Facilitation Fund
by hqai

Unlocking Trust, Unlocking Local Leadership: Enabling Quality Locally Led Aid through the HQAI Facilitation Fund.

Funding proposal 2026-2028.

November 2026

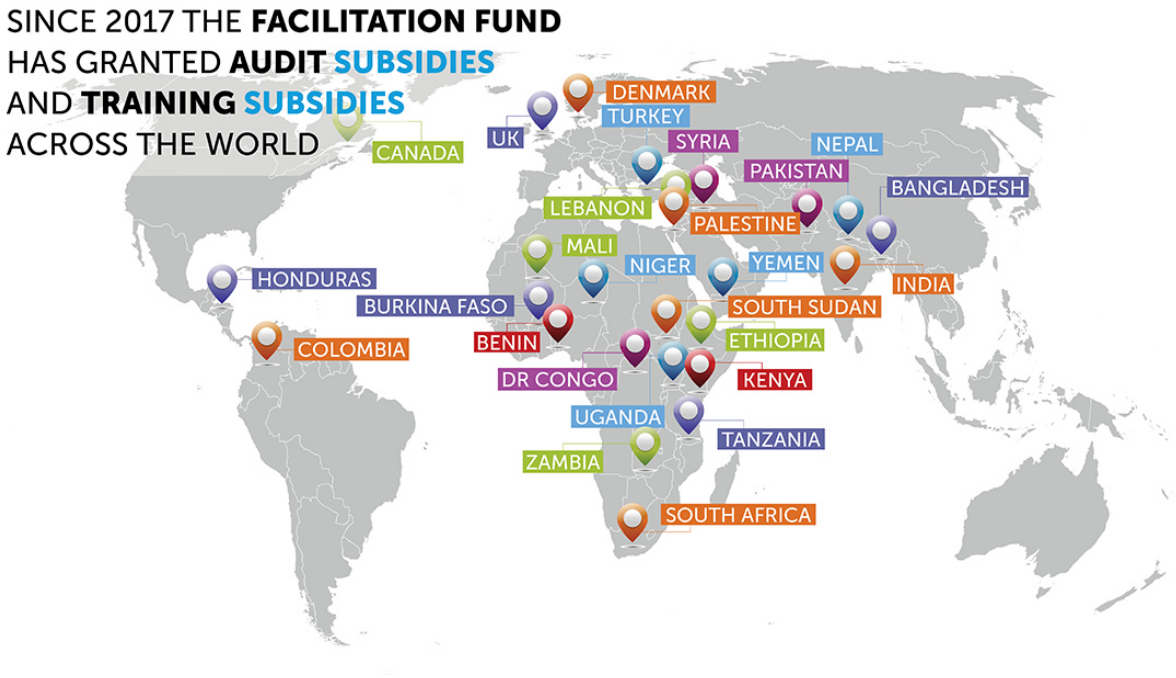


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> The sector should avoid building new, competing mechanisms that demand even more from already stretched organisations. The CHS offers a common framework that puts people at the centre while giving donors credible evidence of quality and accountability.
> Luxembourg is now advocating for CHS verification to serve as a passporting tool. Independently verified evidence should help local NGOs gain more direct access to major funding streams, rather than forcing them through repeated, donor-specific due diligence processes.
>
> **Joé Hein**, NGO Humanitarian Action Focal Point, Ministère des Affaires étrangères et européennes, de la Défense, de la Coopération et du Commerce extérieur, Luxembourg, in the CHS Alliance Humanitarian Accountability Report, HAR2026.

1. Executive Summary

In an era marked by increasingly complex crises, systemic inefficiencies, funding reductions and rapidly evolving levels of unmet humanitarian needs, the aid sector stands at a critical juncture, demanding funders to combine their thorough sense of social responsibility with cutting-edge business decisions.

Against this backdrop, local and national actors (LNAs) are on the front line, delivering rapid, high-quality, and cost-efficient assistance to people affected by crises. Yet, they have been hardest hit by funding cuts and face persistent barriers to direct funding, stemming from perceived risk, lack of recognition for their capacities, and the burden of repeated, overlapping due diligence requirements.

HQAI's CHS audits provide a trusted, independent mechanism for LNAs to strengthen and demonstrate their capacity and reliability, hence reduce power imbalances in funding and partnership discussions. In addition, a growing number of funders use HQAI CHS audits as a reliable proxy for their own due diligence, saving time and cost by reducing repetitive reporting.

To support this endeavour **the Facilitation Fund removes cost barriers to audits, builds local auditing capacity, and pilots innovative approaches to strengthen the quality and accountability of local aid actors and improve their access to equitable funding.**

The Facilitation Fund is a cornerstone of HQAI's ambitions to meaningfully enable quality locally led aid. We invite partners to invest in the Facilitation Fund for 2026-2028 to sustainably increase the efficiency and effectiveness of aid and unlock local leadership.

2. The Need – Local Leadership Meets Systemic Barriers

Local and national actors are essential to delivering rapid, high quality and cost-efficient assistance to people affected by crises. Yet, many still face significant barriers to funding due to perceived risk, limited recognition of their capacity and multiple, duplicating assessments. Inefficiencies in the sector's approach to due diligence drain resources from LNAs, international partners and donors, despite assessing similar criteria. Massive cuts to Official Development Assistance (ODA) budgets have compounded these challenges, making LNAs even more precarious and creating urgency for efficiency and systemic change.

The role of LNAs in responding to humanitarian crises is widely recognised. A central challenge to moving the localisation agenda forward is how to effectively manage the tension between funders' need for compliance/risk management and their commitment to locally led response. The Grand Bargain 2.0 dedicated one pillar to equitable and principled partnerships, focused on operationalising commitments from donors and NGOs to address barriers that prevent them from partnering with LNAs and ensuring at least 25% of humanitarian funding is received by LNAs. These objectives are far from being achieved (Metcalfe-Hough et al., 2023). The Grand Bargain Beyond 2023 Framework (IASC, 2023), its localisation Community of Practice (COP, 2025), as well as

the Humanitarian Reset discussions (IASC, 2025) reiterate the sector's commitments to localisation, quality funding, and reaching more efficiency in the sector and call for an urgent transformation of the global humanitarian system (CHH-Lancet, 2026), (HAR, 2026).

Simultaneously, the number of duplicative assessments can be a burden throughout project cycles. As consistently raised by LNAs, due diligence approaches differ in their format but often refer to the same criteria. LNAs also report feeling undermined by the view that they are inherently riskier than international aid providers, thus subject to constant scrutiny (Barbelet et al., 2021). OCHA's Global Humanitarian Overview (OCHA 2025) notes that administrative burdens, including repeated due diligence demands, contribute to local actors feeling excluded from decision-making. Their capacities to deliver can be considerably stretched by the need to respond to multiple, frequently overlapping processes (IASC, June 2024). ICVA's Due-Diligence Communitcy of Practice is therefore promoting mutual recognition (ICVA, 2024-2025). When repetitive due diligence assessments are replaced by the informed use of existing assurance – a process called passporting – significant space is created for time- and cost-efficiencies (LoCAL, 2026).

3. One Solution using Trust as the Currency

The Core Humanitarian Standard on Quality and Accountability (CHS) is a globally recognised, measurable standard that prioritises the rights, safeguarding and dignity of people affected by crisis. HQAI's audit methodology delivers a rigorous, systematic, and objective assessment of policy-to-practice performance – ensuring that the voices of people affected by crises are directly considered.

Choosing HQAI CHS certification drives sector-wide improvements in programme quality and contributes to upholding the sector's commitment to principled and safe aid programming. "Data from organisations that are independently audited against the CHS (…) shows marked improvements across all nine commitments, demonstrating that sustained attention, monitoring, and verification drives progress" (HAR, 2026, p.10).

- **Trust and Credibility:** Certification objectively demonstrates that an organisation meets international quality and accountability requirements, building trust with communities, staff, and funders.
- **Continuous Learning:** Audits identify specific strengths and areas for improvement, mandating progress through a three-year cycle.
- **Measurable Impact on Institutional Capacity:** audited partners demonstrate an average 13% performance improvement across successive audits[1] in the areas of accountability and quality, governance and management systems, and safeguarding (PSEAH).

In addition, a growing set of funders use HQAI CHS audits as a reliable proxy for their own due diligence, saving time and costs by reducing repetitive reporting. "Passporting can serve as a concrete mechanism for harmonising due diligence" (OECD, 2026).

- **Simplified Due Diligence:** HQAI CHS audits inform 50-100% of funders' due diligence and partner capacity assessments with independent validated audit data.

> HQAI is an international independent auditor that certifies organisations' adherence to the (…) CHS which has a strong PSEAH component, and thereby builds good practice, transparency and accountability across organisations. The UK and other funders of international work have agreed that HQAI certification can replace large parts of bilateral due diligence requirements, so providing efficiencies and boosting standards.
>
> **Foreign, Commonwealth & Development Office**, HMG strategy on protection from sexual exploitation, abuse and harassment (PSEAH) in international work, July 2026.

[1] On average, organisations improve by +13% between the Initial Audit and the first Renewal Audit. On Safeguarding aspects, reflected under the PSEAH Index, by +14.5%. Read more here. Also see HQAI Impact Study 2024 on this link.

When regional and international funders consider third-party evidence in their own due diligence and capacity assessments, they can create more efficient pathways for LNAs to access direct funding. HQAI collaborates with regional networks (such as the Sahel Regional Fund[2], UN-OCHA Country-Based Pool Funds[3], networks of national aid actors) as well as with institutional donors (such as UK Foreign, Commonwealth and Development Office (FCDO[4]), the Ministries of Foreign Affairs of Denmark[5] and Luxembourg[6]) to recognise CHS audit findings in their due diligence assessments.

> CORDAID agreed to implement a passporting mechanism (…) by recognising our CHS certification as sufficient evidence of the robustness and quality or our institutional systems, thereby waiving the need for a new, comprehensive due diligence process.
>
> **Yves Ouoba**, Executive Director of TinTua, Burkina Faso, June 2026.

4. Enabling local actors to demonstrate capacity and access quality funding.

Since its inception, HQAI has aimed to address barriers to advancing the localisation agenda. Its CHS audits provide a trusted, independent mechanism for LNAs to demonstrate capacity and reliability, hence reduce power imbalances in funding and partnership discussions.

With LNA's representing 48% of its audited partners, HQAI has clear evidence that local and national actors are capable and eager to undergo third-party quality assurance against the CHS.

To drive meaningful change in funding systems, it requires many more LNAs need to be CHS-audited. The Humanitarian Reset has placed increased support to LNAs at the centre of the reform agenda, including through scale up of ambitious localisation goals. This will build a stronger case for funders at national, regional, and international levels to directly fund LNAs that have demonstrated their reliability and capacity through a CHS audit.

Yet, for small and national organisations, audit costs can be prohibitive. HQAI acknowledges this problem and, as a not-for-profit NGO, is committed to ensuring that its services are accessible to aid actors however small, whatever their budget, and wherever they are located.

In this perspective HQAI has taken repeated steps to reduce audit cost[7] for LNAs and created the HQAI Facilitation Fund in 2017.

Since its inception, the Fund has been supported by the Ministries of Foreign Affairs of Denmark, Germany and Luxembourg, the Swiss Agency for Development and Cooperation, and the UK Foreign, Commonwealth & Development Office.

[2] CHS audits cover 75% of SRF due diligence requirements. Recognising this overlap, SRF conducted only complementary checks, thereby reducing the process to one week instead of usually two months (Project LoCAL Case Study Passporting).
[3] HQAI and OCHA CBPF have established a detailed mapping of overlaps, and a pilot project is underway. Joint statement here.
[4] The UK Government accepts HQAI CHS certification reports to fulfill large parts of its own due diligence requirements. Official statement here.
[5] Denmark's Ministry of Foreign Affairs (MFA) requires partners to be audited against the CHS by HQAI.
[6] Luxembourg MFA invests in HQAI CHS audits to advance its localisation agenda. Read about From Audit To Action here.
[7] See announcement here.

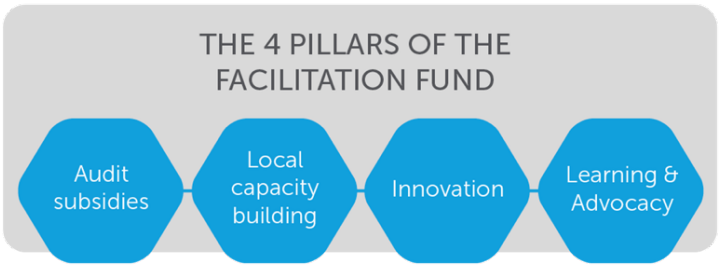
> Our CHS certification has been a valuable milestone in Nusaned's journey, strengthening our credibility and recognition among donors, UN agencies, and international NGOs. It has opened new doors for partnerships and opportunities, reinforcing confidence in our commitment to quality, accountability, and humanitarian standards. It also has contributed positively to my selection as a global representative of national NGOs on the CBPF-NGO Dialogue Platform Advisory Group (PAG), reflecting the growing recognition of locally led humanitarian organisations.
>
> **Ghaida Nawam**, Executive Director, Nusaned, Lebanon, November 2026.

5. The Facilitation Fund - Goal and Objectives

The Facilitation Fund is a cornerstone of HQAI's ambitions to enable high-quality, locally led aid by removing financial barriers to CHS audits. Its structured eligibility criteria[8] ensure that subsidies are allocated in a transparent and impact-oriented manner, directly addressing financial barriers to participation.

Eligibility criteria give priority to national organisations

- operating in the country where they are headquartered (or in a neighbouring country);
- working in countries with the highest number of people in need (according to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) annual Global Humanitarian Overview (GHO));
- with annual incomes between 1 and 6 million CHF that struggle, on their limited budgets with minimal overhead contributions, to cover the cost of HQAI audits.



Audit subsidies – Allocations to facilitate access to quality assurance services for LNAs, covering up to 90% of CHS audit costs.

Local capacity building – Subsidies to train and develop a network of local auditors and audit facilitators closer to the sites of aid programming.

Innovation – Projects, pilots and investments that strengthen high-quality locally led aid, build capacities and improve access to quality funding.

Learning & Advocacy – Impact measurement and advocacy, Fund promotion, administration and hosting.

While subsidies improve immediate accessibility, they can inadvertently create expectations or dependencies that are difficult to sustain. Therefore, future sustainability of payment for audits is built into the Fund's assessment criteria and expectations, as it represents a cost sharing approach with LNAs who bear at minimum 10% of the audit cost. In parallel, HQAI collaborates with funders across the delivery chain to pilot new funding

[8] Facilitation Fund Policy here.

and cost-sharing models to address financial barriers. Examples[9] include international organisations co-financing the CHS audits of their LNA partners and institutional funders covering audit cost as part of their funding agreements. Lastly, LNAs themselves must be supported to take a more assertive leadership role in articulating their value and negotiating enabling conditions – such as the eligibility of CHS audit costs within donor funding frameworks. This approach, echoed under the pillar *Visibility*, reflects a broader understanding of localisation not only as access to resources, but as agency, voice, and long-term sustainability within the humanitarian architecture.

Achievements to date:

- 48% of HQAI-audited partners are LNAs directly implementing in diverse geographic, cultural, and political contexts, incl. Bangladesh, Colombia, India, Kenya, OPT, Türkiye, Yemen.
- Globally distributed pool of auditors and audit facilitators, strategically based across multiple regions, including Latin America, Europe, MENA, North America, Oceania, South Asia and Sub-Saharan Africa, ensuring broad regional representation and deep local knowledge.
- Audited LNAs regularly provide testimonies[10] of their positive audit experience, the added value and, their access to new funding channels.

6. The Role of HQAI

In collaboration with the Facilitation Fund, HQAI aims to propose independent CHS audits as a tool for the objective identification, widespread recognition and targeted strengthening of the capacities of LNAs along the delivery chain.

Why HQAI is uniquely placed?

- Unique track record: HQAI has 100+ audited partners that are diverse in terms of size, partnership model and mandate(s), be they local, national, international, part of a federation, network of the UN.
- Independent and internationally recognised: HQAI's certification is accredited under ISO/IEC:17065:2012 by Accredia (signatory of the International Accreditation Forum (IAF) Multilateral Recognition Arrangement (MLA)), ensuring global credibility and donor acceptance.
- Engagement with funders: HQAI has a solid track record of funder engagement on accountability, trust and sector efficiencies at international, regional and national levels. In the process, HQAI has supported policy adaptations that incorporate CHS audits, delivering streamlined approaches which save time and resources for both funders and partners.
- Innovation capacity: HQAI has a strong track record of developing innovative quality assurance solutions for the aid sector. For example, HQAI's CHS+ Audit is an approach that assesses conformity with multiple standards within a single process, eliminating duplication where standards overlap.
- Sector-wide efficiencies: HQAI CHS audits can be used for multiple purposes, way beyond CHS compliance; with the assurance of independent professional auditors, funders can rely on HQAI assessments for due diligence decisions and related funding, capacity strengthening investments, and the use of annual HQAI surveillance audits for progress monitoring.

> HQAI CHS certification strengthened our credibility with donors and partners, and organisational resilience. We encourage all local NGOs to take the lead in localisation efforts by prioritising quality and accountability.
>
> **Mohammd Zakaria**, Quality Manager at Al-Sham Humanitarian Foundation, March 2025.

[9] Case studies at HQAI's Round Table 2026; Swedish Strategy; Due diligence recognition to date; FCDO-NRC-HQAI pilot
[10] Video testimony here and selected testimonies here.

7. Funding Request and Scenarios

To meet the growing demand for subsidies, sustain innovation and seize opportunities for systemic change, the Facilitation Fund seeks multi-year or one-time off funding from partners looking to invest into high-quality locally led aid. The Fund requires CHF 500'000 to annually support 16-20 new local/national actors for their audits and 4-10 individuals to access HQI auditor training every year.

The table below presents flexible scenarios, including innovative pilots and constructive advocacy for more locally led aid upholding the sector's comitment toproncipled and safe aid programming.

For bespoke projects in identified focus regions, please contact HQAI.

Sample scenario	Investment	Outputs	Impact
1	CHF100,000 multi-year	Annually, • subsidise initial CHS audits for 4 new LNAs; • train 2 auditors in identified focal regions or one group of audit facilitators.	Increased capacity and credibility of LNAs; stronger local audit ecosystem. Solid resources visibility for the Fund.
2	CHF250,000	• subsidise initial CHS audits for 8-10 new LNAs; • train 2-5 auditors in identified focal regions and one group of audit facilitators.	Increased capacity and credibility of LNAs; stronger local audit ecosystem.
3	CHF500,000	• subsidise initial CHS audits for 8-10 new LNAs; • train 2-5 auditors in identified focal regions and one group of audit facilitators; • co-fund bespoke innovation pilots focusing on LNA's access to independent quality assurance and new quality funding streams; • support sector-wide advocacy for more locally led aid upholding the sector's commitment to principled and safe aid programming.	Increased capacity and credibility of LNAs; stronger local audit ecosystem. Sector-wide progress towards Innovative, sustainable funding mechanisms, more equitable funding and quality locally led aid.

> For our donors, the certification guarantees that their contributions are being used efficiently and effectively. And for the communities, it means that they are working with an organisation that cares about their well-being and is committed to improving their lives.
>
> **Maria Elena Barajas**, Director of Benposta, Colombia, July 2025.

The HQAI Facilitation Fund contributes to addressing key localisation challenges and advancing the Grand Bargain agenda. An investment in the Fund is an investment in quality local leadership, sector-wide efficiency, accountability, and quality outcomes for people affected by crises.

We welcome the opportunity to explore how current and new funders can help expend the reach and impact of this transformative initiative.

Contact

Thank you for the attention you have brought to this funding request.

If you wish to engage in discussions or require more information, please contact **Désirée Walter, Executive Director, at dwalter@hqai.org.**

Facilitation Fund by HQAI

7-9 Chemin de Balexert

CH 1219 Châtelaine, Geneva

Switzerland

contact@hqai.org