The failure to fund refugee-led organisations

Why the current system is not working, and the potential for change

Caitlin Sturridge, Fran Girling-Morris, Alexandra Spencer, Andhira Kara and Carina Chicet

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Illustrations by Ada Jušić (www.adajusic.com)
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About this project

This project is a collaboration between HPG and Development Initiatives. Development Initiatives (DI) is a global organisation harnessing the power of data and evidence to end poverty, reduce inequality and increase resilience.

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<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>BPRM</td>
<td>(United States) Bureau of Population, Refugees, and Migration</td>
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<tr>
<td>COP</td>
<td>Conference of the Parties</td>
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<tr>
<td>CRLM</td>
<td>Collective for Refugee Leadership in MENA</td>
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<td>CRRF</td>
<td>Comprehensive Refugee Response Framework</td>
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<tr>
<td>CSO</td>
<td>civil society organisation</td>
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<td>DRC</td>
<td>Danish Refugee Council</td>
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<td>ED</td>
<td>equivalency determination</td>
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<td>FTS</td>
<td>Financial Tracking Service</td>
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<td>GCR</td>
<td>Global Compact on Refugees</td>
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<td>GRF</td>
<td>Global Refugee Forum</td>
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<td>IATI</td>
<td>International Aid Transparency Initiative</td>
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<td>IDP</td>
<td>internally displaced person</td>
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<td>INGO</td>
<td>international NGO</td>
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<td>IOM</td>
<td>International Organization for Migration</td>
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<td>KI4BLI</td>
<td>Kalobeyei Initiative for Better Life</td>
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<td>NGO</td>
<td>non-governmental organisation</td>
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<td>NRC</td>
<td>Norwegian Refugee Council</td>
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<tr>
<td>OCHA</td>
<td>(UN) Office for the Coordination of Humanitarian Affairs</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>PLWD</td>
<td>people living with disabilities</td>
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<tr>
<td>RELON</td>
<td>Refugee-Led Organisation Network</td>
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<tr>
<td>RLO</td>
<td>refugee-led organisation</td>
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<tr>
<td>RRLI</td>
<td>Resourcing Refugee Leadership Initiative</td>
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<tr>
<td>RRP</td>
<td>Refugee Response Plan</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNHCR</td>
<td>UN Refugee Agency</td>
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<td>UNICEF</td>
<td>UN Children’s Fund</td>
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<td>WFP</td>
<td>World Food Programme</td>
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1 Introduction: a failure to fund

Refugee-led organisations (RLOs) are not being given the funding and, by extension, the recognition and influence, they need and deserve. This is symptomatic of a wider failure to localise humanitarian funding. In 2022, just 1.2% ($485 million) of total international humanitarian funding reached local actors directly (DI, 2023). The proportion of funding allocated to RLOs specifically is even smaller. Though more difficult to track, our research was able to identify just $26.4 million of humanitarian and development funding that reached RLOs in 2022. A similar picture emerged from research tracking funding for the Syrian refugee response in Türkiye, which found that RLOs received just $4.5 million (equivalent to 0.15% of total international funding in 2019 and 2020) (DI, 2022a).

The Covid-19 pandemic temporarily raised the profile of RLOs as primary responders when they stepped in to fill the gap left by international aid actors pulled back to headquarters (Hakiza et al., 2020; Gonzalez Benson et al., 2022). In the wake of the pandemic, direct funding to local and national actors slightly increased in 2020, only to be significantly scaled back (by two-thirds) in 2021 to its lowest proportion (1.2%) since 2016 – a picture that has since remained largely unchanged (DI, 2022b; 2023). Any gains that were made during the pandemic have clearly been lost, and a long-lasting change in mindset has not materialised (Cohere, 2022a; Easton-Calabria, 2022).

This failure to fund RLOs is (when taken at face value) puzzling. Firstly, RLOs are an important cog in the refugee-response machine (see Box 1 for a working definition of RLOs). They provide essential services to their communities, as documented by the growing body of research and evidence into the scale, scope and impact of their work (Essex-Lettieri, 2022; Kara et al., 2022; El Abed et al., 2023). RLOs are also more likely to lead responses that are accountable, legitimate, transparent, effective and impactful (Asylum Access, 2021). But RLOs are not just service providers – they are also best placed to articulate the needs of their communities and influence policy from above. RLO networks and coalitions are already pushing the international refugee regime to innovate and adapt. Viewed from this perspective, the failure to fund RLOs not only compounds gaps in refugee service provision, it is also a missed opportunity for strengthening the international refugee regime from the inside.

A second reason why the failure to fund RLOs is so puzzling (at the surface level) is the supposed duty to the normative principles of localisation, accountability and refugee leadership. Launched during the 2016 World Humanitarian Summit, the Grand Bargain includes over 60 donor, United Nations (UN) and non-governmental organisation (NGO) signatories who committed to channel more funding and power to local and national actors.1 The New York Declaration and its Comprehensive Refugee Response

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1 The Grand Bargain committed signatories to providing 25% of global humanitarian funding to local and national responders by 2020, along with more unearmarked money, and increased multi-year funding to ensure greater predictability and continuity in humanitarian response, among other commitments. In 2022–2023, the Grand Bargain caucus on funding for localisation sought to identify and address the barriers donors and international organisations face in increasing funding to local and national actors. Caucus members committed to developing individual roadmaps by the end of 2023 on how to reach the 25% target. More can be found on the Grand Bargain website: https://interagencystandingcommittee.org/grand-bargain-hosted-iasc/.
Framework (CRRF), and the Global Compact on Refugees (GCR), recognise the role of refugee leaders as first responders. A key stumbling block is that the localisation agenda does not present refugees and, by extension RLOs, as key members of civil society. This is because they continue to be seen as a ‘population to whom rather than by whom assistance is provided’ (Easton-Calabria, 2022). Even the GCR is not explicit about the role that RLOs should play. There is a need to recognise RLOs as key actors in global localisation and refugee leadership instruments. In the absence of a clear global policy framework on how to engage RLOs (within the UN Refugee Agency (UNHCR) or elsewhere) it is up to the discretion of humanitarian and development actors (Pincock et al., 2021). While there are no legal obligations for donors to fund RLOs, there are compelling policy and moral reasons for doing so. Indeed, the failure to localise funding undermines the reputation of the international community, as well as the integrity and effectiveness of the refugee response.

Box 1 What is a refugee-led organisation?

This project adopts a broad RLO definition that builds on work in East Africa by Kara et al. (2022). It defines an RLO as any group, organisation, initiative or network led by refugees or asylum seekers that has the following characteristics:

- Registered or unregistered, they can be found in urban, rural, camp and settlement settings and they can be organisations, associations, coalitions, networks, faith-based groups, or initiatives.
- Their function is to respond to the needs of refugees and related host communities whether these are humanitarian, developmental or cultural.
- They aim to support their own members, their communities, other refugees and/or the host community where they live.
- They may have for-profit elements, but profits are used (fully or partially) to fund not-for-profit activities.
- They may include non-refugees in their boards and management teams, but the main decision-makers and/or founders have a displacement background.

As alluded to by this definition, RLOs take diverse forms and vary significantly in scale, scope, and specialisation. Kara et al. (2022) identified 138 RLOs in Kenya, 63 in Uganda, 42 in Tanzania, and 61 in Ethiopia, which they grouped into three development stages: self-help phase, growth phase and expansion phase. Studies have shown that RLOs provide a wide range of services and support, including food, shelter, education, healthcare, loans, skills training, community cohesion, social protection, orientation, cultural preservation, information and advocacy (Easton-Calabria and Pincock, 2018; Abadi, 2022; Kara et al., 2022; El Abed et al., 2023). To carry out their wide-ranging work, some RLOs establish themselves as registered organisations, while others mobilise through networks, including those based on cultural and faith-based associations (Betts et al., 2018).
This paper highlights the findings from the first of a five-year research project analysing the quantity and quality of funding to RLOs over time (see Box 2). While most agree that donors are not providing enough quality funding to RLOs, few studies have addressed this issue directly through primary research. The first half of the paper provides a 2022 snapshot of the funding landscape for RLOs: how much funding reached RLOs in 2022, how it was tracked, who the main donors and intermediaries were, which geographies receive the most RLO funding, and the alternative mechanisms that RLOs use to access funding beyond ‘traditional’ donors. The second half of the paper analyses why the funding picture has changed so little in favour of RLOs. It is organised around a series of ‘catch-22s’ – dilemmas or circumstances from which it is difficult to chart a path forward because of mutually conflicting or dependent conditions. These address issues of risk and accountability, direct and indirect funding, and the gaps between actors that undermine opportunities for networking and collaboration. The paper concludes with a series of recommendations for increasing quality funding to RLOs. These combine technical, process-oriented adjustments with more structural changes that need to be made to the underlying system.

**Box 2 More about the research project**

This five-year research project aims to provide rigorous and independent snapshots of funding over time and an evidence-based advocacy tool to improve the quantity and quality of funding that is directed to RLOs. The project focuses on the following research questions:

1. **What is the rationale for donors funding RLOs?**
2. **How much funding are donors allocating to RLOs?**
3. **What is the quality of the funding to RLOs?**
4. **What needs to happen to improve the quantity and quality of funding to RLOs?**

The research engaged with a wide range of different actors involved in local leadership, and refugee leadership in particular. In addition to RLOs, this included those directly involved in funding RLOs, as well as the networks and coalitions that work with them to unlock funding, strengthen inclusion, advocate for change, and generate evidence.

The project adopted a mixed-methods approach combining quantitative and qualitative measures:

- Desk review of existing data, evidence and practice through secondary data analysis.
- Funding survey to collect data on the quantity and quality of donor funding streams to RLOs (where this is available). A total of 72 surveys were sent. There was an 81% response rate, and 31% (of total asked) were able to provide data.
- Semi-structured key informant interviews with 37 funders, RLOs, representatives from NGOs (including international NGOs), civil society, advocacy groups, academics and researchers.
- Four workshops in Kampala (Uganda) and Kakuma (Kenya) with 29 representatives from community-based, local or national RLOs.

(For a more detailed overview of the methodology, please see the separate annex).
2 A snapshot of the RLO funding landscape in 2022

2.1 How did we calculate this snapshot?

The RLO funding landscape is not transparent. Our research revealed key gaps in understanding where donor funding goes and how much reaches RLOs, especially funding which passes through one or more intermediary organisations. It is not therefore possible to comprehensively track funding to RLOs using publicly available data: reporting to public funding platforms is incomplete and there is no category or marker against which to report funding to RLOs.

To overcome these challenges, this research adopted a combined approach to calculate the snapshot of funding to RLOs in 2022, composed of a funding survey and an analysis of publicly available datasets. A funding survey was sent to donors (public and private) and intermediary organisations (UN agencies, international NGOs (INGOs), pooled funds and RLO networks) requesting details of the humanitarian and development funding they provided directly and indirectly to RLOs in 2022.

As most funders were not tracking their funding internally, we also compiled a list of over 800 RLOs, which was then cross-referenced with reporting on two publicly available datasets of international humanitarian and development funding: the Financial Tracking Service (FTS) of the UN Office for the Coordination of Humanitarian Affairs (OCHA) and the International Aid Transparency Initiative (IATI). This was to identify any funding flows not captured in the data provided directly by donors and intermediaries. The dataset collated for this project includes contributions from 22 organisations, complemented by two funding flows reported by public donors to FTS and one activity reported to IATI from an INGO. (See the separate annex for a detailed summary of the methodology.)

2.2 Funding to RLOs is not being adequately tracked

Very few donors and international organisations track whether they provide funding, or how much funding they provide, to RLOs. This was especially stark for government donors. None of the 17 public

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2 The term ‘intermediaries’ refers to the organisation, network or mechanism that acts as a go-between for donors and implementing partners (typically national, local and, in this case, refugee-led organisations), for the provision of funding or other support (Lees et al., 2021: 9).

3 The scope included both humanitarian and development funding; however, this distinction is not relevant to many RLOs or their funders.

4 The survey was focused on disbursements reaching refugee-led organisations or networks during the 2022 calendar year. Funding agreements signed with RLOs but where no funding had been disbursed during the 2022 calendar year were not captured.
donors contacted for this research, including the 10 largest humanitarian donors in 2022, were able to share data on the volumes of funding they provided to RLOs in 2022 (see Table 1). Nearly all reported that they do not fund RLOs directly or track how their partners pass on funding. UN agencies are also not tracking this information, outside of specific funding mechanisms designed for RLOs. The majority of donors and organisations with a primary focus or mandate to support displacement-affected populations were unable to provide comprehensive data on the funding they passed on to RLOs in 2022.

Funders who could provide data were generally those engaged in the RLO policy space and who had identified RLOs as a strategic funding priority. Half of the private foundations contacted (10/19) were able to provide data on disbursements to RLOs and their intermediaries in 2022. Several other INGOs – including those focused on displacement and refugee response, RLOs, RLO networks and pooled funds – were also able to provide data.

Table 1  Funder responses to RLO data requests

<table>
<thead>
<tr>
<th>Organisation type</th>
<th>Data received</th>
<th>Data unavailable/ do not fund RLOs/ no funding disbursed in 2022</th>
<th>No response</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public donors</td>
<td>0</td>
<td>15</td>
<td>2</td>
<td>17</td>
</tr>
<tr>
<td>Private foundations</td>
<td>10</td>
<td>6</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>UN agencies</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>INGOs</td>
<td>7</td>
<td>9</td>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>Pooled funds</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Refugee-led organisations and networks</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
</tbody>
</table>

Note: ‘Other’ includes RLOs (who are known to act as intermediaries to other RLOs) and Red Cross Red Crescent organisations. Some INGOs include affiliates and country offices.

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5 For the largest public humanitarian donors, see: https://devinit.org/25160d#27774d78.

6 Out of those who declined to respond to the project data request (36), the main reason given was that they did not track funding to RLOs (15), or that they did not fund RLOs directly (7). Additionally, seven organisations replied that they neither fund RLOs directly nor track if or how their international partners pass on funding to RLOs. Four organisations did not disburse any funding to RLOs in 2022, and the remaining three organisations said they did not have capacity to contribute to the data collection exercise.

7 Such as UNHCR’s funding instrument that provides micro grants specifically to RLOs (UNHCR, 2022a).

8 For example, UNHCR, the International Organization for Migration (IOM), the United States Bureau of Population, Refugees, and Migration (BPRM), Danish Refugee Council, and the Norwegian Refugee Council (NRC).
Box 3  Why an RLO definition is important for tracking and reporting on funding flows

There is no commonly agreed RLO definition. Some funders have developed their own definitions (see below), while others allow grantees to self-identify. Definitions are necessary for tracking funding and, by extension, advocating for funding increases and holding organisations to account for their funding practices. A commonly agreed RLO definition would allow for the independent tracking of funding to RLOs using publicly available data, for example through the addition of a tag on FTS and IATI. This could build on several efforts that have been made to compile lists of RLOs, such as the Reframe platform, the organisations who have self-identified as RLOs on the UN Partner Portal, and the efforts of individual agencies, such as the Women’s Peace and Humanitarian Fund. In the interim (before a definition is agreed), these lists of RLOs (including the list complied through this research) can be used to identify funding to RLOs on FTS/IATI – if and when reporting by funders is improved.

Several RLO definitions already exist, upon which a commonly agreed definition could draw. Our research used the definition developed by Kara et al. (2022) in East Africa (Box 1). In 2023, UNHCR also published its own RLO definition (Box 4). While this definition is a clear and positive demonstration of UNHCR’s recognition of RLOs, there are ongoing questions and concerns surrounding the process under which it was designed. In particular, the ‘lack of guidance and deliberation on how UNHCR plans to integrate this definition into its policies and programs, as well as the absence of proper consultation processes before its release’ (Harley, 2023: 1).

2.3 The amount of funding directed to RLOs is very low

Our research identified just $26.4 million of humanitarian and development funding that reached RLOs in 2022 (Figure 1). These volumes are very low when compared to funding to the overall humanitarian system: for example, in 2022 over $6.4 billion⁹ was provided to 10 UN-coordinated Refugee Response Plans (RRPs) to meet the needs of forcibly displaced people (Figure 2).¹⁰ Wider development funding for displacement is harder to quantify. An Organisation for Economic Co-

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⁹ These figures are given to contextualise the funding identified in this study with the wider funding landscape for displacement. However, the study has identified that there are significant gaps in the data available on funding to RLOs and therefore uncertainty on the comprehensiveness of what they show. As a result, it is not possible to accurately provide a proportion of total displacement funding that reaches RLOs.

¹⁰ Inter-agency regional RRPs include the financial requirements of UN agencies and international/national NGOs and are usually coordinated by UNHCR. Funding for these joint requirements is provided by donors, including public governments and multilateral organisations, and sometimes private organisations. Some of the RRPs include development funding, e.g. the Syria Regional RRP Resilience pillar, which accounts for approximately one-third of the total funding.
operation and Development (OECD) study found that $24 billion in bilateral official development assistance was provided by donors to refugee situations in 2018 and 2019, of which $16.1 billion was humanitarian financing (Hesemann et al., 2021).

Figure 1  Snapshot of funding to RLOs in 2022 (based on available data)

Source: Development Initiatives based on survey data provided directly by donors and intermediaries and data from publicly available sources: UN OCHA’s FTS and IATI d-portal.
Note: Data is in current prices and covers 2022 disbursements to RLOs based on estimated project budgets that year. Some disbursements fell outside 2022 and were not included in the total, for example the UNHCR Refugee-led Innovation Fund that made disbursements to RLOs starting in 2023.
Figure 2  Total funding to RLOs and other contextual figures in 2022

**Total funding to RLOs in 2022 based on available data**

$26.4 million

**Total direct and trackable indirect funding to local and national NGOs in 2022**

$462.9 million

**UNHCR self-reported funding to National NGO partners in 2022**

$663.9 million

**Total Refugee Response Plan funding (10 plans) in 2022**

$6.4 billion

Sources: (1) Development Initiatives based on survey data provided directly by donors and intermediaries and data from publicly available sources: UN OCHA’s FTS and IATI d-portal. (2) Development Initiatives based on UN OCHA FTS and UN Country-Based Pooled Funds. (3) UNHCR Global Report 2022 (UNHCR, 2022b). (4) Development Initiatives based on UN OCHA FTS, UNHCR and Syria Regional RRP financial dashboard data.

Notes: (1) For the total funding to RLOs calculation, please refer to Figure 1, Section 2.1 and the methodology annex. (2) Funding to local/national NGOs is determined by internal organisation coding; see the Global Humanitarian Assistance report 2023 localisation analysis for more details (DI, 2023). (3) ‘National NGO partners’ category may include agreements with RLOs; see UNHCR Global Report 2022 for more details (UNHCR, 2022b). (4) See footnote 10 for RRP funding.
2.4 RLOs receive smaller grants than local or national responders

The size of grants that RLOs receive is also very small when compared to other local or national responders. The median grant size in our dataset was just $26,657. This represents very little in comparison to other grant recipients, as publicly available data on FTS shows the median grant size for humanitarian assistance flows reported to local/national NGOs in 2022 was 10 times greater, while flows to international NGOs were over 20 times this amount. For example, UNHCR’s grant agreement for organisations led by refugees and stateless people currently caps grants at $12,000 per year (up from $4,000).¹¹

We get funding from partners, although it is very limited. I often refer to these funds as ‘don’t live, don’t die’. This is true because you can imagine an INGO giving you a fund of $5,000 for a full-year project and they want you to implement that project for 12 months. They will ask you to remove salaries of staff and other conditions. This is often not practical as the funding is too limited. In short, even when some organisations receive assistance, it is often too little. [RLO representative.]

RLOs spoke of frustrations in receiving small, projectised grants that do not allow them to develop their organisations or cover their indirect costs. RLOs are not a homogeneous group – they operate at different scales, reach and capabilities. In recognition of this, some funds are attempting to diversify grant sizes. For example, the Resourcing Refugee Leadership Initiative (RRLI) provides two types of grants: a ‘strengthening grant’ of up to $25,000 to RLOs that are smaller or newer, and ‘impact growth grants’ of between $100,000 and $200,000 for RLOs with an established structure and programming.

The length of grant received by RLOs in our snapshot differed significantly by funder. Funding provided by private foundations averaged 22 months and was generally longer in duration than funding provided by intermediaries, which averaged 14 months (Figure 3).

2.5 Most tracked funding is coming from philanthropies

Nearly all the identified funding from donors came from philanthropies (Figure 4). They channel their funding to RLOs both directly and through intermediaries, including RLO-led funding mechanisms and networks. Of the $8.9 million that philanthropies provided to RLOs in 2022, nearly half (42%) was directly granted to RLOs, 39% was passed to RLO networks, and the remainder (19%) was provided to INGOs to pass on to RLOs.

There is undoubtedly more funding from public donors, UN agencies and INGOs that reaches RLOs, which we were not able to glean from our survey or publicly available sources. As a comparison, in 2022 there were only two direct funding flows/activities from government donors to RLOs reported on IATI and FTS – yet in the same year, donors provided $98 million directly to local and national NGOs globally.
(DI, 2023). UNHCR also reported channelling $663.9 million through national NGO partners (UNHCR, 2022b), some of which could potentially have reached RLOs. There are also flows which fell outside our reporting period, for example, the UNHCR Refugee-led Innovation Fund (see Box 4).

**Figure 3  Average length of grant, by type of funder**

Source: Development Initiatives based on survey data provided directly by donors and intermediaries and publicly available data on IATI d-portal activities.

Note: Public donors are not included in this chart, as their only publicly available data is sourced from UN OCHA’s FTS, where information on project start and end dates is not reported.
**Figure 4** Top five donors to RLOs in 2022, and their share of total funding (based on available data)

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Figure 4: Top five donors to RLOs in 2022, and their share of total funding (based on available data).

Source: Development Initiatives based on survey data provided directly by donors and intermediaries and data from publicly available sources: UN OCHA’s FTS and IATI d-portal.

Note: EPIM = European Programme for Integration and Migration (EPIM); OSF = Open Society Foundations. Data is in current prices and covers 2022 disbursements to RLOs based on estimated project budgets that year. ‘All other donors’ includes funding from six additional donors. Funders were requested to share data based on their own categorisation of organisations they consider to be RLOs. While definitions used were broadly similar, there is a chance that some funders included organisations that others may not view as refugee-led, including overlaps with organisations that are IDP-, asylum seeker- or migrant-led, or organisations working on forced displacement more broadly.

**Box 4  Spotlight on the UN Refugee Agency**

UNHCR is strategically placed to provide funding to RLOs and should build on the series of steps it has taken in recent years to recognise RLOS as partners.

- In 2021, UNHCR established a new grant agreement specifically for organisations led by displaced and stateless people. Initially, RLOs could receive up to $4,000 per grant – a ceiling that was subsequently increased to $12,000 per grant, with a maximum grant length of 12 months. A total of $287,833 was disbursed through this mechanism in 2021 and 2022.
In 2022, UNHCR established the Refugee-led Innovation Fund. The fund provides financial resources, mentoring and other expertise directly to RLOs to enable them to design and deliver new interventions that have a lasting positive impact on their communities. The fund offers grants of up to $45,000 for a maximum of 18 months. In 2023, a total of $700,000 was disbursed to 17 organisations.

In 2023, UNHCR published a guidance checklist that can be used by all UNHCR staff to ensure the meaningful inclusion of RLOs and other local organisations in all UNHCR-led coordination structures, response plans, and planning cycles (UNHCR, 2023).

In 2023, UNHCR published its definition of an RLO as ‘an organization or group in which persons with direct lived experience of forced displacement play a primary leadership role and whose stated objectives and activities are focused on responding to the needs of refugees and/or related communities’. (For more details about the pros and cons of this definition, see Box 3.)

2.6 Most funding reaches RLOs through an intermediary

Most funding identified was provided to RLOs through an intermediary (83%), rather than direct from a donor (Figure 1). None of the largest UN agencies and INGOs working in refugee response were able to provide comprehensive data on the funding they provide to RLOs. Therefore, the intermediary organisations identified by our research as providing the largest amount of funding to RLOs were those with specific focus and intent on funding RLOs or organisations which often fall between the cracks of traditional funding (such as smaller organisations), or those with less experience of receiving international funding (Figure 5).

Pooled funds were a significant intermediary to RLOs, including the NEAR Change Fund, which introduced a dedicated funding window for displacement in its second funding round, and the Women’s Peace and Humanitarian Fund, which specifically seeks to fund local civil society organisations (CSOs) led by women (including refugee women). Many are first-time recipients of UN funding. UN OCHA’s Country-Based Pooled Funds (CBPFs) channelled 36% of funding to local and national organisations in 2022, though OCHA does not track CBPF funding to RLOs.12 Other RLOs and RLO networks included RRLI (Box 5), Choose Love, which serves as the intermediary for the Collective for Refugee Leadership in MENA (CRLM) (Box 6), and Cohere (Box 7). All of these seek to specifically channel resources to RLOs.

12 Of the allocated total in 2022, 36% went to local and national organisations ($441 million out of $1.2 billion), with 28% channelled directly, and the remaining 8% channelled through sub-grants with INGOs and UN (OCHA, 2023).
Top five intermediaries to RLOs in 2022, and their share of total funding (based on available data)

- **Women’s Peace and Humanitarian Fund** 42%
- **Choose Love** 28%
- **Resourcing Refugee Leadership Initiative** 14%
- **NEAR Change Fund** 4%
- **Cohere** 3%
- **All other intermediaries** 8%

Source: Development Initiatives based on survey data provided directly by donors and intermediaries and data from publicly available sources: UN OCHA’s FTS and IATI d-portal.

Note: Data is in current prices and covers 2022 disbursements to RLOs based on estimated project budgets that year. ‘All other intermediaries’ includes funding from 13 additional organisations. Funders were requested to share data based on their own categorisation of organisations they consider to be RLOs. While definitions used were broadly similar, there is a chance that some funders included organisations that others may not view as refugee-led, including overlaps with organisations that are IDP-, asylum seeker- or migrant-led, or organisations working on forced displacement more broadly.

### 2.7 RLOs in Ukraine, Colombia, Lebanon and Uganda received most funding

RLOs working in countries hosting refugees from some of the largest displacement contexts received the most funding (Figure 6). RLOs operating in Ukraine, Colombia, Lebanon and Uganda received the most funding – countries that were all part of the largest RRPs in 2022. Between them, these four countries received over one-third (35%) of the total identified RLO funding, significantly more than the

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13 Funding that was captured for the Ukraine response may include support to IDP-led organisations or those based in neighbouring countries of the response.

14 These were RRPs for Syria (largest), Ukraine, Venezuela and South Sudan.
others. The only countries with an RRP not represented in the 10 largest recipient countries were those hosting refugees from Afghanistan. This could be due to access issues and the lack of an established donor and intermediary presence in those neighbouring countries.

In addition to country-specific funding, several funders interviewed also emphasised their desire to support refugee leadership and participation in refugee policymaking at a global level – with $2.7 million (10%) identified for RLOs for global and regional activities.

**Figure 6** Recipient countries of funding to RLOs in 2022 (based on available data)

![Recipient countries of funding to RLOs in 2022](image)

- Ukraine: 11%
- Colombia: 8.0%
- Lebanon: 7.9%
- Uganda: 7.7%
- Global/regional: 10%
- Other (58 countries): 55%

$26.4 million

Source: Development Initiatives based on survey data provided directly by donors and intermediaries and data from publicly available sources: UN OCHA’s FTS and IATI d-portal.

Note: Data is in current prices and covers 2022 disbursements to RLOs based on estimated project budgets that year. ‘Other’ accounts for funding to 58 additional countries.

2.8 Many RLOs depend on alternative funding mechanisms

The scope of this research is predominantly focused on international donors – with the aim of identifying recommendations to improve the share of international funding in displacement settings that is channelled to RLOs and to support greater refugee leadership in policymaking. Nevertheless, given the lack of funding made available by traditional donors, it is important to acknowledge the range of alternative funding streams that RLOs depend upon to fill funding gaps (see Figure 7).
Many RLOs with smaller operating budgets fundraise through regular (often monthly or annual) contributions from their own pool of registered members. Others with international connections fundraise among diaspora communities. Social media platforms – such as WhatsApp, TikTok and YouTube – and crowdfunding websites like GoFundMe are also valuable fundraising resources for some RLOs (Alio, 2022). The use of social media became particularly relevant during the Covid-19 pandemic when social distancing made virtual communications a fundraising priority (Lau, 2021).

Many RLOs that we spoke with in East Africa relied on income-generating activities to raise additional funds to support their work and fill funding gaps. These included educational classes; producing and selling arts and crafts (soap, handbags, candles, face masks); and other services, such as tailoring, language interpretation, poultry farming and plastic collection for recycling. These income streams were typically reinvested back into the RLO and its activities.

For example, Molham Team raised $2 million in just five days for Syrian refugees through the Until the Last Tent online fundraising campaign, which sought to relocate families from tents in camps to temporary housing units during harsh winter conditions (Molham Team, 2022).
3 Too risky to fund?

There are entrenched ideas [around the] riskiness of funding RLOs [...] they don’t have the processes in place to receive funding but [donors] won’t give them the resources to develop. [Philanthropist.]

The enduring mindset within the international community that local and national NGOs (including RLOs) are ‘too risky’ to fund has contributed to strict compliance and due diligence requirements that must be met before funding is released. RLOs unable to meet these requirements are excluded from funding opportunities altogether or come to depend on one or two donors with whom they have managed to establish a partnership – a risky situation that undermines their own financial security and long-term sustainability.

Many RLOs subsequently find themselves in an impossible catch-22: how can they convince risk-averse donors that they are capable of managing funds when they are not given funding to manage in the first place and, by extension, the chance to prove their financial expertise and management? This shifts the burden of risk from the donor to the RLO. While strict compliance may help funders to maintain financial oversight, they place a costly and time-consuming burden on RLOs: the onus is on RLOs to prove their capacity.
What is more, the time and resources required to manage the complex reporting requirements of donors competes with time spent delivering activities and services within the community. This emphasis on ‘upward’ accountability to donors overshadows the downward accountability that donors, implementing agencies and RLOs have to the communities they are supporting (Vuni et al., 2023). In the words of an RLO network representative, ‘Who we’re accountable to needs to change – the accountability should be to the community and to the populations.’

### 3.1 Perception that RLOs are risky and unsuitable partners

Several mutually reinforcing misconceptions have perpetuated the assumption that investing in RLOs is riskier than investing in large international organisations – that they are less able to manage grants as responsibly or deliver programmes as effectively as INGOs. According to a representative from an RLO network, this ‘internal perception has to change for all other barriers to be overcome’.

It is about shifting narratives about refugees in general. RLOs are caught in the trope that refugees are vulnerable people waiting for assistance to be given them. [University representative.]

The perception is that refugees are not capable of managing or leading solutions in their community and need assistance from the nationals or staff [...] It is not bad to learn, but how long will we be trained [before being] given a chance to independently lead the solution of the problems our communities are facing? [RLO representative.]

**Misconception: RLOs are all the same: small and informal**

**Reality: RLOs span a large spectrum of sizes and experiences**

A major stumbling block when it comes to risk is that RLOs are lumped together by the international community – as one homogeneous group sharing similar characteristics and weaknesses. RLOs represent a constellation of different sizes, budgets, capacities and staffing (Asylum Access, 2021; Kara et al., 2022; El Abed et al., 2023; Ahmad, 2023). While many are small and informal and unable to absorb sizeable grants, many others are highly professional organisations already managing large budgets in the millions of dollars. Nevertheless, donor insistence on small grant awards and a consistent emphasis on ‘capacity-building’ can reinforce the narrative that RLOs are uniformly small-scale and local, and therefore unable to handle large funds without risks. While many RLOs do welcome capacity-strengthening support, this should be tailored to RLOs’ own priorities rather than the specific compliance and reporting needs of donors (Barbelet, 2019).16

RLOs do not need more capacity-building: they are ready, they need meaningful engagement. [RLO representative.]

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16 For example, Cohere has developed an evolving series of modules (around leadership, management, resources, finance and coordination) designed to respond to the specific challenges faced by RLOs in general.
Misconception: RLOs are fringe actors

Reality: RLOs are strategic and well-established actors

A second misconception that perpetuates the perception of risk is that RLOs are fringe actors operating as volunteers, of their own accord and outside the usual refugee response and coordination structures. In fact, organisations and initiatives led by refugees have played a central role in the lives of displaced people for years (Alrustm and Kallas, 2023). If they are seen as fringe actors, it is because the international community has not been paying attention to them rather than because they are absent, peripheral or insignificant. International actors should recognise RLOs as strategic actors – not just in their communities, but also in the wider ecosystem of refugee protection and assistance.

RLOs are already successfully using their expertise and networks to push the international refugee regime to innovate and adapt. But good advocacy needs targeted and reliable funding, and several respondents noted that RLOs are not being properly funded or supported to elevate their advocacy work to the highest levels. Good advocacy also needs adequate safeguarding measures so that RLOs who speak out and challenge the international community are not subsequently ostracised or labelled as ‘difficult to work with’.

In any system where funding is being distributed and policy is being made or influenced, the voices of those affected need to be centred. Not only is it important from a representational function, the quality of policy and programmatic interventions is also improved when their expertise is taken into consideration and placed at the centre of decision-making. [RLO network representative.]

If you want better representation in the ecosystem then you need a vibrant civil society led by refugees. There is value in building up a grassroots level who can invest in advocacy and contribute to leadership. [Philanthropist.]

Misconception: RLOs lack capacity and expertise

Reality: RLOs have unique knowledge and experience of the issues that matter to their communities

As first-responders, RLOs are well versed in the local context and culture, and often understand their communities’ specific needs better than national or international organisations (Kanyamanza, 2023). ‘No one knows refugees more than refugees know themselves’ was a common refrain articulated by an NGO representative. RLOs also benefit from better access to marginalised and hard-to-reach groups because of shared language and cultural understanding (Svodboda, 2018; Abadi, 2022; Essex-Lettieri, 2022; Kara et al., 2022). Evidence shows that RLOs also have greater accountability to their communities, based on relationships and responsibilities of kinship, and are more likely to treat them with respect, dignity and fairness (Kara et al., 2022; Vuni et al., 2023). This contrasts with the assumption that refugees are more biased than international actors, and therefore less able to provide services to
their community fairly – an assumption often motivated by aid actor perceptions around religion and gender (Fiddian-Qasmiyeh, 2018; Thompson, 2023). Like all actors (national and international included) RLOs won’t always get it ‘right’. But their unique knowledge, experience and accountability structures reduce the risk of them getting it ‘wrong’.

By providing support to RLOs, donors can ensure that humanitarian aid is precisely targeted, promptly responsive, and sustainable, thereby maximising the overall impact of their funding efforts. [RLO network representative.]

3.2 RLOs face a range of bureaucratic and structural challenges

Complex submissions, bureaucratic compliance requirements, a lack of access to information about funding opportunities, and English language as the default pose major obstacles to RLOs. For those whose first language isn’t English, funding applications are time-consuming and costly to translate. Many RLOs were not confident they possessed the ‘donor speak’ skills necessary to successfully win a grant. Some funders (particularly philanthropies) are moving towards flexible language submissions, translation support, and multilingual staff. But there are few signs of change among national and institutional donors (governments and UN agencies) with more rigid structures.

When bureaucratic challenges intersect with wider structural barriers, it can become impossible for RLOs to meet donor requirements. ‘The main barrier is the host state,’ explained a respondent from a refugee research network. Depending on the policy environment, RLOs (as non-national entities) are unable to open bank accounts, access basic financial services or legally register as an in-country organisation. In the words of a representative from an RLO network, this ‘automatically cuts out most RLOs from accessing donors’ as most are not able to directly fund unregistered organisations, and some are unable to fund RLOs not registered in the donor country. Likewise, without access to a bank account, RLOs cannot receive funding transfers, carry out financial audits or demonstrate the financial track record required by donors.

Research shows that operating contexts vary from country to country. In East Africa, for example, RLOs in Kenya and Uganda can operate relatively openly (even when unregistered), while unregistered RLOs in Ethiopia and Tanzania risk harm and imprisonment for their work (Kara et al., 2022). A similarly mixed picture emerges in the Middle East. In Jordan and Lebanon, refugees are not allowed to form or register civil society organisations, while some RLOs in Türkiye have managed to create and register their own organisations, but only as long as they abide by certain conditions that can be hard for informal RLOs to meet.

17 ‘International stakeholders often express concerns that “local” responses (in particular those motivated or inspired by faith) will exclude and/or discriminate against women, girls and LGBT refugees, while (secular) international responses are (implicitly or explicitly) assumed to be “better” at including these and other social groups, and at promoting gender equality, female empowerment and LGBT rights’ (Fiddian-Qasmiyeh, 2018).

18 This ‘donor speak’ is predominantly driven by governments in Europe, Australia, Canada and the United States (US), and those in anglophone countries and in countries with colonial histories.
to comply with (El Abed et al., 2023). In spite of this nuanced picture, hostile regulatory environments were repeatedly raised as the biggest barriers RLOs face, and an obstacle that local and national NGOs do not experience in the same way.

The host states are very hostile to refugees, making it difficult for RLOs to be registered and have access to services such as bank accounts. [RLO representative.]

Ultimately, RLOs cannot meet donor requirements without being given the resources to do so. With this in mind, many interviewees argued that donors should show more understanding and prioritise long-term, flexible funding, including core funding, that supports RLO institutional growth. Others suggested that compliance requirements need not be so rigid and can and should be adapted for RLOs. Several interviewees pointed to Ukraine, where requirements were reportedly relaxed to allow the response to scale up quickly. This shows that greater flexibility can be possible and that donors are willing to tolerate different risk thresholds in some places.

However, on the whole donors prefer to fund long-standing international partners who can absorb both large volumes of funding and the associated risk and compliance management. Not only does this highlight donors’ low tolerance to risk, but it also reflects donors’ own capacity issues. A key reason why donors prefer to allocate fewer larger grants to international partners is that they struggle to manage multiple smaller grants to RLOs due to a lack of time, administrative know-how, resources or staff. In the words of a donor: ‘The small amounts mean more work for us and there’s a lack of capacity on our end.’ This highlights how limited capacity among donors is a major issue – putting a dent in the narrative commonly articulated by funders that it is limited RLO capacity that is contributing to low funding.

### 3.3 Philanthropies are leading efforts to de-risk funding to RLOs

Philanthropies have taken a more pragmatic and flexible approach to risk than traditional donors, partly due to their different accountability structures. Not only are they the most active donor group funding RLOs, but several have defined RLOs as a strategic funding priority and have proactively developed portfolios and initiatives to resource them (Smith et al., 2023). The Hilton Foundation, the European Programme for Integration and Migration (an initiative of 25 private foundations), Open Society Foundations and Robert Bosch Stiftung were among the largest donors to RLOs captured in our data (see Figure 4).

Beyond quantity of funding, philanthropies were also more likely to emphasise quality funding. Many provide core funding grants as well as flexible programme or project grants that include overheads. This

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19 Data for this study was limited and reflects the funding behaviour of only 23 funders. It should be noted that the broader documented experience of local and national actors in the Ukraine response has been quite different, with evidence suggesting that very little funding has been channelled to local and national actors directly (Stoddard et al., 2022; Dureid, 2023).
commitment to quality funding builds on progress made by the Grand Bargain. For example, the Grand Bargain Quality Funding Caucus endorsed commitments to increase multi-year funding, transparency in data reporting, and accountability to donors and populations affected by crisis (IASC, 2022a).

Philanthropies are building on their own progress and increasing their impact by leveraging wider donor support and funding through different avenues. Examples of how they are doing this include:

1. **by providing funding to RLOs that strengthens an RLO’s track record and raises its profile.**

   Philanthropies’ willingness to fund RLOs (including those who do not have a strong track record of receiving funding) can help to circumvent the catch-22 of RLOs needing to first demonstrate capacity in order to receive funding. The provision of funding from philanthropies strengthens RLOs’ financial track record and raises their profile within the international refugee regime – encouraging traditional (more risk-averse) donors to also fund them in the future. What is more, by publicising their grant-making, philanthropies put pressure on other funders (especially those with a mandate to support refugees) to re-examine their own practices and follow suit.

2. **by investing in infrastructure that de-risks funding to RLOs.** Several philanthropies are actively supporting alternative funding mechanisms that use an intermediary to channel funding to RLOs. Others are working to address some of the preconditions (bank accounts and in-country registration) that prevent RLOs from accessing funding, for example by using fiscal sponsors – third-party partners (organisations or individuals) who receive funding on behalf of unregistered RLOs. In other cases, some US-based philanthropies are subsidising RLOs to obtain an equivalency determination via third parties, a status that facilitates their access to funding from other US-based donors.

The extent to which philanthropic funding behaviour influences public donors by ‘de-risking’ RLOs as an investment on a large scale is unclear. ‘I think we are de-risking approaches, but it’s not translating into the sort of seismic changes we would like to see,’ admitted one philanthropist. Others were more optimistic:

> We can influence other donors, we can de-risk and lead by example and show other donors what is possible. [Philanthropist.]

> We believe that philanthropic funding can be catalytic in building a proof of concept which can be scaled up through bilateral funding. [Local CSO network.]

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20 Examples include the Resourcing Refugee Leadership Initiative (Box 5), the Collective for Refugee Leadership in MENA (Box 6), and the Refugee Leadership Alliance Pooled Fund (a pilot established in June 2022 by the Asia Pacific Network of Refugees).

21 Equivalency determination (ED) is a process by which a US grantmaker evaluates whether an intended foreign grantee is the equivalent of a US public charity. This means the organisation is then considered equivalent to a 501(c)(3) in the US for 12 months, a status that enables them to get funding from other US-based donors.
I think there is value to going in parallel and innovating on the side and bringing [other donors] in, but the process [...] of mainstreaming that [approach] into the whole – it’s a really long process. [Philanthropist.]
Of the funding identified in this research, the majority was passed to RLOs through an intermediary (83%) rather than directly from a donor (17%) (see Figure 1). Despite being such a common funding mechanism, the use of intermediaries was contentious. Perceptions varied between those who saw intermediaries as a necessary and pragmatic funding mechanism given current constraints, and those who saw them as ‘reinforc[ing] the hierarchies’ in the humanitarian system (see also Barbelet et al., 2021).

On the one hand, RLOs are rightfully demanding greater say over decision-making and better engagement with donors, which direct funding entails. ‘We would like to be funded directly. We do not want intermediaries,’ stated an RLO representative. This RLO viewpoint builds on the perspective that direct funding can be more flexible, empowering and cost-effective than funding via intermediaries. It can also help to address some of the existing power inequalities in the conventional intermediary–RLO relationship. As one interviewee stated, the key value in direct funding ‘is about who holds the power’.

Most funders, on the other hand, prefer to use intermediaries to manage risk and circumvent the administrative, bureaucratic and regulatory constraints of the funding system. ‘I would certainly argue that using intermediaries is a way to for us to get greater funding to these organisations in a more efficient and quicker way,’ suggested one donor. Similar perspectives can be seen in the localisation agenda, where intermediaries and, in particular, pooled funds are key instruments for funding local organisations, in the recognition that progress on direct funding is unlikely to happen soon (Barbelet, 2019; OCHA, 2022).
4.1 Direct funding is perceived as quality funding

Direct funding was seen by many RLO respondents as being synonymous with quality funding, of which two critical aspects – funding that is flexible and which covers overheads – were key. In both of these instances, RLOs involved in focus group discussions saw funding through intermediaries as undermining the quality of the funding they receive.

4.1.1 Flexible funding

Funding that is flexible is ultimately funding that is demand-led (RLOs identify their own priorities according to the needs of their communities) rather than supply-driven (funding that is determined by donors according to the amount of funding available and their own funding priorities). A key complaint articulated by many RLO respondents was that intermediaries prefer to give earmarked or projectised funding that does not give them the flexibility and the freedom to design and implement projects in the interests of their communities or strengthen their organisation as they see fit.

Intermediaries sometimes give you funding with conditions. Therefore, you can't implement your priorities as an RLO. You end up changing them to fit their requirements. [RLO representative.]

You write a proposal, and they force you to change almost everything to fit their own interest. You get funded but implement something that is not your initial idea and projects that aren’t really needed by the community. [RLO representative.]

In this context, RLOs find themselves in an intractable catch-22. How can they implement projects that reflect their organisational vision and the priorities of their communities when access to funding is dependent on them adapting and adjusting to pre-determined agendas of donors and intermediaries? Access to funding often hinges on RLOs presenting themselves as well-placed and flexible subcontractors willing to ‘mimic humanitarian narratives’ and bend themselves to pre-determined agendas (Pincock et al., 2020; Gidron et al., 2021). When the onus is on RLOs (not funders) to adjust and adapt, ‘mission drift’ and inconsistencies can occur – RLOs take on projects with aims that do not reflect their organisational vision or values, or the most pressing needs of their communities (Lukes et al., 2009). RLOs may also feel obliged to structure themselves as ‘mini NGOs’ and subsequently come under pressure to implement projects that score well according to donors’ monitoring and evaluation indicators, but do not reflect community accountability and solidarity (Mueller-Hirth, 2012). When RLOs push back, complain or organise themselves in ‘inconvenient’ ways, ‘the gap between the humanitarian system and “the local” suddenly appears entirely unbridgeable’ (Gidron and Carver, 2022: 8). Funding partners quickly revert to sub-contractual arrangements and short-term funding and collaborations.

4.1.2 Overheads funding

RLOs with small operating budgets often rely on volunteers who receive minimal compensation and make use of their own personal resources (phones, computers, vehicles, internet) to do their work.
(Gonzalez Benson et al., 2022). To address this, RLOs urgently need unrestricted core and project funding that covers overheads. Overheads cover costs not directly attributable to a specific project, such as central support costs including senior management positions, or the costs involved in establishing and maintaining organisational policies and systems. In the short term, this allows RLOs to function effectively, maintain infrastructure and retain staff between projects. In the longer term, it is crucial for organisational development and sustainability – by supporting strategic planning, developing policies and investing in staff and systems that will stay in place even after the funding cycle ends.

A major resentment shared by many RLO respondents was that intermediaries do not pass on enough, or even any, overheads from donors, but instead keep most or all of it for themselves. This presents another dilemma or catch-22 for RLOs: how can they be expected to build up organisational capacity and make their work sustainable when the funding they receive does not include overheads? One RLO respondent complained that the overheads of the intermediary were covered while those of his own organisation were not, largely because budgetary oversight and management were controlled by the intermediary. ‘We saw it and were not happy with it because we got half of the funds,’ he explained. Another RLO representative received only 20% of the total funding once the intermediary had deducted its own overheads. It is not surprising that RLO respondents consistently emphasised the cost efficiencies in funding them directly rather than via intermediaries.

### 4.2 Some intermediaries are working better than others

Intermediaries are not a homogeneous group. Our research identified four different intermediary types: INGOs, UN agencies, pooled funds, and RLOs/RLO networks. These varied significantly in terms of: their size and capacity for grant-making; their strategic intent to fund RLOs (in other words, whether this is a core objective of a wider commitment to strengthening RLOs versus a service provider relationship of convenience); and the inclusiveness and participatory nature of their decision-making processes.

Respondents tended to be most positive about intermediaries comprising RLOs and RLO networks, such as RRLI (Box 5) and the CRLM (Box 6), particularly those who fund RLOs that usually fall through the cracks of the traditional funding system. ‘We are coming from the perspective of having been RLOs ourselves [...] and so we know how difficult things are,’ acknowledged an RLO intermediary. A handful of intermediaries not managed by RLOs – notably Choose Love, Cohere (Box 7) and the Women’s Peace and Humanitarian Fund – were also cited as taking more innovative approaches than ‘traditional’ actors.

What makes this small but growing group of intermediaries stand out is their willingness to act as the ‘pot-holder’ and not the ‘gate-keeper’. Unequal power relations with intermediaries were a key issue among RLO respondents who were made to feel like inferior sub-contractors rather than equal partners. As the grant holder, it is usually the intermediary who decides which RLOs to work with, the quantity and quality of funding passed on, and the extent to which project activities align with their own priorities. While it was acknowledged that they are an important vehicle for channelling funding between donors and RLOs, there is growing consensus that they should not seek to proactively ‘manage’ the funds on behalf of RLOs.
To improve existing intermediary mechanisms, donors need to address these power imbalances and improve the governance and transparency of intermediary structures. This means levelling up roles and responsibilities, and ensuring that RLOs are involved in all stages of the project design.

We do not know the total budget. We are only instructed to do work and be paid casually. We are not participating in the project planning or decision-making table. [RLO representative.]

In any system where funding is being distributed and policy is being made or influenced, the voices of those affected need to be centred. Not only is it important from a representational function. The quality of policy and programmatic interventions is also improved when their expertise is taken into consideration and placed at the centre of decision-making. [RLO network representative.]

**Box 5 When intermediaries work well**

Intermediaries offer several advantages to both donors and RLOs. They can:

**Circumvent the bureaucratic hurdles imposed by donors** – such as the need for in-country registration and bank accounts. According to an intermediary respondent: ‘We can be fast, we can be flexible. Our kind of processing systems are conducive to a flexibility that a lot of those larger, more established donors don’t have.’

**Insulate RLOs from the heavy administrative burden of complex reporting.** Many intermediaries accept light-touch reporting requirements and multiple-language submissions. ‘It’s better to deal with us than to deal with most donors,’ acknowledged one RLO intermediary.

**Navigate hostile regulatory environments that block funding to RLOs.** One respondent highlighted the importance of intermediaries in Afghanistan, where international funding restrictions and Taliban control limit opportunities for direct donor funding. Other research reveals similar access challenges in East Africa (especially Ethiopia and Tanzania) and the Middle East (Jordan, Lebanon and Turkey) (Kara et al., 2022; Al Hamouri et al., 2023; El Abed et al., 2023).

**Raise the profile and capacity of RLOs.** Intermediaries bring established relationships, convening power, trusted branding and networking skills (IASC, 2022a; 2022b). These attributes were recognised by an RLO representative who acknowledged that, ‘Some intermediaries are good for our growth. Sometimes it is necessary to have people who can help us be ready for bigger funding.’
4.3 Intermediaries are a necessary part of a long-term funding solution

Are intermediaries an interim and short-term fix or a long-term solution? Similar debates are taking place in the wider localisation agenda, where the discussion has arguably become ‘less polarised and more constructive’ (Lees et al., 2021: 5). While intermediaries are widely seen as part of the ‘solution’ to localisation, there is growing consensus that their role in the future needs to ‘change substantially from the current status quo’ (ibid.). This builds on concerns that the presence of intermediaries gives public donors a convenient ‘way out’ of directly funding RLOs – reducing incentives among funders to make much-needed changes to their own processes and structures.

During interviews, some respondents, such as an INGO representative, argued that the use of intermediaries should be restricted to a ‘time limit’ that ‘shouldn’t be extended beyond the necessary’, adding that the issue is when intermediaries are used as a ‘long-term approach’. This viewpoint was shared by a refugee network whose representative suggested that while intermediaries can be a means for acquiring initial funding, they are not a sustainable substitute for establishing a permanent RLO–donor relationship. For example, intermediaries can crowd out RLOs, particularly those that are less well established. ‘Stop calling it “intermediary” mechanisms,’ argued another respondent, ‘call it an “intermediate” mechanism.’ These viewpoints were shared by several intermediaries who saw themselves as ‘stepping stones’ towards RLOs being able to access direct funding independently in the longer term.

In contrast, others argued that intermediaries represent a long-term solution given the structural limitations of the funding system and its resistance to change. Advocates of a long-term approach also pointed out that many smaller grassroots RLOs will always struggle to absorb large grants directly from donors. Viewed from this perspective, intermediaries have a long-term role to play in insulating and cushioning (rather than gatekeeping) RLOs from the international system.

And yet, there is a middle ground between these two poles. When asked whether donors should fund directly or via intermediaries, an RLO network representative replied, ‘Both!’. Intermediaries are an important and long-term solution for funding some RLOs – in particular small RLOs with low operating budgets and capacity, and those operating in hostile regulatory environments where they are unable to register in-country, open bank accounts or operate safely and openly (see also Box 8). Both groups would struggle to access much, if any, funding in the absence of intermediaries. In practice, this means that well-established RLOs with the systems and capacity in place should be given priority over intermediaries for direct funding. To increase the pool of RLOs that would qualify, funders should continue to invest in strengthening RLO infrastructure and capacity. When intermediaries are used to channel funding, donors should prioritise those that are led and staffed by refugees and/or that have a demonstrated commitment to co-designing initiatives and participatory selection processes. This more nuanced approach to intermediaries builds on the perspective of a respondent from a refugee research network:

The problem with funding intermediaries is not beyond resolution, it is the way it’s done. The process. It needs to be thought through – not just from a bureaucratic and administrative sense, but also from a power perspective.
Box 6  Spotlight on intermediaries

The Resourcing Refugee Leadership Initiative

RRLI is a coalition of six RLOs, which acts as an RLO-to-RLO pooled fund. Its members include Basmeh & Zeitooneh, Refugees and Asylum Seekers Information Centre Indonesia (RAIC), Refugidos Unidos, St Andrew’s Refugee Services (StARS), Young African Refugees for Integral Development (YARID) and Asylum Access.

RRLI provides multi-year, flexible core funding to RLOs globally – disbursing over $3.6 million to RLOs since 2021. The fund seeks to remove many of the preconditions that get in the way of RLOs accessing funding – for example, by allowing submissions in multiple languages (not just English) and by waiving the necessity of RLOs having a bank account before applying (LERRN and R-SEAT, 2022).
The Collective for Refugee Leadership in MENA

The CRLM, previously the Funders for Refugee Leadership in Lebanon, is a collective supported by six philanthropies, RRLI, and Choose Love (as both a donor and an intermediary). Established in 2020, the CRLM brings funders together around a shared vision and approach to supporting refugee-led work in the region. Participating funders fund RLOs directly, through RRLI, or through a pooled mechanism, operated by Choose Love. To date, the collective has distributed $4,290,658, including $2,280,856 through the pooled fund to 17 RLOs in Lebanon.

The collective explicitly attempts to recognise and address power dynamics between recipients, intermediaries and funders. For some donors, using the pooled fund allows them to fund smaller, community-based RLOs that they would otherwise not prioritise or be able to reach. For others, the collective provides an opportunity to contribute to a bigger strategy, while maintaining direct funding relationships with RLOs.

Cohere

Formerly known as the Xavier Project, Cohere merged with Urban Refugees in 2022. It supports RLOs directly through funding, capacity-building, coordination and advocacy. Cohere funds individual RLOs, consortia and networks, giving grants of between $5,000 and $25,000. In 2022, Cohere worked with 43 RLOs in five countries to deliver $500,000 in direct funding.

Funding reporting requirements are very flexible. For example, RLOs can choose to upload photos, videos, or short stories of their work to show how the money is being used, rather than having to use strict reporting templates. Cohere also supports unregistered RLOs by broadening the due diligence process to include word-of-mouth reports about the organisation and their reputation and the length of time of operation.

In 2021, Cohere launched the Reframe platform, which showcases RLOs’ work and connects them to a global audience. At the time of writing, the platform has 344 organisations listed across 24 countries. By raising their profile and promoting their work, Reframe enables donors to ‘map, connect and donate directly’ to RLOs as well as ‘pool funds for RLOs working on specific projects and thematic areas’ (Cohere, 2022b).
Networking plays a key role in getting funds, as the more you are connected the more you get opportunities. RLOs that are not well known are left out. [RLO representative.]

All respondents recognised the value of networks for accessing funding, and many wanted to strengthen them where possible. As well as opening up funding opportunities, networks are important for participating in consortia, sharing expertise and knowledge, boosting visibility and credibility, and driving joint advocacy efforts (Moore, 2018; Davies and Spencer, 2022). And yet, our research revealed a series of gaps that isolate RLOs from donors, international organisations, national actors and each other. In this context, RLOs find themselves in a catch-22. How can they build the networks needed for accessing funding and influencing policy when the current system foments competition and mistrust, and reinforces the gaps between key actors?
5.1 Distance from donors

A series of gaps exists between RLOs and donors.

- **Physical gaps.** Donors are located in capital cities, not regional towns or remote camps, which, in the words of a funder, makes it hard to ‘understand what is actually happening on the ground and the difficulties RLOs face’.
- **Information gaps.** Many RLOs remain unaware of funding opportunities when they arise – particularly when these are advertised through word of mouth (rather than as open calls) or are embedded within institutional processes. ‘We really don’t know the “how” to get funding. We don’t know who these funders are, and what they are funding,’ explained an RLO respondent.
- **Communication gaps.** RLOs described limited opportunities for regular engagement, relationship building or feedback beyond intermediaries, online calls or occasional and brief donor visits. ‘RLOs need full attention from the donors, like any other stakeholder,’ explained an RLO representative.
- **Cultural gaps.** International and local actors hold differing beliefs, values and attitudes when it comes to refugee responses, often rooted in ‘place-specific historical trajectories’ (Dyer, 2009; Schipper and Dekens, 2009; IFRC, 2014; Johnson et al., 2016: 2). This explains why RLOs are more likely to support initiatives that matter to displaced communities, such as cultural preservation, which tend to be deprioritised by foreign aid actors (Kara et al., 2022).

These gaps between donors and RLOs are problematic. They undermine accountability by blocking communication and exchange. And they reinforce unequal power relations by prioritising top-down approaches that sustain an unfair and inefficient funding system – as noted by several RLO representatives:

> Since the donors do not know the refugees the trust to fund them is lacking.
>
> I feel like donors do not trust us with large amounts of money because they do not understand how we work.
>
> I wish the donors would come on the ground and not use only Zoom meetings [...] we must be transparent when engaging each other.

Leadership is key. RLOs that succeed in bridging these gaps with donors often have leaders who know how to network and navigate the intensely political spaces (field coordination meetings, donor missions and pledging conferences) of the international refugee regime. ‘If you don’t know someone who can link you to someone who can link you to a donor, you can’t access these spaces,’ stated an RLO respondent. While well-educated, English-speaking, urban-based men tend to fare well, opportunities for bridging the gap with donors are more limited for women and minorities leaders (Kara et al., 2022; Lough et al., 2022).

Our research found that charismatic leadership can also be difficult to maintain for RLO leaders facing pressures of their own. Unpredictable resettlement processes, camp closures, aid reductions, and visa and mobility restrictions are ongoing distractions for many refugee leaders. Burnout and mental health
issues have perhaps unsurprisingly been identified as a growing issue among RLOs (Porticus, 2022). A lack of compensation is also a problem (GRN and Asylum Access, 2019; Porticus, 2022). RLO leaders often participate without payment in working groups and cluster meetings or contribute free of charge to research, panels, roundtables, events, blogs and interviews. They need to be properly compensated for their time, expertise and costs if they are to be able to network and fundraise in a sustainable way.

5.2 Mistrust towards INGOs and UN agencies

The current funding system has created a perception of competition and unfairness that has driven a wedge between international organisations (INGOs and UN agencies) and national/local actors (including RLOs). Equipped with long-standing fundraising structures, skills and track records, international actors continue to dominate the bulk of donor funding, much to the frustration of RLOs who feel that the system is stacked against them. One RLO representative described international actors as a ‘barrier’ and as wanting to ‘maintain the status quo’ – a perspective that was reinforced by an NGO respondent: ‘The biggest barrier is the mistrust that stems from the long history of exclusion of refugees from the decision-making process.’

Mistrust exists on both sides. International agencies can view RLOs as vocal, critical and challenging to work with (Betts et al., 2018). In support of this, a philanthropist suggested that international intermediaries discourage RLOs from providing critical feedback on proposals or interventions, and described a ‘general lack of trust and defensiveness by the formal system’. Suspicions were shared by RLOs. Some accused UN agencies and INGOs of undermining their work and their chances of securing funding by ‘preaching outside that RLOs do not have capacity to implement the projects’. Another respondent suspected that international actors only make large transfers to RLOs in the hope that they will fail, giving them ‘proof that it doesn’t work’ and that it is best to ‘stick with the status quo’. While these allegations could not be independently verified by our research, they nonetheless reinforce a picture of mistrust and competition. Similar findings have been found in Kenya, Somalia and South Sudan, where local actors describe relationships with international actors as ‘adversarial and competitive’ (Robillard et al., 2020). In other cases, RLOs suspect international actors of co-opting their ideas (Easton-Calabria and Pincock, 2018; Kara et al., 2022) – as articulated by an RLO respondent in Kenya:

They use us for brainstorming under the guise of a ‘call for proposals’. Sometimes they give us $150 as seed funding, sometimes nothing. But, surprisingly, a year later you discover that the idea and approaches you suggested are being implemented by those same agencies and stakeholders.

5.3 Differences between local/national organisations and RLOs

Slow progress around wider localisation efforts means that all local/national organisations (RLOs included) still struggle to access international funding. Nevertheless, most respondents agreed that RLOs face an additional set of specific challenges that national organisations do not – a viewpoint supported by the wider literature (see Torfa, 2019; Kara et al., 2022; El Abed et al., 2023).
‘RLOs face a double discrimination: firstly because of their size and scale, and secondly because of their status as a refugee organisation,’ explained a respondent from a refugee research network. Their precarious regulatory status means that RLOs face greater challenges than local/national organisations in registering and accessing financial services, establishing partnerships and implementing their activities safely and openly. On top of this, ‘multi-layered elements of exclusion’ and marginalisation make it ‘harder for [RLOs] to break through’, suggested another respondent. These multi-layered elements include: restrictions on refugees’ freedom to move and work; language and information barriers; less familiarity with the working environment; weaker social networks and capital; physical distance from capital cities; and the added trauma of displacement and uncertainty. National actors are less likely to face these challenges.

Attitudinal barriers amongst donors – such as that refugees are beneficiaries and not partners capable of co-creating or designing their own solutions – also weaken RLOs’ position vis-à-vis other local/national organisations. Respondents suggested that RLOs face twice the level of scrutiny from donors and must constantly justify their work and expenditure in a way that local actors do not. According to an RLO representative, ‘RLOs are discriminated against when it comes to funding’ as international organisations are more willing to give funds to local organisations than to RLOs. While ‘pockets of a more progressive approach’ do exist, these are still ‘few and far between’, explained a philanthropist.

Local organisations have access to a wider pool of donors due to their connections and unquestionable legitimacy. Whilst RLOs only have access to a handful of donors that are willing to look past the need for accountability and complex grant application requirements. [RLO network representative.]

In spite of the potential for rivalry, RLOs demonstrated willingness to work across the divide, suggesting that there is scope for bridging the gap. ‘We need alliances with big NGOs – to work with us and advocate for more funds,’ explained one RLO representative. Others also recognised the role for larger NGOs in strengthening the capacity of smaller RLOs, but admitted this is not happening on a large scale.

5.4 Disconnects between RLOs

There are lots of very connected RLO movements, but sometimes there can be disconnection there too. [RLO network representative.]

There are several reasons that explain this gap between RLOs. Many RLOs continue to operate in isolation from each other for practical reasons – they do not know other RLOs, are geographically dispersed, or lack the necessary funding or online presence to attract partnerships. In other cases, the barriers are more acute. The fear of fines, confiscations, crackdowns and arrest forces many unregistered RLOs to operate informally and underground, making it harder to build networks and connections with others. RLOs operating in restrictive environments understandably fear that collaboration will raise their profile and put them under the scrutiny of hostile governments (Pincock et al., 2021; Kara et al., 2022).
The competitive nature of the current funding system also promotes rivalry and mistrust between RLOs forced to compete with each other for limited funding. Grassroots representatives argued that those on their way up should be doing more to support and speak up for those looking to grow and develop. While some complained that large-scale RLOs monopolise funding for themselves, others attributed the lack of diversification to donors who prioritise ‘time and time again’ the same small group of ‘elite’ RLOs. Kenyan RLOs complained about ‘briefcase’ RLOs: ‘one-man shows’ more interested in fundraising and self-promotion than in supporting their community, and tarnishing the reputation of the RLO community as a whole. Ugandan RLOs were most critical of certain RLO networks which they accused of monopolising large amounts of money for themselves ‘instead of giving to the RLOs they claim to support and empower’.

In spite of these challenges, collaboration between RLOs is happening. This is evidenced by the numerous networks and coalitions of RLOs that are joining forces not just to apply for consortium funding, but also to amplify their voice and reach a global audience; for example, South–South forums such as the NEAR Network and the Alliance for Empowering Partnerships and refugee networks such as R-SEAT, the Global Refugee Youth Network (GRYN) and the Taking the Lead Network. Likewise, Cohere’s Reframe platform aims to build networks between RLOs and donors, and also strengthen networks between RLOs.
6 Conclusion: from rhetoric to action

The international community urgently needs to step up and take concrete and meaningful steps to resource and empower RLOs. In spite of growing consensus that RLOs require quality multi-year and flexible funding, they continue to be underfunded and side-lined in refugee responses. Most funding arrangements remain performative and tokenistic. RLOs tend to be instrumentalised as niche 'service providers’ tasked with implementing narrow project activities, rather than as equal partners capable of co-designing programmes. ‘It is time to move from rhetorical to practical action,’ insisted an RLO representative.

So, why has there not been more progress on funding RLOs? Administrative, bureaucratic and regulatory constraints are a major barrier. But these could be overcome with technical measures (outlined in the recommendations below) and the resolve to drive them through. The crux of the problem goes beyond a narrow focus on funding. It is about the system as a whole, and the unequal power dynamics that underpin it.

The international refugee regime continues to operate according to a provider–beneficiary binary that perpetuates neocolonial assumptions about who holds expertise and who needs capacity-building. The enduring perception is that ‘international organisations are the protectors and refugees are the protected’ (Betts et al., 2018: 1; USRAB, 2023). This perpetuates a top-down system that prioritises the funding needs and priorities of policymakers and practitioners, not RLOs (Arnold-Fernández, 2023).

The system in place has made it difficult for RLOs to apply for funding, let alone qualify for it, making the international organisations the only viable path. [RLO representative.]

It is unheard of in any other sector or any other movement that people from other countries would come in and be the primary ones providing services to a community. [RLO network representative.]

Commitments to refugee leadership and localisation will not materialise unless underlying assumptions and neocolonial mindsets are unpacked and addressed (Asylum Access, 2021; Asante, 2023). This paper has sought to do this by framing the barriers to change in terms of a series of catch-22s that RLOs face in their attempts to access funding:

- How can RLOs convince risk-averse donors that they are capable of managing funds when they are not given funding to manage in the first place and, by extension, the chance to prove their financial expertise and management?
- How can RLOs be expected to build up organisational capacity and make their work sustainable when the funding they receive does not include overheads?
- How can RLOs implement projects that reflect their organisational vision and the priorities of their communities when access to funding is dependent on them adapting and adjusting to pre-determined agendas of donors and intermediaries?
How can RLOs build the networks needed for accessing funding and influencing policy when the current system foments competition and mistrust, and reinforces the gaps between key actors?

The mainstream narrative is that RLOs need to work ‘differently’ or ‘better’ – even though (as the catch-22s illustrate) the prevailing mindsets and dominant status quo are stacked against them; the current funding structures, systems and processes were never designed to accommodate RLOs, and have not been adapted to meet their needs; and many of the key barriers to change stem from the top rather than the bottom of the system. A case in point is capacity – the reluctance to increase funding is often justified in terms of a lack of capacity among RLOs to absorb larger grants rather than a lack of capacity among donors to manage multiple smaller grants to RLOs.

The onus for change is thus placed on RLOs. ‘Donors and policymakers do not want to change and deal with the issues on the ground – they want RLOs to change in order to access the donors!’, stated an RLO representative. Our research endorses a different approach. While RLOs can advocate to change the system for the better, it is ultimately those at the top of the system that need to transform it from the inside. This flips the narrative: it is those in charge of humanitarian and development funding (rather than RLOs) that need to work differently or better. They need to take greater responsibility and accountability for driving change and, as described by an RLO representative, start ‘putting actions behind their words’.

While some funders are prepared to identify alternative funding mechanisms and structures, most remain unwilling to take on risk, preferring instead to focus on the obstacles and challenges, or cascade the risk down to intermediaries and RLOs. Traditional donors should take note of the philanthropies and RLO networks already pioneering positive change. They should follow their example and put risk into perspective, and even turn it on its head. What are the reputational risks, for example, to donors of not directing more funding to RLOs? In the words of a philanthropist: ‘There’s a lot of peer-to-peer learning and nobody wants to be left behind.’ Furthermore, what are the longer-term risks to the refugee response? The failure to fund and empower RLOs is a missed opportunity for making refugee responses more effective, accountable and legitimate.
7 Recommendations

Our main finding is that the international community must urgently increase quality funding to RLOs.22 RLOs must be supported, enabled and financed as part of commitments to greater refugee leadership and participation. Our 2022 snapshot of funding makes clear that RLOs are not only chronically underfunded, but also caught on the periphery of the refugee response funding. There must be a deliberate effort to promote RLOs as a specific priority within the wider localisation policy landscape. As is the case for other local responders, RLOs need long-term, flexible funding, inclusive of overheads. This is self-evident and an easy statement to make, but much harder to put into action – as demonstrated by the gap between rhetoric and practice. Having unpacked some of the catch-22s that RLOs face, this paper now provides a series of recommendations for increasing quality funding to RLOs. These combine technical, process-oriented adjustments with more structural changes that need to be made to the underlying system. Building on our conclusion that it is those inside the system that ultimately need to drive forwards structural transformation, the bulk of the recommendations are directed at the international community.

The recommendations that follow are structured into five overarching themes.

1. **Increase direct funding to RLOs** by strengthening capacities and expanding opportunities among both funders and RLOs.
2. **Adopt a pragmatic approach to intermediaries.** Intermediaries that empower and support RLOs to access international funding and amplify their advocacy have a long-term role in increasing funding to RLOs.
3. **Commit to better tracking and reporting of funding to RLOs.** Publicly available data would allow independent and efficient tracking of funding that reaches RLOs and, by extension, contribute to improved transparency and accountability of the funding system as a whole. Improved data would also allow RLOs and others to plan and coordinate more effectively.
4. **Streamline and simplify funding processes.** A lighter touch – whereby funders only ask RLOs for what is needed – would alleviate the administrative burden that funding processes currently place on RLOs.
5. **Challenge the prevailing misconceptions and narratives around RLOs.** In particular, the outdated, inaccurate and damaging assumptions that RLOs are passive recipients of aid, and are a homogeneous group of small, informal organisations that are therefore too risky, biased and unreliable to fund.

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22 By international community we mean public and private donors, intermediaries including UN agencies, INGOs, pooled funding mechanisms, RLO networks acting as intermediaries and all those who shape global refugee response policy and financing.
1. Increase direct funding to RLOs by strengthening capacities and expanding opportunities among both funders and RLOs.

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| Public and private donors   | **Build capacity** so that direct funding is provided as standard to RLOs with the systems and capacity in place to absorb and manage grants. | • Incorporate RLOs into funding, partnership and localisation strategies.  
   • Create funding calls that are designed specifically for RLOs.  
   • Where possible, decentralise a proportion of aid budgets to in-country embassies that may be better placed to offer direct grants.  
   • For donors with limited in-country presence, explore pooling expertise and capacity with other in-country donors, for example through shared relationship management, pooled due diligence and pooled funding.  
   • Seek to ‘graduate' RLOs who received funding through an intermediary to direct recipients, as their systems and capacity to absorb and manage grants develop.  
   • Develop internal capacity (staff, skills, systems) to manage a more diverse portfolio of grants with local actors. |

| Existing donors to RLOs     | **Normalise funding partnerships with RLOs** by drawing attention to them. Ongoing efforts by philanthropies are already having an impact. The legitimising effect that ‘traditional’ donors could inspire by publicising their partnerships would be even more impactful. | • Share learning and experiences of funding RLOs directly so that successful elements can be scaled up and replicated, and best practice collectively learned.  
   • Announce and publicise RLO grant-making and learning at forums, workshops, working groups and events.  
   • Use bilateral meetings and engagement as an opportunity to influence donor peers to fund RLOs, especially those not currently engaged in this area. |

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23 For example, in July 2023 the Netherlands Ministry of Foreign Affairs published a new call for grant proposals that specifically seeks to fund partners and organisations led by refugees and migrants (www.government.nl/ministries/ministry-of-foreign-affairs/documents/decrees/2023/07/03/subsidy-framework-migration-and-displacement-2023-2028).
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| All donors and intermediaries | **Support RLOs to increase their capacity** to access and manage donor funding directly. | - Allocate specific funding for capacity-strengthening activities within projects.  
  - Ensure that capacity-strengthening activities reflect RLOs’ own priorities rather than the specific reporting needs of donors.  
  - Facilitate RLOs’ access to funding networks and spaces by increasing refugee representation at forums, events and working groups. Intermediaries should facilitate direct access for RLOs to the donors that are funding them.  
  - Provide constructive and detailed feedback to unsuccessful RLO funding applications.  
  - Incorporate RLOs specifically into wider localisation instruments. |

| RLOs and advocacy-focused RLO networks | **Sustain pressure on public and private donors to meet commitments** to increase direct funding to RLOs and other local and national actors. | - Advocate for public donors and UN agencies to develop, if they have not already, strategies and action plans for increasing direct funding to RLOs.  
  - Demand an equal space to engage in and lead global advocacy initiatives around refugee leadership and localisation.  
  - Use evidence-based research to advocate with international partners for increased funding. |
2. **Adopt a pragmatic approach to intermediaries.** Intermediaries that empower and support RLOs to access international funding and amplify their advocacy have a long-term role in increasing funding to RLOs.

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| Public and private donors | **Use intermediaries to increase funding to RLOs** that would otherwise be excluded from funding opportunities. | • Prioritise funding through intermediaries to RLOs with low operating budgets, and those unable to register in-country, open bank accounts or operate safely and openly.  
• Specify in funding calls that a proportion of funding must be provided to an RLO partner. |
| Public and private donors | **Prioritise intermediaries that are led and staffed by refugees** and/or are willing to act as the ‘pot-holder’ and not the ‘gate-keeper’. | • Invest in and amplify intermediaries led and staffed by refugees and/or with a demonstrated track record of co-design with refugees.  
• Incentivise intermediaries to relinquish power and develop participatory decision-making processes for grant-making to RLOs.  
• Address funding calls to RLOs so that they hold the power to select the partners they want to work with. |
| All intermediaries (comprising UN agencies, INGOs and RLO networks) | **Cascade quality funding** (flexible, multi-year and inclusive of overheads) to RLO partners. | • Provide equal overheads (or indirect costs) for all implementing partners, including RLOs.  
• Pass on multi-year, flexible funding, where provided by the donor.  
• Improve governance and transparency of funding structures by giving RLOs budgetary oversight. |
| RLO initiatives and advocacy-focused RLO networks | **Advocate** to inspire all intermediaries to work as ‘pot-holders’ and not ‘gate-keepers’. | • Sustain pressure on intermediaries to share budgetary oversight and pass on equal overheads.  
• Call out intermediary actors that engage in tokenistic and unequal funding partnerships.  
• Advocate for the mainstreaming of good practice to address these issues. |

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3. **Commit to better tracking and reporting of funding to RLOs.** Publicly available data would allow independent and efficient tracking of funding that reaches RLOs and, by extension, contribute to improved transparency and accountability of the funding system as a whole. Improved data would also allow RLOs and others to plan and coordinate more effectively.

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| All actors | Commit to a **widely accepted definition of RLOs** to enable better tracking. | ● Develop an inclusive process for agreeing a common definition, which is led by RLOs.  
● Ensure clarity about the purpose of the definition: definitions are powerful, they provide recognition and draw focus to a specific group, sometimes to the exclusion of others. |
| Public and private donors | **Publish funding made directly to RLOs** and require intermediaries to do the same. | ● Publish all funding to all recipient organisations, including RLOs, on publicly available tracking platforms, such as FTS and IATI. To do this, funders need to have the mechanisms internally to track funding. This is especially important for intermediaries through whom most international funding flows.  
● Emulate the approach of the Collective Monitoring and Accountability Framework, endorsed by members of the Grand Bargain caucus on funding for localisation. This framework outlines existing avenues to report publicly through FTS and IATI.25  
● Donors should put collective pressure on intermediaries to better report data on the funding they pass on. Where possible, this reporting should be linked with data on the funding received. |
| All intermediaries (comprising UN agencies, INGOs and RLO networks) | **Publish the onward granting of funds** from intermediaries to RLOs. | |
| All actors | **Collectively monitor progress** on reporting and tracking and ensure the data needs of different actors are met. | ● Build on global upticks in momentum and multi-stakeholder groups across the humanitarian and development sectors to stocktake on progress made. Examples include the Global Refugee Forum (GRF) and associated mid-point High-Level Official Meetings, the Grand Bargain annual meetings, the biennial and quadrennial events of the Global Compact on Refugees (GCR), the annual Conference of the Parties (COP), and the UN Action Agenda on Internal Displacement.  
● Build an understanding of the data needs of all actors, including RLOs. Support RLOs to build the necessary in-country platforms and skills to access, analyse and use publicly available data. |

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4. **Streamline and simplify funding processes.** A lighter touch – whereby funders only ask RLOs for what is needed – would alleviate the administrative burden that funding processes currently place on RLOs.

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<td>All funders</td>
<td><strong>Scale up the innovative approaches</strong></td>
<td>• Design funding applications and grant-making processes with flexible deadlines, user-friendly portals, multiple language submissions, low technological requirements and proportionate reporting.</td>
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<td>being pioneered by philanthropies and RLO intermediaries.</td>
<td>• Provide tailored support during funding application processes such as administrative help desks, translation services, and networking assistance designed to link smaller RLOs with registered consortium partners.</td>
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<td>• Use collective due diligence passporting so that RLOs do not need to undergo multiple and repetitive compliance processes with numerous donors.</td>
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<td>• Employ layered due diligence processes which tailor requirements to the level of risk associated with each organisation.</td>
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<td>• Pre-vet RLOs in advance of funding – this would make emergency responses more efficient, as RLOs could receive funding quickly at the outset.</td>
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<td>• Use fiscal sponsors – third-party partners who receive funding on behalf of RLOs unable to register in-country or open bank accounts.</td>
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26 For example, the UN Partner Portal (a collaboration between UNHCR, UNICEF and the World Food Programme (WFP)) includes a platform for due diligence screening of CSOs across the three agencies. Also, NGOsource works to streamline and standardise the equivalency determination process for US grantmakers.
5. **Challenge the prevailing misconceptions and narratives around RLOs.** In particular, the outdated, inaccurate and damaging assumptions that RLOs are passive recipients of aid, and are a homogeneous group of small, informal organisations that are therefore too risky, biased and unreliable to fund.

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<td>Anyone working with RLOs</td>
<td>Consciously commit to <strong>challenge the concepts, language and theoretical frameworks</strong> that reproduce discrimination and exclusion of RLOs. Apply this commitment throughout institutional work, interactions and partnerships.</td>
<td>• Hire external expertise (preferably with lived experience of displacement) to diagnose and train on equity, diversity and inclusion. • Integrate existing guidelines developed by RLOs on meaningful participation and equitable partnerships into institutional processes and structures. • Draw on evidence in support of the established sector-wide move from in-kind to cash assistance – in particular the emphasis on agency and autonomy of affected communities to decide on the type of support they need and the dignity of choice. These same arguments can be used to build momentum for funding RLOs.</td>
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<td>Public and private donors</td>
<td>Implement structures so that RLOs can <strong>call out tokenistic and unfair partnerships</strong> with intermediaries without being ostracised and penalised.</td>
<td>• Establish two-way direct communication channels between funders and RLOs so that feedback and issues can be quickly and transparently relayed. • Increase the frequency and duration of donor visits to expand donor and RLO networks, and engage with RLOs on their own terms.</td>
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<td>Anyone working with RLOs</td>
<td><strong>Compensate refugee leaders</strong> for their time, expertise and expenses.</td>
<td>• In the short term, reimburse RLO leaders for their contributions to specific activities – including working groups, cluster meetings, panels, roundtables, events, blogs, interviews and research design. • In the medium/long term, ensure that all funding covers core costs, so that additional tasks and responsibilities are already funded.</td>
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Ahmad, A.N. (2023) “‘They cannot represent themselves, they must be represented’”. The Elephant, 31 January (www.theelephant.info/features/2023/01/31/they-cannot-represent-themselves-they-must-be-represented/).


Molham Team (2023) Molham Team/YouTube (www.youtube.com/watch?v=qkiKzlNwQSY).


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