

PASSING THE BUCK

The Economics of Localizing Aid:

Analysis of Four UN OCHA Pooled Funds

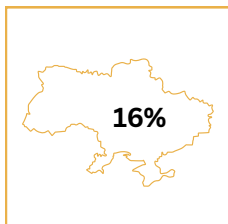


In 2025, the UN announced a “Humanitarian Reset” to increase efficiency, reduce bureaucracy and devolve more funding and decision-making to local actors. The United States’ 2026 commitment of \$2 billion to UNOCHA and its Country Based Pooled Funds (CBPFs) nearly tripled funding to UNOCHA for humanitarian response, creating real potential to reach unmet need.

Local NGO partners in 4 countries deliver programming that is 10-19% more cost-efficient than international partners

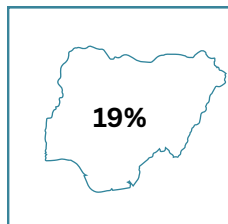
The Share Trust’s Passing the Buck studies evaluated data for CBPF funded projects in **Myanmar**, **Nigeria**, **Sudan**, and **Ukraine**; the results of these studies add to the moral and practical imperative to shift more responsibility to local actors and offer timely affirmation of these goals.

Ukraine



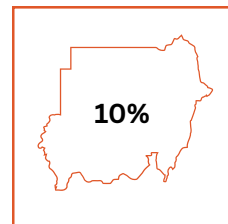
Program budget: 2023

Nigeria



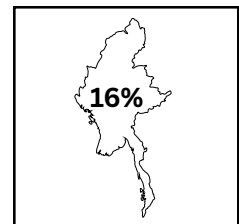
Program budget: 2022/2023

Sudan



Program budget: 2023/2024

Myanmar



Program budget: 2023

The cost efficiency gap is greatest between UN agencies and local NGOs

Local organizations



13–21%

more cost-efficient than UN agencies.

UN international staff costs

1.8–2.8x

higher than their INGO equivalents for the same roles.



Data from the Sudan Humanitarian Fund (SHF) show it is more cost efficient for a CBPF to work through local intermediaries or, when international partners have high cost structures, even to administer more local awards directly.



Individual local organizations are receiving significant direct and indirect CBPF funding, challenging the narrative that local organizations are too small to receive larger scale funding. Multiple local SHF partners are each managing close to a million dollars or more in combined prime and subawards.

Channeling 25% of total humanitarian assistance to these four countries through local partners could have freed up to an estimated \$600m in one year

If cost efficiency gains similar to those seen in these studies were to hold across all \$4.5 billion in humanitarian funding to these four countries in 2025, this additional funding could reach more people in need.

CBPFs support local leadership beyond direct local funding

The Passing the Buck studies also highlighted ways that the CBPFs are devolving resources to local actors and supporting equitable partnerships with them, even when they don't have a direct funding relationship.

 While the analysis showed that most international partners were not passing overhead costs to their local downstream partners, many UN OCHA country offices have recently begun requiring fair pass through of indirect cost recovery as a condition of funding.

 Certain CBPFs are experimenting with Mutual Aid Group (MAG) windows that channel small-scale, flexible grants to frontline groups responding to crises, quickly and with low administrative burden. The SHF, for instance, increased the amount of funding through its MAG window eightfold to \$25 million between 2023 and 2025.

Call to Action

 **Donors should require greater transparency of UN agency budget data** to support value for money decisions. While CBPFs have low administrative costs, their UN agency partners are notably more expensive than other partner types; these higher costs should be reserved for where UN agencies add unique value.

 **UN OCHA should expand Mutual Aid Group** windows across other CBPFs to channel fast, flexible resources to local responders.

 **CBPFs should redouble their commitment to increase local funding, and donors and advocates should reinforce these efforts** by supporting initiatives to expand CBPF funding to local actors, especially in the context of a surge of funding.

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