



Having played an influential role in establishing and keeping the issue of funding for local and national NGOs on the international policy agenda, the NEAR Network has embarked on an ambitious and innovative programme of research with the purpose of identifying progressive, locally and nationally-led financing solutions, which drive real and lasting change.

This brief provides an update on the current status and expected directions of the research over the coming months. It also extends an open invitation to engage interested actors in the research process and in supporting outcomes of the research.

### **Background to the research**

The World Humanitarian Summit consultation process provided local and national actors a rare opportunity to express their issues and concerns on a global platform, as the calls for a fairer deal for local and national responders became increasingly difficult to ignore. Concerns around the fairness of the terms on which local and national actors receive funding from the international system was a prominent theme in these discussions and found decisive recognition in the commitments agreed by the largest international donors and responding actors under the Grand Bargain.

One year on from signing the Grand Bargain, progress in commitments on localisation are extremely disappointing. Direct funding for local and national NGOs actually fell in 2016, to a meagre 0.3% of total international humanitarian financing,<sup>1</sup> in sharp contrast with the bold Grand Bargain commitment to provide 25% of funding “as directly as possible”. Efforts to establish definitions and criteria for tracking against the 25% commitment have been met with obstruction and prevarication from donors and international responders. Though there is overall agreement that national and local actors should benefit for a fairer deal, the policy debate and narrative continues to be dominated by international actors.

It is against this background, of a unique political commitment to change, countered with institutional resistance and caution, that the NEAR Network seeks to provide practical, progressive and authentic solutions, driven and designed by local and national actors.

### **Research design**

The starting assumptions for the research are that:

- (1) Local and national actors have comparative advantages, capacities, assets and resources which can be further strengthened and leveraged;

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<sup>1</sup> <http://devinit.org/post/global-humanitarian-assistance-2017/#>

- (2) The long-term aspiration is to invest in and build independent, sustainable local and national responsive capacities.

The research programme is funded by ECHO, commissioned and led by the NEAR Network and involves a team of experts with expertise in Islamic Financing, community philanthropy, and traditional humanitarian financing.

The research is designed to explore alternative approaches to meeting humanitarian financing needs at the country-level, which will better meet the needs and priorities of national responding actors. This includes looking at both traditional and alternative domestic and international financing sources.

### **Progress to date**

The research team has so far undertaken a research study on the role of Islamic Financing in meeting humanitarian and development financing needs, including case study research in Turkey, Malaysia, Sudan and Egypt. The Islamic Financing research theme will produce a primer for a non-expert audience on Islamic Financing in humanitarian and development responses and a paper proposing a new model for mobilising, managing and delivering Islamic Financing at the country-level.

The research has also undertaken a literature review of existing lessons and best practices in managing country-based pooled funds to develop a practical guidance in developing new country-based pooled financing mechanisms, which support the investment priorities and needs of local and national civil society actors.

Over the course of the next two months, the research team will also investigate approaches from across the development and humanitarian sectors to invest in developing sustainable and independent local and national responsive capacities. This piece of the research will primarily focus on civil society actors and draw on experiences from initiatives aimed at strengthening the capacity, coordination and strategic direction of civil society actors in a number of contexts, including Somalia, Kenya and Lebanon. This will include exploring and documenting experiences from the growing field of community philanthropy and experiences of developing and mobilising financing for civil society in India.

The final outputs of the research will include recommendations for strategic direction and prioritisation, investment vehicles, tools and approaches to build sustainable responsive capacities at the country-level, drawing on all of the above research streams, as well as practical country case study research in Somalia, Kenya, Lebanon and India. The research is expected to conclude with a series of recommendations for country-pilots, which NEAR and partners will look to seek support to develop in 2017 and 2018.



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