

THE SUDAN HUMANITARIAN FUND

A Pooled Fund in Transition

HALA ELTOM, NICHOLAS NOE, AND YOUSRA SEMMACHE

OCTOBER 2026



THE CONFLICT
SENSITIVITY
FACILITY



Center for
Disaster
Philanthropy

About the Authors

Hala Eltom is an Outreach Advisor at The Conflict Sensitivity Facility. Follow her on [LinkedIn](#).

Nicholas Noe is a Senior Fellow at Refugees International. Follow him on [LinkedIn](#) and [Twitter](#).

Yousra Semmache is an independent consultant. Follow her on [LinkedIn](#).

About Refugees International

Refugees International advocates for lifesaving assistance and protection for displaced people and promotes solutions to displacement crises around the world. We do not accept any government or UN funding, ensuring the independence and credibility of our work.

About Conflict Sensitivity Facility

The Conflict Sensitivity Facility helps donors, local and international aid organisations and coordination mechanisms understand Sudan's context and apply conflict-sensitive approaches that minimise harm and strengthen aid's contribution to sustainable peace.

About the Center for Disaster Philanthropy

The Center for Disaster Philanthropy is dedicated to helping donors maximize their impact through educational resources, community-driven grantmaking and expert advisory services.

Table of Contents

4	Executive Summary
7	Methodology
8	Previous Barriers to Localization at the SHF
12	What Has Changed in 2026
14	Localization Guidance for the Second U.S. Tranche of Funding
16	The Growing NGO-led Fund Sector
18	Recommendations for Accelerating Localization at the SHF
21	Conclusion: A Significant Moment for the SHF and Sudan

Executive Summary

Sudan is the largest humanitarian crisis in the world, and the Sudan Humanitarian Fund (SHF) is now operating at an unprecedented scale for a UN Regional or Country-Based Pooled Fund (R/CBPF). How the SHF spends its money will help decide whether localization of the relief effort in Sudan – shifting power and resources to local and national responders – becomes a reality. The Fund’s direction will also shape how well the next phase of the response copes with deeply troubling humanitarian trends.

The Fund’s growth is all the more striking because the wider response is shrinking, even as needs reach record levels. In 2026, an estimated 33.7 million people, nearly two-thirds of Sudan’s population, will need assistance. Yet the [humanitarian response plan](#) has been cut to a “basic survival package.” By September 2026, the plan was only [41 percent funded](#). Of the roughly \$1.12 billion received, \$457 million, more than two-fifths, flowed through the SHF.

The SHF has real achievements when it comes to localization. Its [Emergency Response Room/Mutual Aid Group \(ERR/MAG\)](#) program grew from \$15 million in 2024 to \$25 million in 2025–2026, sending small, flexible grants to frontline responders. The Fund has also handed two of the program’s six intermediary roles to national NGOs. And it now requires lead partners to pass the full 7 percent overhead on to every sub-grantee, a reform that has not yet spread across the global pooled-fund system.

Yet on direct funding, the SHF has lagged behind its peers. According to [OCHA’s CBPF Data Hub](#), only about 6 percent of SHF funding went directly to Sudanese actors in 2025, rising to about 27 percent when subgrants (indirect funding) are counted.¹ Both figures were the lowest among the roughly two dozen pooled funds we compared. Across OCHA pooled funds, around 55 percent reach local and national actors when subgrants are included.

This small partner pool concentrated influence among a few Sudanese organizations. The same three national representatives sat on the Fund’s Advisory Board for years without rotation. Women-led organizations have fared poorly. None of the 13 prioritized

¹ The SHF states in its [2025 Annual Report](#) that 37 percent of its 2025 allocations went to L/NAs indirectly and directly, compared with approximately 27 percent in the standardized CBPF Data Hub figures reviewed for this report. The difference likely reflects at least three important methodological factors. First, the SHF’s annual reporting has previously employed a non-calendar year to measure funding flows, for example, choosing a 12-month window that incorporates late-year allocation decisions with corresponding project funding flows that may only be recorded in the following year by the Data Hub. This type of cross-year reporting difference was explicit in the Fund’s 2024 Annual Report; it is unclear if the 2025 report employed such a calculation. Second, the SHF appears to count the full value of its \$25 million MAG envelope as indirect funding for L/NAs. The SHF’s own 2025 Annual Report states, however, that approximately 66 percent of MAG funding actually reached ERRs/MAGs directly. Furthermore, as noted in [Refugees International’s 2025 report on the SHF](#), the Data Hub does not fully capture Group Cash Transfers – such as those made through the MAG envelope – as indirect funding to L/NAs, instead recording them as beneficiary-level disbursements. This limitation is not unique to Sudan and can affect reporting across other CBPFs as well. For comparative purposes then, the calendar-year Data Hub remains the most consistent basis for assessing performance across funds.

in 2024 completed onboarding that year.

In interviews, stakeholders repeatedly named four main barriers to entry:

- missing safeguarding and governance policies;
- weak accounting systems;
- poor digital record-keeping; and
- registration with the federal Humanitarian Aid Commission (HAC).

The first three are technical and can be solved by drawing on the experience of other pooled funds. HAC registration is more challenging. It must be renewed every year and is not realistically obtainable for many groups in a country de facto split between the control of the Sudanese Armed Forces (SAF) and Rapid Support Forces (RSF). Many groups working outside areas controlled by SAF, or fearing harassment, cannot safely register at all.

Behind these numbers lay a deeper problem. For years, the prevailing view at the SHF was that investing in the institutional capacity of local partners was not the Fund's job. Yet pooled funds routinely pay for the far more expensive institutional structures of UN agencies and international NGOs. Refusing to invest in local actors does not save money. Rather, it can lock in costlier delivery models that leave less for affected communities. In Ukraine, by contrast, early investment in national NGOs – few of which had any experience in humanitarian operations before Russia's full-scale invasion in 2022 – built a broad pool of local partners and [freed up tens of millions of dollars](#) for lifesaving aid.

The good news is that new UN leadership in Sudan has made localization a top priority over the last year. This came despite a setback. When a major U.S. contribution arrived in early 2026, none of the first \$195 million in allocations went directly to Sudanese actors, partly because of OCHA's tight [six-month spending deadline](#). The SHF responded with a [\\$40 million allocation](#) in June 2026 that gave national NGOs priority for direct funding. It also introduced dedicated "Localization Costs" in project budgets. As of September 2026, the partner pool of Sudanese NGOs has grown from 25 to 33, including several that had failed onboarding for years despite managing tens of millions of dollars in aid. Six new Sudanese NGOs have taken up seats on the Advisory Board.

OCHA headquarters also recognizes the need for a course correction. Its [guidance for the second U.S. tranche](#) of \$175 million calls for doubling national NGO seats on Advisory Boards from three to six. It also supports "passporting" capacity assessments, tiered eligibility, and microgrants of up to \$10,000. UN agencies and INGOs can no longer charge senior management and headquarters staff costs, while local and national actors can. Separately, the SHF has offered up to \$1 million for a Sudanese-led localization process. This could reshape the response, but only if the Fund's role as funder stays clearly separate from Sudanese ownership of the process.

None of this will be easy. Fund managers face intense pressure from UN agencies

and INGOs whose core budgets have been cut. International actors also bring real advantages. But OCHA's guidance reinforces steps the SHF has already taken and should make it easier to go further. To this end, the SHF should open more routes to direct funding for local groups. It should offer longer-term funding and help organizations that fail assessments improve rather than shutting them out. Local actors should have more say in SHF allocations.

Finally, the SHF should engage a new, potentially more transformational channel for local funding. Over the last few years, nearly 20 NGO-led funds² have emerged, many led by Sudanese actors, and they are expected to channel more than \$40 million to local responders in 2026. Together they mark a new and potentially powerful chapter in localization. The SHF brings scale, while these funds can move faster, reach further, and provide assistance beyond an emergency. The SHF, donors, and NGO-led funds should launch a structured dialogue on how they can best fit together.

This report seeks to provide accurate, up-to-date information on the trajectory of the [Sudan Humanitarian Fund \(SHF\)](#), and practical recommendations for accelerating further progress on localization. The SHF has a real opening. The true measure of progress will be whether a much wider group of Sudanese responders receives direct funding, holds real authority over funding decisions, and becomes durable humanitarian actors.

² NEAR, a movement of local and national civil society organisations from the Global South, defines locally led funds primarily by where governance and decision-making power sit, rather than by where a fund is registered or fiscally hosted. [Its recent global mapping](#) found that all 63 funds operating in the Global South that they reviewed were governed by local and national actors; 67 percent were fully self-managed, while a smaller number used Global North fiscal hosts or registration while retaining governance in the Global South. Although not all funding comes from the Global North, NEAR found that the overwhelming majority of identifiable financing ultimately did, highlighting the distinction between locally governed funds and locally sourced finance. The central distinction in this paper is one of institutional control: the SHF is administered by OCHA, while NGO funds operate outside OCHA and generally place greater authority with Sudanese governance structures.

Methodology

This report was co-authored by the Conflict Sensitivity Facility (CSF), Refugees International,³ and an independent consultant, Yousra Semmache. It builds on Refugees International's September 2025 report, *Accelerating Localization: A Roadmap for the Sudan Humanitarian Fund*, as well as the SHF "deep dive" report undertaken by national NGOs already onboarded with the Fund in November 2025. Additional desk research reviewed documentation and findings from workshops and surveys held throughout 2025 and 2026, which gauged the views of dozens of Sudanese NGOs and international stakeholders on SHF access, governance, partnership practices, and localization performance.

Between May and July 2026, Refugees International and the CSF interviewed 15 people with direct knowledge of the Fund, including recently retired OCHA personnel and representatives of eight Sudanese NGOs that had either recently completed onboarding or are longstanding SHF partners. The analysis also draws on publicly available data and operational information concerning the Fund's 2026 allocations, partner assessments, and evolving localization policies. A draft of this report was circulated for comment to participants invited to a July 30 roundtable of Sudanese stakeholders brought together to discuss the legacy of Sudan's failed 2024 localization reform effort and the current direction of system reform. A draft was also circulated for comment to the SHF. The Fund chose not to provide comments during the review period.

3 CSF supports aid organizations to understand conflict dynamics and avoid causing or exacerbating harm. It is a project implemented, hosted, and overseen by the international peacebuilding organization SaferWorld. Refugees International is an independent advocacy organization headquartered in Washington, DC, dedicated to advancing the rights and protection of refugees and other displaced people worldwide. Working with partners and affected communities, Refugees International investigates challenges, develops policy solutions, mobilizes action, and holds governments and international institutions accountable. Both Refugees International and CSF do not accept funding from governments or the United Nations. This report was supported by the Center for Disaster Philanthropy.

Previous Barriers to Localization at the SHF

While the SHF made some important strides on localization over the past several years, a key barrier has been the narrow pipeline of eligible Sudanese partners. In 2024, the SHF invited 62 national NGOs into its capacity-assessment and onboarding process, a necessary step to receive direct funding and also advantageous for joining a consortium as an implementing partner. By the end of 2024, just two were accepted as SHF partners. UN staff interviewed in 2025 named the main barrier to approving more Sudanese NGOs: many lacked double-entry bookkeeping systems, a technical gap that is relatively easy to fix. By the end of 2025, the Fund had 25 Sudanese NGO partners, only one more than in 2024, and only six local and national humanitarian actors (L/NAs) received direct grants, according to a March 2026 analysis by [ODI Global](#). Both the overall national partner base and the number of directly funded partners remained well below those of peer funds.

Two prevailing assumptions within the SHF have contributed to the limited number of directly funded Sudanese partners. The first is that many L/NAs do not necessarily want direct funding, whether because of security concerns, fiduciary risk, or capacity constraints. Yet evidence from a 2025 INGO-led workshop dedicated to better understanding how L/NAs view barriers at the SHF complicates that view: among 21 senior representatives from 16 national NGOs, 57 percent had received SHF funding indirectly through international organizations, none had received a direct grant, and all expressed interest in doing so.

A second assumption has been that institutional capacity investment is not a core function of a country-based pooled fund and should instead be left primarily to bilateral donors. In practice, this position has limited the ability of Sudanese NGOs to strengthen the systems and capacities needed to progress from implementing roles into direct, prime recipients of SHF funding. [OCHA's Global Guidance for CBPFs](#), however, gives pooled funds two mutually reinforcing purposes: financing life-saving humanitarian action and contributing to system change and localization. In this guidance, investments in local and national actors' capacity and infrastructure are seen to improve lifesaving itself.

CBPFs also [routinely finance the considerably more expensive institutional structures](#) of UN agencies and INGOs, including their staffing, compliance, security, and overhead costs. Refusing to invest the same way in L/NAs does not save money for lifesaving aid. Instead, it can lock in costlier delivery models over time and leave less money for affected communities.

The Ukraine Humanitarian Fund (UHF) offers an important counterexample. At the outset of Russia's full-scale invasion in 2022, relatively few Ukrainian NGOs had significant humanitarian experience, and only a limited number were eligible

UHF partners. By investing substantial resources in their institutional capacity and operational systems, however, the Fund helped build a broad and credible pool of national organizations able to manage larger grants directly. This earlier investment enabled the UHF to channel an exceptional share of the recent U.S. allocation to Ukrainian actors. According to a joint analysis by [Share Trust and Refugees International of UHF cost structures in 2024](#), the ability of the UHF to expand reliance on L/NAs meant that tens of millions of dollars in cost savings were available for more lifesaving programming.

The SHF also never introduced a “Simplified Capacity Assessment” that would have better adapted its systems to meet L/NAs where they were already delivering assistance. After the first U.S. tranche sent little direct funding to local actors, OCHA called for expanding such assessments across pooled funds. It is also exploring additional ways to build the capacity of local actors across the CBPF system. These include support built into grants and dedicated funding windows for institutional strengthening that L/NAs request.

Across our interviews, various workshop discussions, and available documentation, four principal barriers repeatedly arose when it comes to accessing direct funding at the SHF:

1. Required safeguarding and governance policies. Many organizations did not have written procedures for preventing sexual exploitation and abuse, codes of conduct, complaint handling, or other governance rules. These standards are essential, but the gaps are easy to fill.

2. Computerized and double-entry accounting systems. SHF staff identified accounting systems as one of the most pervasive causes of failure. In many cases, organizations needed modest financial investment and practical assistance in selecting appropriate software.

3. Cloud-based document storage and institutionalized record management. Cost, connectivity, licensing, and limited familiarity prevented some organizations from meeting digital-documentation standards. These barriers could be resolved through small grants, shared services, and targeted support.

4. Federal Humanitarian Aid Commission (HAC) registration. This is the most politically and operationally difficult barrier to address, as mentioned above. Registration is valid for only 12 months, creating recurring costs and uncertainty, while national organizations often face significant bureaucratic and security pressures.

The SHF’s [Risk Absorption Note](#) revised at the end of 2025 introduced important flexibility and limited waivers from standard procedures. Most notably, prospective partners that met all other capacity-assessment requirements but lacked a licensed computerized accounting system could be deemed eligible on the condition that

they purchase the required software license once they received their first project installment, with the cost charged to the grant. But these provisions did not fully resolve the obstacles, especially in regards to direct funding. As a result, the national partner pool stayed small, and funding and influence stayed with a few organizations. Only a handful of national NGOs received direct awards. The same three national representatives remained on the Advisory Board for several years without rotation. The SHF's consortium model, an innovation largely driven by the SHF, brought more L/NAs in as indirect partners under INGOs. But in the absence of pathways to develop consortia leadership that are actively encouraged and supported, it also risks reinforcing the dependent position of an often small circle of Sudanese NGOs.

This has generated concern, expressed by most of our interviewees, about the emergence of a few national NGOs receiving a disproportionate share of funding in recent years while also occupying influential roles in governance and partner selection. The pattern is not unique to Sudan. [ODI Global](#) and others have found that the overwhelming majority of funding reported as going to local and national actors at Regional/CBPFs globally is concentrated among ten or fewer organizations in almost every fund.

When it comes to gender equality and the leadership of women-led organizations (WLOs), the SHF has repeatedly signalled the importance of both in its grantmaking priorities and governance commitments. Yet recent interviews – particularly with Sudanese women leaders – suggest that these commitments have produced limited practical progress. The 2024 onboarding process was especially revealing: although 13 WLOs were specifically prioritized, none had completed onboarding by the end of the year. The SHF's 2025 Annual Report notes that 259 WLOs received a combined \$3 million indirectly through the May 2025 ERR/MAG allocation, with substantial resources dedicated to gender-based violence programming. However, it provides little evidence of comparable progress in direct funding, onboarding, or improvements in the participation and influence of WLOs last year.

Perhaps the hardest localization barrier to address at the SHF is one that has long been seen as lying outside the Fund's control: The requirement that onboarded organizations hold valid federal HAC registration, renewed each year. The Sudanese Armed Forces, which oversees HAC, has repeatedly brought [heavy pressure](#) to bear on the UN, INGOs, and Sudanese responders operating inside the territory it controls, including expelling aid workers, refusing visas, and rejecting aid deliveries from neighboring countries.

As highlighted in [Refugees International's 2025 report on the SHF](#), registering with HAC can expose local groups, in particular, to surveillance, harassment, and co-optation. This is further complicated by the reality that de facto control of the country is split between the SAF and the RSF and their local allies. The RSF has set up its own parallel structures, including the equivalent of the HAC, exposing INGOs and L/NAs to increased competing pressures and making it increasingly difficult for them to maintain access to several parts of the country.

Directly funding organizations that HAC regards as unregistered would likely provoke a SAF backlash against the SHF, OCHA, the Humanitarian Coordinator, international partners, and Sudanese organizations affiliated with the SHF that could jeopardize humanitarian access and operations. These risks help explain why the issue has proven so difficult to address in the past.

What Has Changed in 2026

Many OCHA-managed pooled funds, including the SHF, registered disappointing localization outcomes in the disbursement of the first U.S.-funded allocation in 2026. Against that backdrop, the SHF laudably staked out a different path in its [first non-U.S. funding call in June 2026](#). The allocation guidance for the \$40 million in available funds explicitly prioritized national and local organizations as primary recipients, stating that eligible NNGOs should receive priority for direct funding under the principle that the response should be “as local as possible.” It also begins to address one of the most important weaknesses identified by Sudanese NGOs in their November 2025 “[deep dive](#)” report: the relative absence of sustained institutional investment in Sudanese partners. The Fund is introducing dedicated “Localisation Costs” within project budgets, tied to four concrete areas: governance and institutional capacity; program and partnership capacity; finance and operational capacity; and Protection from Sexual Exploitation and Abuse. Partners can also use capacity assessments from 2025 and 2026 to build improvement plans with measurable targets. The goal is to help national NGOs qualify for direct SHF funding in the future. It should also help them improve their performance on the Fund’s risk rating scale.

Onboarding also appears to have become more proactive and pragmatic. In one recently onboarded Sudanese NGO’s case, the SHF did not require the organization to repeat its entire assessment (it had failed onboarding for several years mainly due to the financial system it used). The reassessment focused on the relatively minor issues that had previously prevented approval, was conducted virtually, and considered existing audit evidence from UNICEF and WHO as well as explanations from the organization’s external accounting provider.

The outcome was significant. The Sudanese NGO – which managed approximately \$25 million in humanitarian programming the previous year, including large projects from other UN agencies – was finally approved as an SHF partner recently, although it is initially classified as high risk. The organization attributed its eventual success partly to more active engagement and encouragement by SHF staff and to broader pressure for the Fund to include more Sudanese actors. Under the June allocation, the NGO first asked for about \$700,000. But the SHF invited it to raise the request to \$1 million. This was partly because the proposal was strong. It also reflected the NGO’s long and impressive track record on the ground.

The experience of another recently onboarded Sudanese NGO illustrates both the progress achieved and the work still required. The organization managed over \$1 million in programming in 2024, rising to more than \$4 million in 2025. Its successful onboarding in mid-2026 was supported by sustained institutional accompaniment from international partners that helped it strengthen policies, financial controls, procurement, staffing, and segregation of duties. Following its onboarding, the SHF provided a clear roadmap for reducing its initial high-risk rating and encouraged the

use of newly available capacity investment provisions to this end. Yet the process still took approximately nine months. “It is far too long compared with other due-diligence processes,” explained the NGO’s executive director. “Given that we are responding to a humanitarian emergency, it is critical to expedite the process, ideally to three to four months maximum.”

In contrast to the nine-month onboarding experience, another newly onboarded Sudanese NGO completed the process in roughly two months, beginning due diligence in February 2026 and securing eligibility by the end of April – an important indication that SHF onboarding is accelerating this year. The organization was entirely new to the Fund despite managing an annual humanitarian portfolio of approximately \$3–5 million and implementing partnerships with major UN agencies since 2012. Crucially, the UN proactively encouraged and supported it to submit a proposal under the June allocation. Its project application for approximately \$700,000 has passed strategic review and is advancing through technical review. The Fund has explicitly encouraged the organization to include localization costs aimed at strengthening its institutional systems and enabling progression from its initial high-risk rating.

Governance engagement by Sudanese also appears more robust in 2026. One Sudanese Advisory Board member described discussions during the first half of 2026 as more substantive, less predetermined, and more technically engaged. The Humanitarian Coordinator has encouraged Board members to examine proposals and operational details more closely, while Review Committees are expected to include balanced representation from national NGOs, international NGOs, and UN agencies. In September 2026, Advisory Board representation finally turned over, with six new national NGOs representing Sudanese responders.

Despite these advances, one important constraint on the SHF’s ability to translate reform into deeper localization has moved in the opposite direction: staffing. Several interviewees reported that the Fund underwent staffing and budget reductions in 2025 – likely on the order of 15 percent – even as it moved into 2026 managing nearly three times its previous funding volume. Staffing had already failed to keep pace with the Fund’s growth before 2025, with comparable pooled funds operating larger teams. Asking a smaller team to now oversee substantially more funding and more complex allocations creates clear risks for grant quality, timeliness, partner support, monitoring, and accountability. It also directly undermines the localization agenda, which is inherently more staff-intensive: bringing on a larger number of local and national partners often requires closer accompaniment during onboarding, more frequent monitoring and assurance, support as organizations strengthen systems and improve their risk ratings, and sustained engagement as new partners learn to navigate CBPF requirements and processes.

Localization Guidance for the Second U.S. Tranche of Funding

OCHA headquarters has responded to the weak localization performance of the first tranche of U.S. funding with a potentially significant package of reforms for the second tranche. OCHA has acknowledged that only around 12 percent of the first tranche reached local and national NGOs, including through subgrants, with less than 5 percent delivered directly. This is far below the roughly 55 percent reported in 2025 across OCHA pooled funds for indirect and direct funding and 45 percent in direct funding. The comparison, however, is heavily influenced by Ukraine, which accounted for about \$55 million in direct L/NA funding – more than double the direct funding provided by all the other participating funds combined. Outside Ukraine, direct funding to L/NAs was only around two percent of the total.

In response, OCHA's guidance for tranche two is organized around three broad objectives: increasing L/NA voice and influence, widening access to funding, and improving the quality of that funding.

The proposed changes would be substantial if they are implemented. OCHA is calling for national NGO representation on CBPF Advisory Boards to double from three to six seats, with stronger L/NA participation in allocation strategies and Project Review Committees. Grant selection authority can be delegated to area-based decision-making overseen by local responders. Projects can run longer than the earlier six-month framework with appropriate justification. Payments can be released in stages in order to mitigate risk for the CBPF and therefore allow it to provide more direct and indirect funding to L/NAs that usually carry a higher risk rating.

Existing capacity assessments can be “passported” from other credible systems instead of CBPFs conducting their own. Smaller actors can qualify under tiered eligibility rules. And the consortia approach pioneered by the SHF can be used more aggressively to reach new local partners. Finally, informal and community-based responders – including those that are unregistered – can get microgrants of up to \$10,000. The guidance also opens the door to multi-year funding, institutional-capacity costs within project budgets, fuller coverage of legitimate operating costs, and mandatory fair sharing of Programme Support Costs with downstream local partners.

OCHA has gone even further to address structural cost inequities. Under the new guidance, common operational costs can be shared across donors and projects. This is allowed as long as the split is fair and documented. However, UN agencies and INGOs can no longer charge the costs of senior country-management and headquarters staff. Local and national NGOs, by contrast, can still charge senior-management costs. This is a notable departure from longstanding practice and signals an effort to protect scarce

pooled-fund resources for delivery and strengthen the institutional base of national actors.

These reforms are being introduced, however, in an exceptionally difficult political and institutional environment. UN humanitarian coordinators and fund managers across the system are having to balance localization commitments against intense pressure from UN agencies and international NGOs. These actors have had their core budgets cut and now look to the new U.S. resources in the CBPFs to help fill the gap. At the same time, CBPFs must weigh the comparative advantages that UN agencies and INGOs can bring to responses. These include procurement efficiencies and, in some contexts, their ability to provide a degree of protection for national responders facing pressure from government or de facto authorities.

For the SHF, this balancing act will undoubtedly be difficult. But OCHA's new global guidance for the \$175 million second U.S. tranche reinforces many of the steps already taken in the fund's \$40 million June funding call backed by non-U.S. donor contributions. This should make it both politically and operationally easier to deepen localization across the Fund. The guidance should also add momentum to ongoing efforts by the SHF and the Humanitarian Coordinator (HC) to strengthen Sudanese leadership on the Advisory Board and the crucial Review Committees that assess and score proposals.

The Growing NGO-led Fund Sector

Alongside the SHF, Sudan has witnessed the rapid expansion of a diverse set of NGO-led funding mechanisms. Some have managed to attract state donor funding as well as broader charitable and private philanthropy contributions, notably from the UK's Foreign, Commonwealth & Development Office and the Norwegian Agency for Development Cooperation. The German Federal Foreign Office has also provided funding to one NGO fund. All three, as well as other state donors, have expressed interest in expanding their investments in NGO-led funds in Sudan.

Most of the Sudan-focused mechanisms reviewed here are legally or administratively anchored in INGOs or other Global North institutions but place substantial authority over priorities and allocations with Sudanese actors. Others are led by organizations explicitly committed to advancing Global South leadership.

Our mapping, which both draws from and complements a forthcoming report by The Share Trust as well as global mapping and analysis work by [NEAR](#) and [ICVA](#), identifies nearly 20 funds disbursing at least \$250,000 annually in humanitarian funding for Sudanese NGOs, MAGs, ERRs, and other frontline responders. We estimate that, collectively, these mechanisms will channel more than \$40 million to Sudanese humanitarian actors in 2026. This is a conservative figure. It does not capture the full scale of diaspora giving to Sudanese responders, informal transfers, grants to Sudanese organizations operating from neighboring countries, or numerous smaller funding streams that are difficult to track.

The largest and most visible funds include Proximity to Humanity and Collective Sudan, formerly known as Cash Consortium Sudan. A sizable portion of Collective Sudan's funding reaches frontline responder organizations through cash transfers for groups. These funds sit alongside a growing range of diaspora-led and Global South-oriented funds.

These NGO-led funds are [transformative](#). They are often built around local ownership from the start, rather than adding localization onto an internationally managed structure. Local and national actors usually have more say over governance, priorities, grant decisions, and accountability. Funding tends to be more flexible, more accessible to smaller or informal responders, and more responsive to needs communities define themselves. This can strengthen accountability to affected people and reduce dependence on international intermediaries. It can also support institutional development and movement-building alongside project delivery. CBPFs, despite important reforms, often remain constrained in these areas by UN systems, compliance requirements, and internationally dominated decision-making.

Early evidence also suggests that these models are highly cost-effective, particularly where they reduce the number of institutional layers between donors and frontline responders. One large fund, for example, built its locally led model around relatively low management, transfer, and local coordination costs. By comparison, the SHF's ERR/MAG program channels funding through six NGO intermediaries. Of the approximately \$25 million delivered through that mechanism in 2025-2026, 60 percent may ultimately have reached ERRs and MAGs directly as cash grants from the intermediary.⁴

It is important to note that this does not mean that 40 percent of funding went to intermediary overhead costs, since some intermediaries' outlays include important services that supported Sudanese partners as well as other supplies and subgrant-related costs. Nevertheless, the figure reinforces the need for transparent comparison of the complete delivery chain.

One central question is how best to support and grow a plural humanitarian financing ecosystem in which different mechanisms perform the functions for which they have the strongest comparative advantages. The SHF can mobilize multi-donor resources at exceptional scale, finance large and integrated responses, and help establish common standards across the humanitarian system. Sudanese-led and specialist NGO funds, by contrast, can often move resources more quickly and flexibly, reach smaller and informal responders, provide fiscal sponsorship, and devolve greater authority over priorities and funding decisions to Sudanese organizations and communities. Some are also able to invest beyond immediate humanitarian response – including early recovery, institutional strengthening, and reconstruction – in ways that CBPFs, with their more narrowly humanitarian mandate, generally cannot.

As Sudan's NGO-led fund sector expands, the country is becoming an important test of whether a very large UN country-based pooled fund and a substantial NGO-led funding sector can operate as complementary parts of a more diverse financing architecture. Achieving this will require structured dialogue among the SHF, donors, intermediaries, NGO-led funds, and frontline responder networks – something that remains limited today.

The expectations placed on NGO-led funds are also particularly high. Many Sudanese actors look to these mechanisms to address some of the shortcomings associated with the UN-led response and traditional INGO partnership models, including unequal power, limited flexibility, and weak accountability to affected communities. Meeting those expectations will require NGO-led funds themselves to strengthen transparency about who they fund and where, establish safeguards against duplication, improve referral and coordination arrangements, invest in institutional capacity, and clarify how they intend to transfer increasing authority to Sudanese actors over time.

⁴ According to the SHF's own calculation included in its 2025 Annual Report, 66 percent of the ERR/MAG funding reached the beneficiary organization.

Recommendations for Accelerating Localization at the SHF

Broaden the representation of local and national actors across the SHF. Meaningful representation means more than adding advisory seats or sending more money through existing local partners. The SHF should increase the number and range of Sudanese organizations that hold decision-making power. At a minimum, the HC should ensure that Advisory Board members are regularly rotated and that mechanisms are created so that Sudanese representatives can regularly and effectively report back to the wider Sudanese community of local and national humanitarian responders. Representation should better reflect diversity in geography, type of organization, gender, and operations. The Board should also use the “Observer” provision in OCHA’s Global Guidelines. This lets a Sudanese organization take part in discussions without being formally named on the Board.

Expand and diversify pathways to direct funding. Ahead of the anticipated second U.S. tranche, the SHF should widely introduce the kind of simplified, tiered capacity-assessment model already used by other pooled funds. This should extend beyond the existing high-, medium-, and low-risk classifications. It should expand eligibility pathways through which smaller Sudanese organizations can access smaller-sized grants directly (under \$250,000, for example). These grants would come with simpler requirements, closer oversight, and structured capacity support. The SHF should also extend OCHA’s new “passporting guidance” for the second tranche of U.S. funding across its portfolio. This would allow comparable assessments conducted by other UN agencies – and potentially other qualified institutions – to be recognized through a streamlined verification process. Organizations would no longer need to repeat similar due diligence and capacity assessments.

Launch a multi-year funding call for local and national actors. The SHF should launch a dedicated multi-year funding envelope for L/NAs that would better allow them to retain skilled staff, strengthen financial and safeguarding systems, and invest in security and operational infrastructure. Some humanitarians argue that the emergency and life-saving mandate of pooled funds requires needs and priorities to be reassessed frequently, making multi-year grants inappropriate. In Sudan, however, the extraordinary scale and protracted nature of humanitarian need make this distinction increasingly difficult to sustain. OCHA’s guidance already allows the UN humanitarian coordinator to approve longer implementation periods and encourages multi-year local initiatives.

Turn failed capacity assessments and high-risk ratings into funded institutional progression. When otherwise capable L/NAs fail their assessments, this should result in practical and costed improvement plans. The Fund should explore supporting the

systems, staffing, software, governance policies, PSEA procedures, documentation infrastructure, and technical accompaniment required to activate such plans as a dedicated funding stream. Risk progression should also become accelerated and systematic rather than dependent on organizations' understanding of when and how to request reassessment. High-risk grantees, in particular, should have a shortened timetable for review.

Introduce local decision-making to area-based allocations. Area-based coordination organizes a humanitarian response around a specific place, such as a state or locality, rather than only around sectors like health or food. The SHF should build on the strongest elements of its area-based financing approaches by transferring greater authority over geographic priorities and partner selection to local actors. The Fund could pilot participatory grantmaking models used by other CBPFs. Under these models, OCHA regional field offices would convene Sudanese responders to identify area priorities and make decisions on grant allocations.

Accelerate gender-responsive CBPF practices. The SHF should draw on proven practices from other pooled funds by creating targeted training and onboarding support for women-led organizations, establishing a gender-focused review mechanism, and assessing gender and disability commitments separately within project scorecards. It should also set measurable targets for WLO funding and representation and embed these reforms in the Fund's governance and operational framework so they are protected from shifting donor priorities.

Resource SHF staffing to match its expanded scale and localization mandate. OCHA HQ should urgently provide the SHF with staffing and management resources proportionate to its rapidly expanding portfolio. OCHA could draw on the funds set aside for "Impact monitoring/other costs" under the U.S. allocations. Under the first U.S. allocation, this amounted to \$200 million.

Explore using OCHA's Exceptional Procedures and a regional pooled fund mechanism to overcome registration barriers. OCHA's 2025 Exceptional Procedures, together with recent guidance on the second tranche of U.S. funding, permit alternative eligibility pathways, including carefully managed funding for some unregistered organizations. These flexibilities are already being used in contested settings, most notably by the Myanmar Humanitarian Fund, to navigate registration barriers. OCHA and the HC should explore how such authorities could be applied in Sudan. Specifically, they should examine whether a regional pooled-fund window could provide a safer, more politically viable route for Sudanese responders who cannot register with federal authorities. Diverting current or future funds to a regional fund could reduce the degree of direct control and responsibility resting with the Sudan HC and the SHF while preserving UN-led coordination and programming coherence.

Establish a complementarity dialogue between the SHF and the expanding number of NGO-led funds. Sudan is becoming the defining test case for whether a very large UN

country-based pooled fund and a substantial, expanding NGO-led funding sector can operate as complementary parts of a diverse humanitarian financing architecture. This requires regular, coordinated dialogue between the SHF, donors, intermediaries, NGO-led funds, and frontline responder networks. But it will also require wider engagement of L/NAs by NGO funds about who is funding who and where; common safeguards against double funding; and clearer agreements on referral, capacity investment, geographic coverage, and the transition of responsibilities toward Sudanese leadership.

Conclusion: A Significant Moment for the SHF and Sudan

The SHF is operating at unprecedented scale. Recent changes in onboarding, allocation design, institutional investment, overhead sharing, and governance suggest meaningful movement toward a more localized Fund. The next test is the \$1 million the UN Humanitarian Coordinator has committed through the SHF to a Sudanese NGO-led localization process. It could help build a genuinely Sudanese reform agenda, but only with safeguards to ensure it does not reinforce a concentration of resources and influence among a small group of national actors. The SHF should also treat the fast-growing sector of NGO-led, philanthropic, and diaspora-supported funds as an integral partner rather than a peripheral alternative or competitor. Ultimately, the true measure of progress will be a substantially wider group of Sudanese responders receiving direct allocations and exercising meaningful authority over funding decisions.



1800 M ST NW
Suite 300S
Washington, DC 20036

Phone: (202) 828 0110
Fax: (202) 828 0819
Email: ri@refugeesinternational.org

Twitter: [@RefugeesIntl](https://twitter.com/RefugeesIntl)
Instagram: [@RefugeesIntl](https://www.instagram.com/RefugeesIntl)
Facebook: Refugees International



THE CONFLICT
SENSITIVITY
FACILITY

Email: info@csf-sudan.org

Twitter: [@CsfSudan](https://twitter.com/CsfSudan)

LinkedIn: CSF Sudan

Facebook: The Conflict Sensitivity
Facility - Sudan



Center for
**Disaster
Philanthropy**

1 Thomas Cir NW
Suite 700
Washington, DC 20006

Phone: (202) 464 2018
Email: international.grants@disasterphilanthropy.org

Twitter: [@CDPhilanthropy](https://twitter.com/CDPhilanthropy)
Instagram: [@center4disasterphilanthropy](https://www.instagram.com/center4disasterphilanthropy)
Facebook: Center for Disaster Philanthropy