-suited for a development cooperation system where development goals, risks and opportunities should be shared and addressed holistically by all development actors. Putting excessive focus on the scrutiny of local organisations further perpetuates power imbalances and mistrust, which hinder the achievement of common development goals. Further research is needed to assess the sustainability and cost-benefit analysis of these systems for all partners involved and to explore alternative systems with distributed risks and accountability.

¹⁵ Matthew Jenkins, [Corruption and the Financing for Development Agenda](#) (U4 Anti-Corruption Resource Centre 2024)

¹⁶ Ibid, p 20. See also Charles Kenny "[Testimony to the US House Oversight and Accountability Subcommittee Hearing.](#)" *Accountable Assistance: Reviewing Controls to Prevent Mismanagement of Foreign Aid*, 2024

¹⁷ *ibid.*

¹⁸ Heidi E. Rademacher; [Beyond the Bribe: Corruption and Fraud in Local-Level NGOs. *Sociology of Development* \(2023\); 9 \(4\): 388–407.](#)

Policy Insights and Considerations for Action

Governance

- **Contextualize (legitimacy) requirements:** Identify qualitative minimum legitimacy requirements for local CSOs and community-based groups that are realistic, justified and context-specific. It is advisable that donors critically assess, minimise and unify their due diligence, procurement and compliance requirements to reduce the burden imposed on the local partners, avoid their “westernisation” and avoid harm. This could be done by creating unified country-specific donor guidelines shared by all donors present in the country to avoid duplication of efforts and wasting resources.
- When INGOs or other intermediary organisations are involved, it is imperative to establish that their role is that of supporting locally led organisations when deemed necessary by the latter. That includes **supporting existing local civil society networks and coalitions rather than supplanting them with INGO-centric partnerships.**

Equitable Partnerships

- In addition to measures for local actors to ensure their compliance, encourage **downward accountability**, i.e. where local actors are also empowered to hold larger actors such as government officials and international donors accountable on how resources are allocated, used or spent. This aims to improve transparency through the inclusion of local stakeholders in monitoring and reporting on aid effectiveness to support mitigation measures on corruption/fraud.¹⁹
- Mainstream conducting of **Power, Political and Strength analysis**²⁰ to identify actors present and absent from the development map, keeping in mind power relationships, self-representation by targeted groups, and gatekeepers and the opportunities that might be overlooked. Such analysis should include the donor’s positionality among other local actors and measures to mitigate identified imbalances.
- **Shift from risk management to risk sharing** frameworks,²¹ where the risks are distributed among all partners so that the resources can be used and distributed more equally. It is important to note that risk frameworks are not intended to be the foundation of partnerships but rather function as an addition to an equitable partnership built on solidarity, shared accountability and focus on opportunities. A risk-sharing framework would identify types of risks with the understanding that (a) these might be mutual risks that can impact multiple partners; and (b) risks might be the incorrect framework to understand and address an issue. A focus on the

¹⁹ Matthew Jenkins, [Corruption and the Financing for Development Agenda](#) (U4 Anti-Corruption Resource Centre 2024)

²⁰ See Worksheet on pp 45-46 of G Teskey and L Tyrrel, ‘[Implementing adaptive management: A front-line effort Is there an emerging practice? The Governance & Development Practice Working Paper Series](#)’ (2021)

²¹ See, for instance, the tools developed by the [Risk Sharing Platform](#) established co-led by the Netherlands Ministry of Foreign Affairs, the ICRC and InterAction. Although the tools created by the Platform are directed to the humanitarian sector, they can be adapted to the international development cooperation sector.

challenges and processes that produce these risks will be more productive to strengthen partnerships and ultimately improve the provision of locally led aid.

- In its funding programmes, the Dutch Ministry of Foreign Affairs (MFA) should require (I)NGOs to share funds and decision-making power with trusted local actors. In MFA-funded (research) projects, encourage (I)NGO partners to **share resources on an equal basis with local organisations** that are implementing the project and/or facilitating research. In the funding proposal guidelines, encourage applicants to allocate funding for obtaining input and disseminating findings among community members, to enhance legitimacy and obtain more sustainable, inclusive and reliable results.
- **Prioritise supporting networks and coalitions of local actors.** This will help to foster cooperation and reduce the burden that would fall on individual actors. This can also strengthen the sustainability of aid programmes since actors can build on each other for the necessary capacity. A network approach also facilitates the inclusion of new and emerging actors in evolving civil society dynamics.

Norms and values

- When tensions arise between donor and local values, norms and approaches, for instance, when dealing with informal justice systems, gender equality, customary laws, or rule of law it is advisable to look beyond formal definitions and focus on the core values underpinning these notions. Donors should step away from the neo-colonial language of ‘promoting norms and values’ where a wholesale ‘buy-in’ by the local partners is often expected, and rather focus on listening and identifying core values shared by all partners. This entails reflexivity from all involved in discussions and for partners to participate in dialogues to build a shared value and knowledge base.
- Rethink public messaging on locally led development within the Dutch public emphasizing that people in the Global South are capable, empowered agents of change and should be recognized as equal partners in tackling global security, poverty, and other worldwide challenges. Sharing case studies and concrete examples showcasing the effectiveness and impact of locally led development can help shift public perception and build broader support for these approaches.

A New Research Agenda

In this section, we suggest directions for further research to support evidence-based locally led development policies. There are several steps to take towards adopting a new research agenda to support evidence-based locally led development policymaking. One of the key steps for all actors involved – donors, ‘pracademics’, participatory actions researchers and development practitioners – is to develop trust relationships with local actors and include them in all discussions and every step of the research process. This entails creating spaces for everyone to have a voice and a role in the process, for instance through co-design of research projects and co-writing of the findings.

Another important step to take is to acknowledge the interconnections at the system/societal level, as global issues are shared by all. Therefore, open discussions in various academic and non-academic fora – global, regional, and national – are important. A new research agenda would also entail questioning binary assumptions in current development discourse e.g. us/them, North/South, developed/underdeveloped. Finally, to further a new research agenda, researchers must acknowledge our blind spots, worldviews, and biases to meaningfully engage in reflective discussions on this matter with other actors. We propose a new research agenda that will:

- Evaluate myths, assumptions and worldviews which shape the practices and policies of localisation agendas. This could include for example, neo-colonial shaping of localisation practices, media portrayals of development cooperation and impact on the ‘tax-paying’ public support, the capacity of local actors, role of the intermediary organisations, fiduciary risks and more.
- Develop research to critically evaluate which tools for the collection and analysis of data impact shifting towards direct partnerships with local organisations, for instance, through Monitoring, Evaluation and Learning, mutual accountability and challenge/risk-sharing frameworks. Such research should also consider the impact of such tools on the local actors and explore alternative approaches elevating burdens and addressing the core questions of localisation and its risks/challenges.
- Explore new approaches to development policymaking, for instance, through frameworks of mutual accountability, donor cooperation and inclusive, anti-racist, participatory and intersectional policymaking
- Identify good practices in terms of dissemination of development outcomes and learning beyond NGOs and community leaders. Some of the questions that can guide research on this include: what is the role of embassies in enhancing inclusivity on the local level? What tools are needed (i.e. awareness raising workshops) for relevant embassy staff and for local voices? What is the role of journalists in sharing good practices and positive experiences in informing public opinion in the Netherlands? How can the various actors (embassies, INGOs, local organisations, community representatives, journalists, artists et cetera) collaborate productively?
- Explore models of legal pluralism and customary justice systems that are often overlooked in traditional rule of law programming, and how these can be better integrated into development cooperation. Further, consider how such models could be communicated to development actors, local actors and the wider public to enhance understanding of cooperation contexts.
- Engage with critical analysis of public perceptions in the Netherlands regarding localisation and development cooperation, and test narratives which build solidarity and exposure to different lived experiences to build broader public support.

Conclusion and Way Forward

The findings of this policy paper underscore the need for systemic changes in the way development cooperation is structured, particularly regarding empowering local organisations. By unpacking some of the assumptions about capacity and fiduciary risk, it becomes clear that local CSOs and community-based groups can be well-positioned to lead development initiatives when provided with appropriate resources and engaged in equitable partnerships. The MFA, along with other donors, is encouraged to implement policies that prioritise shared accountability, reduce compliance burdens, and enhance direct funding mechanisms.

Looking ahead, **further research is critical to support this transition**. The research agenda should focus on **understanding the legitimacy and sustainability of local actor networks, investigating the impact of donor fragmentation, and exploring mutual accountability frameworks**. Additionally, it is important to **assess public perceptions of locally led development within donor countries** to build broader public support for local leadership. These efforts will help to identify opportunities for piloting new partnership models, improving risk-sharing mechanisms, and ensuring that donor efforts align with broader development goals, respect local priorities and can be better communicated to audiences in donor countries. Meaningfully engaging local stakeholders in co-developing research methodologies will also ensure that the findings are relevant and actionable.

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