

GEOFORMATIONS Policy Brief Series

Issue. 1

Operationalising Locally Led Development and Localisation in the Post-Consensus Era

This policy brief has been developed based on our 2026 publication:

Murphy, S.P. and McGandy, M. (2026) 'Localisation and Locally Led Development in the Post-consensus Era: Transformation, Stagnation, or Annihilation?'; The European Journal of Development Research [Preprint]. Available at: <https://doi.org/10.1057/s41287-025-00734-4>.

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Core Focus:

This policy brief distils findings from a study examining how donor states articulate and position their policies on localisation. Drawing on an analysis of 32 DAC donors' commitments and macro-scale financial flows, the brief examines the extent to which stated policy positions translate into genuine shifts in financing, decision making power, and accountability toward local and national actors.



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Executive Summary

Locally led development (LLD) and localisation have constituted key commitments across institutional donor development policies for many decades, but particularly following the 2016 Grand Bargain and the 2022 Donor Statement on Supporting Locally Led Development. Despite this, our analysis of 104 policy documents across 32 institutional donors found that only six out of 32 institutional donors explicitly define localisation within their development cooperation policies, while interpretations vary considerably even among those. More consequentially, actual funding flows to local and national actors have moved in the opposite direction from stated commitments. Data shows an overall decline in humanitarian funds flowing to local and national actors since the emergence of the Grand Bargain, falling from a high of 3% in 2018 to its lowest point of 1.2% in 2023. These figures fall drastically short of the Grand Bargain's 25% target. This gap, combined with drastic aid cuts by several major donors in 2025, poses a direct risk to aid effectiveness, local ownership, and the credibility of donor commitments. This brief summarises the research findings, outlines the policy implications of a persistent gap between localisation rhetoric and practice, and points to target policy revisions required to address this gap.

Background

Calls to reform international development cooperation have intensified, with localisation positioned as a central pillar of reform agendas. However, its growing prominence in donor policy frameworks has not translated into systemic change. Recent data indicates that less than 2% of humanitarian aid and roughly 10% of development funding currently reaches local and national actors, well below stated commitments. This gap is unfolding against a broader backdrop of strain on the international aid system, as many donor states increasingly prioritise domestic and security interests over international cooperation. These pressures are converging at a moment when needs in fragile and crisis-affected contexts continue to grow. The combined effect of these pressures has weakened confidence in the coordinated multilateral aid system precisely as the reform agenda localisation is meant to serve becomes more urgent.

Against this backdrop, localisation – now a well-established concept centred on local and national actors leading the framing, design, delivery, and accountability of development interventions – has renewed policy salience. Two related international commitments anchor current donor obligations:



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1. **The Grand Bargain (2016):** commits signatories to channel a minimum share of humanitarian funding directly to local/national actors, with a target of 25% and 24 of 32 OECD DAC donors currently signed on.
2. **The Donor Statement on Supporting Locally Led Development (2022):** co-led by USAID and NORAD, calling for more flexible, direct, multi-year financing to local actors, with 21 of 32 institutional donors having endorsed the agreement.

Study Overview

The article is guided by a single research question: **to what extent do institutional donors recognise and realise localisation in and through their development policy architecture?** To answer this, the authors examined individual donor positions, analysing how commitments related to localisation are interpreted, communicated, and intended for implementation – by whom, with whom, and for whom. The review examined 104 documents from 32 institutional donors, including publicly available policy and strategy documents on development cooperation, humanitarian aid, and civil society issued by government ministries or national development agencies up to early 2024. Of these, 56 contained specific information relevant for analysis.

Key Findings

1. Explicit definition of localisation is rare and inconsistent: Only six out of 32 institutional donors explicitly define localisation within their development cooperation policies (Australia, Belgium, the EU, Italy, the Netherlands, and the US). Among these six, meanings diverge sharply. For some, localisation requires a continuation of support to local actors in recognition of the lead role they play in emergency response. Support includes capacity development and strengthening to enable local partners to fit into the existing system, rather than restructuring the system around them. For others, it requires internal reform of donor institutions themselves.

2. Seven dominant themes were identified, but little follow-through is evident: Coding across 56 policy documents, the article identified seven recurring themes, and the pattern is illuminating:

Theme	Prevalence	What it reveals
Recognition of local autonomy/ownership	Most frequent	Straightforward rhetorical commitment for donors, lacking indicators, targets or monitoring guidelines



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Demand-driven, needs-responsive interventions	2 nd most common	Intention to centre the interests and needs of recipients over donor interests and capacities.
Local participation	13 of 32 donors	The low prevalence indicates a gap between framing and operationalising localisation
Supporting local leadership <i>beyond</i> participation	10 donors	Participation $\neq$ local leadership
Alignment with recipient states' national plans	7 donors	Very little consideration of recipient interests and identified needs
Respecting indigenous knowledge	8 donors	Very little engagement with relevant and appropriate knowledge sources
Explicit commitment to inclusivity	5 donors	This theme received the least attention and is often omitted entirely

The findings reveal convergence on abstract commitments (such as recognition and local ownership), but little commitment to concrete operationalisation actions. Findings further reveal sharp divergence on the substantive interpretation and conceptualisation of localisation.

3. Two dominant donor positions were identified: Direct reform (USAID being the clearest case), involving disassembling traditional donor practices, translating materials into local languages, and assessing local partners' capacity for direct financing; **Indirect reform** (the majority), using capacity-building and existing INGO/IGO intermediaries to make the current system function more efficiently, without redistribution of decision-making power.

4. "The local" is discursively flattened: A key critical finding: across the entire corpus, donor policies treat "the local" as a vague, homogeneous, ahistorical category, stripped of the political and social complexity that determines who counts as a "local" actor. The article connects this to a long history of scholarship on how racial, (neo)colonial, and scalar dynamics and relations condition who, and where, is recognised as local.

5. Structural/regulatory language as a subtle but significant barrier: Analysis shows that, in the case of some donors, regulatory mechanisms explicitly exclude direct local financing by requiring funds to pass through pre-approved intermediaries. Little consideration is evident of intention to tackle these structural constraints, limiting the possibilities for direct localisation and reinforcing the need for intermediaries such as intergovernmental and non-governmental organisations.



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6. Overall interpretive conclusion: The article's central argument is that localisation tends to function in donor discourse as a technocratic, depoliticised statement of intent. It is a way of signalling commitment or desire to reform while leaving the underlying aid architecture and its power asymmetries intact. This pattern of co-option sees a genuinely political demand – for the redistribution of power to affected communities – translated into an administrative imperative to be achieved through capacity-building and developing “better” partnerships within the current architecture.

Policy Implications:

The rhetoric-practice gap is structural rather than incidental: Policy reform targeting institutional donor structural and regulatory change is required to:

- Operationalise local ownership and leadership from ideation and design stage through project implementation and evaluation
- Centre local actors and voices in the identification and specification of local needs and interests
- Establish regulatory relationships to support direct financial flows to local and national organisations
- Align donor priorities with recipient state priorities

Conclusion: This article identifies a rhetoric-practice gap in donor approaches to localisation and explores the discursive and institutional mechanisms through which that gap is produced and sustained. Across 32 institutional donor positions, the analysis traces how localisation is often translated from a political demand to a set of administrative processes. Findings indicate broad rhetorical convergence on local ownership, sharp divergence on local leadership, regulatory structures that formally block direct financing, and a persistently underspecified account of who or what “the local” is. Together, these patterns support the article's central claim that localisation, as it is currently operationalised, functions more as a technocratic signal of reform intent than as a vehicle for redistributing power. Policy reform to address structural barriers is necessary to achieve the commitments set out in international agreements on localisation.



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