AFNS Anchor Organisation Concept

5th August 2024

Introduction

Community Based Local Actors, particularly smaller organisations, operating inside northern Syria are the primary focus of AFNS's Localisation Strategy[1]. Selected "**Anchor Organisations**", registered as eligible **Partners with AFNS, will help** prioritise and channel funding **to these Community Based Local Actors,** enabling them to receive AFNS support without needing to meet eligibility criteria for direct AFNS funding.

Note: Community Based Local Actors are the primary focus of the AFNS Localisation Strategy and are prioritised for their alignment with the AFNS localisation objectives. They include an array of smaller, Grassroots Organisations, Community-based Organisations, Women-led Organisations, Youth Associations, etc. **(see Annex 3 for definition)**

This concept paper outlines the operational framework for integrating Anchor Organisations as central partners in the AFNS Localisation Strategy. The goal is to formalise the approach towards identifying, engaging, and collaborating with Anchor Organisations, crucial for delivering a more effective, locally driven humanitarian response.

Anchor Organisations are vital for localisation, ensuring that humanitarian responses are led by entities with intimate local context understanding. By empowering these organisations, AFNS commits to enhancing local capabilities, fostering participatory decision-making, and ensuring interventions are contextually appropriate and sustainable. These organisations serve as knowledge and resource hubs, linking international support with local needs, and play a pivotal role in aligning humanitarian practice with local actor leadership.
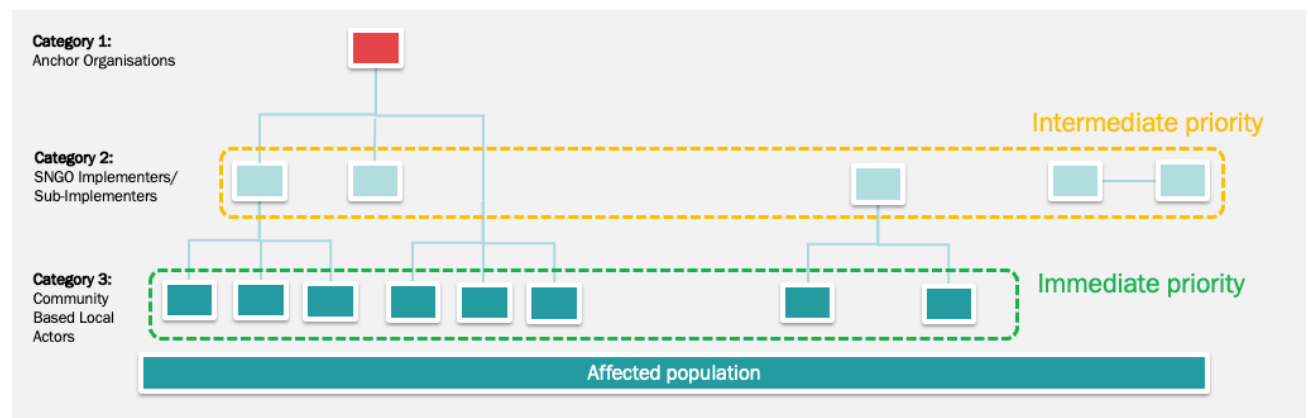

Figure 1- Categories of AFNS Partners & Relations with Anchor Organisations: Anchor Organisations may work with Community Based Local Actors directly and through sub implementers. Nonetheless, it is the responsibility of the anchor organisation to ensure that the localisation objectives are achieved.

Note: There can be a variety of different Anchor Organisations, each with different capacities and strengths. The **common element is their commitment to localisation objectives**, as covered by the additional capacity assessment described in this document. This is **in addition to their ability to deliver strong humanitarian and early recovery projects**, as measured by previous capacity assessments. It is the combination of these two areas that makes Anchor Organisations strong. From the pool of eligible organisations applying as Anchor Organisations, AFNS will determine which have specific strengths, aligning with the requirements of the respective priorities of the allocation strategies.

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[1] AFNS Localisation Strategy; December 2023 (under constant revision): https://afns.org/volumes/doc/AFNS-Localisation-Strategy_2023-1.pdf?v=1702479607

Background

The localisation agenda, highlighted in global humanitarian reform discussions such as the Grand Bargain[2], emphasises the need for responses to be as local as possible and as international as necessary. In northern Syria, international efforts have faced logistical challenges, security concerns, and cultural mismatches, leading to inefficiencies. **Key lessons include:**

- **Building trust and mutual respect**: Successful engagements respect local knowledge and practices, fostering trust and open communication
- **Capacity strengthening**: While local organisations possess invaluable local knowledge and networks, they often need support in project management, financial accountability, and technical expertise to meet international standards.
- **Flexibility and adaptability**: Projects that allowed flexibility in implementation strategies to adapt to changing ground realities proved more successful and sustainable.
- **Direct funding and reduced bureaucracy**: Directly funding local organisations, while ensuring accountability, enables swift, effective responses to emergent needs.
- **Power shifts**: Meaningful involvement of Community Based Local Actors, including grassroots, youth-led, and women-led organisations, is crucial. Decision-making power should be shifted to these actors by involving them in allocation strategies and project co-design.

These lessons inform the strategic approach for operationalising the Anchor Organisation framework, addressing past challenges, and leveraging local entities' strengths more effectively.

Definition of Anchor Organisations

Within the AFNS framework, an Anchor Organisation is defined as **a national or international entity that possesses significant operational capacity and a proven track record in humanitarian response and embodies the principles of localisation by demonstrating strong community ties and leadership**. These organisations are well-established within their operational regions, having deep-rooted connections and a clear understanding of the local socio-cultural and political landscape. To qualify as an Anchor Organisation within the AFNS Localisation Strategy, **an entity must be a qualified AFNS partner** and must exhibit the following characteristics:

- **Organisational capacity and stability**: Demonstrates robust organisational structures, institutional capacity, skilled technical personnel, and the ability to manage large-scale projects and funds in compliance with international standards.
- **Alignment with localisation principles**: Shows a commitment and internal capacity to enhance local capabilities and shift power to community-based/local actors, ensuring community participation in decision-making, power shifts, and advocacy for local rights and needs.
- **Transparency and accountability**: Operates with a high degree of transparency to stakeholders, including but not limited to the AFNS, maintains clear and accessible records of operations and financial transactions, and adheres to international accountability standards.
- **Innovative and adaptive practices**: Engages in innovative practices and shows adaptability in programme planning and implementation to meet the changing needs of the communities effectively.
- **Sustainability focus**: Works towards sustainable outcomes, aiming to build long-term resilience in communities rather than providing only immediate relief.

While all Partners in the AFNS ecosystem are valued for their contributions, Anchor Organisations are distinct in that they lead the design and implementation of community-led projects. They serve as the main conduits for funds and resources, overseeing the distribution and ensuring that activities align with strategic localisation objectives. Unlike other partners who may have more limited scopes or specific focus areas, Anchor Organisations have a comprehensive role that spans across various sectors and initiatives.

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[2] IASC – The Grand Bargain (official website): https://interagencystandingcommittee.org/grand-bargain

Selection process

The selection of AFNS Anchor Organisations follows a structured and transparent process, ensuring that these pivotal entities are well-equipped to lead local humanitarian efforts effectively:

1. **Application Process:** AFNS issues an application process for all its qualified partners, clearly delineating the eligibility criteria, expected roles, and application procedures for potential Anchor Organisations (see Annex 1).
2. **Internal Review:** An internal review by an AFNS evaluation panel assesses compliance with AFNS requirements set in the call for applications. This includes adherence to localisation principles and previous collaborative engagements with community-based local actors inside northwest Syria.
3. **Approval and Onboarding:** Final approval is supported by recommendations from the evaluation panel. Successful organisations undergo an onboarding process that aligns operational and strategic goals and introduces them to AFNS operational frameworks and support systems. They are introduced to the AFNS mapping exercise from which they will need to independently select some local partners. They will be able to access a specific module of RA3 on community-based local actor support.
4. **Performance Management:** As part of the AFNS routine performance management process, Anchor Organisations will be subject to regular performance evaluations. These evaluations will assess whether they continue fulfilling all specific eligibility requirements (see Annex 1).

Selection criteria

To become an Anchor Organisation, entities are chosen based on rigorous criteria to ensure they can effectively manage and lead local initiatives:

1. **Eligibility (Mandatory to apply):**

- Must qualify for direct funding based on AFNS guidelines, demonstrating financial stability and compliance with AFNS funding requirements.
- Must have a Capacity Performance Score (with AFNS) equal to or more than 65%
- Must have a cumulative budget equal to or greater than USD 20M over the past 3 consecutive years (not including Calendar Year 2023)
- Must have access to all areas of northwest Syria, including Idleb and Northern Aleppo (RAATA considered a plus).

2. **Other operational competence and alignment aspects to be evaluated through the scorecard:**

- **Alignment with localisation principles**: Capable and committed to enhancing local capabilities, promoting participatory decision-making and power shift, and aligning with the broader strategic goals of the AFNS.
- **Commitment to equitable cost sharing**: Demonstrates a strong commitment to sharing operational and administrative costs with sub-implementers including Community Based Local Actors, ensuring fair and supportive partnerships within the localisation framework. A clear plan for shifting funds to Syrian NGO by reducing internal staff and other costs.
- **Demonstrated ability to mobilise and support Community Based Local Actors, particularly grassroots such as women-led organisations**: Proven capacity to identify, support, and mobilise Community Based Local Actors for the implementation of comprehensive programming.

Linkages with AFNS mapping exercise

The ongoing AFNS mapping exercise is vital within the Localisation Strategy, aimed at systematically assessing community-based local actors in northern Syria. It evaluates the operational capabilities of Community Based Local Actors, their impact on community development, and the potential risks of partnering with them, helping identify those who can effectively plan, implement, and monitor humanitarian projects.

Using a scorecard approach designed by AFNS, the mapping covers indicators such as project management proficiency, financial accountability, community engagement, and overall impact on community resilience. The results are crucial for selecting AFNS programme partners. Anchor Organisations use this data to prioritise their partner base for project implementation.

Note: Detailed profiles from the scorecards enable Anchor Organisations to identify promising Community Based Local Actors. This ensures that funding and support are directed to entities capable of achieving substantial, sustainable impacts. This approach aligns with AFNS's goals of empowering local actors and enhancing the effectiveness of humanitarian responses in northern Syria.

Selected sub-partners may not be chosen for large-scale service implementation but can contribute in key areas like community acceptance, participation, inclusion of hard-to-reach individuals, advocacy on key topics, and area-based programming support.

Approach to funding smaller entities

Funding allocation: Anchor Organisations will receive allocations specifically earmarked for distribution among smaller entities. These funds will be disbursed based on a project-by-project approval system, ensuring that each funded initiative aligns with AFNS strategic objectives and local needs.

Sub-granting process: Building on the initial AFNS mapping initiative (see above) Anchor Organisations will identify potential Community Based Local Actors based on their on-ground impact, community reach, and alignment with the humanitarian needs of the region. Projects proposed by Anchor Organisations must incorporate these smaller entities, especially to enhance their expertise areas, such as geographic coverage.

Capacity strengthening: Acknowledging the limitations in the operational capabilities of Community Based Local Actors, Anchor Organisations will provide targeted training and support in areas like financial management, project reporting, and compliance. This support is to ensure they meet AFNS's minimum standards over time and will be based on the assessments of sub-grantees, with additional backing from the AFNS team as required.

Monitoring and evaluation: Anchor Organisations will implement a tiered monitoring system to track the usage and impact of funds by Community Based Local Actors. This system will include regular site visits and project audits to ensure appropriate fund usage. Sub implementing partners are required to submit periodic progress reports and financial statements for review before the disbursement of subsequent funding tranches. For more details, refer to Annex 4 for Performance Indicators.

Risk management: Risk assessments will be conducted by Anchor Organisations for sub-implementing partners as part of the application process to identify specific challenges and potential compliance issues. Mitigation strategies, including more frequent audits, targeted capacity building, or adjusted funding mechanisms, will be tailored based on the assessed risks.

Feedback and grievance mechanisms: Clear channels will be established for community members and local actors to report issues, provide feedback, or raise concerns directly with Anchor Organisations. Anchor Organisations will consolidate these reports to AFNS, address the inputs according to its policies, conduct necessary investigations, and make adjustments to project approaches, mitigating measures, or funding distributions as required. AFNS maintains a zero-tolerance policy for non-reporting of cases.

Ensuring sustainability: Anchor Organisations will support Community Based Local Actors in developing their operational capacities to meet direct funding eligibility criteria in the future. Succession planning will be integrated into all projects to ensure that once the initial funding cycle concludes, local actors can sustain activities and potentially qualify for direct AFNS funding or other international support. This strategy not only ensures compliance and accountability but also maintains the necessary flexibility to effectively engage with smaller, Community Based Local Actors. By doing so, it enhances the reach and impact of humanitarian interventions and builds the capacity of local entities, fostering a more resilient and self-sufficient humanitarian ecosystem in northern Syria.

Annexes

Annex 1: Qualification for status as 'Anchor organisation' with AFNS
Annex 2: Approach to inclusion of Community Based Local Actors under the AFNS Anchor Concept
Annex 3: Definition of 'Community Based Local Actors' for the AFNS Anchor Concept
Annex 4: Performance Indicators and Monitoring Framework for the Anchor Concept
Annex 5: Risk management and shared responsibility

Annex 1: Qualification for status as 'Anchor organisation' with AFNS

Application procedures:

AFNS will open a call for applications from **all eligible AFNS Fund Partners** interested in becoming an 'Anchor Organisation'.

Anchor Organisations will be allowed to apply through AFNS GMS, and they should fill out an application form and provide supporting documents showing they respect the set requirements.

Anchor Organisation eligibility criteria:

1. **Financial stability and compliance:**

   o **Stability:** Must qualify for direct funding based on AFNS guidelines, demonstrating financial stability and compliance with AFNS funding requirements.
   o **Capacity Performance Score:** Must have a Capacity Performance Score (with AFNS) of more than 65%
   o **Budget over last 3 years:** Must have a cumulative budget equal to or greater than 20M USD over the past 3 consecutive years (not including 2023).

2. **Geographical accessibility:**

   o **Access to key regions:** Must have access to all areas of northwest Syria, including Idleb and Northern Aleppo (RAATA considered a plus).

Operational Competence and Alignment

a) **Alignment with localisation principles:**

Capable and committed to enhancing local capabilities, promoting participatory decision-making and power shift, and aligning with the broader strategic goals of AFNS.

The applicant will need to clearly demonstrate:

- Previous experience in capacity assessment of sub-partner organisations.
- Previous experience in organisational and programmatic capacity strengthening of local actors with demonstrated achievements.
- Clear examples of decision-making power shifts that the organisation have done in the past with local actors.
- Experience in governance and coordination (including area-based) and not only focus on implementation

Experience	Score	Verification tools
Capacity assessment of local actors	• **Score 4**: Assessment completed for all partners using all tools: self–assessments, anchor assessment[3], scorecard for local partners • **Score 3**: Assessment completed for all partners at least one tool: self – assessments, anchor assessment, scorecard for local partners • **Score 2**: Assessment completed for some partners using at least one tool: self – assessments, anchor assessment, scorecard for local partners	Capacity assessment results (self–assessments, anchor organisation assessment, scorecard for local partners).

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[3] Anchor Assessments are assessments conducted by Anchor Organisation for the grassroots organisations to evaluate their performance, capacity, and compliance.

Experience	Score	Verification tools
	• **Score 1**: Assessment completed for all/some partners using other tools • **Score 0**: no assessment done	
Capacity strengthening (CS) of local actors	• **Score 4**: Effective and measurable CS plans (operational and programmatic) co-designed with and in place for all local partners • **Score 3**: Some effective and measurable CS plans (operational and programmatic) in place for all local partners • **Score 2**: All CS plans are in place, but results are not measurable • **Score 1**: Some CS plans are in place, but results are not measurable • **Score 0**: No CS in place for local partners	Capacity strengthening plans (operational and programmatic) co-designed with sub-partner organisation partners and measured results.
Decision making power shift	• **Score 4**: Organisation documents all the following: co-design of projects with sub-partners, consultations on strategic decisions, feedback mechanism, and transition of key implementing position from anchor to partners. • **Score 3**: Organisation documents at least two of the following: co-design of projects with sub-partners, consultations on strategic decisions, feedback mechanism, and transition of key implementing position from anchor to partners. • **Score 2**: Organisation documents at least one of the following: co-design of project with sub-partners, consultations on strategic decisions, feedback mechanism, and transition of key implementing position from anchor to partners. • **Score 1**: Organisation documents some decision-making power shifts but not one of the ones listed above • **Score 0**: Organisation cannot document any decision making power shifts	Clear/ documented cases of 'power shifts' (co- design with local partners, consultations with local actors on strategic decisions, transition of key implementing position from anchor to local partners, presence of an active feedback mechanism).
Experience in local governance strengthening and coordination (including area-based approaches)	• **Score 4: Extensive -** Proven track record in: (a) local governance strengthening and (b) coordination, including area-based coordination • **Score 3: Significant -** Proven track record in local governance strengthening and some experience in coordination, including area-based coordination • **Score 2: Partial -** Proven track record in coordination, including area-based coordination, and some experience local governance strengthening • **Score 1: Limited -** Limited track record in: (a) local governance strengthening or (b) coordination, including area-based coordination • **Score 0: None -** No track record in: (a) local governance strengthening or (b) coordination, including area-based coordination	Evidence of interventions led and managed by the organization that demonstrate a successful track record in strengthening local governance Evidence of interventions led and managed by the organization that demonstrate a successful track record in coordination, including area-based coordination

b) Commitment to equitable cost sharing:

Demonstrates a strong commitment to sharing operational and administrative costs with sub-implementers, ensuring fair and supportive partnerships within the localisation framework.

The applicant will need to clearly demonstrate:

- Full commitment of sharing overhead costs with the sub-grantees fairly (demonstrate how they will calculate a fair share for each sub-partner)
- Describe the Anchor organisation plan for shifting funds to local partners (including, but not only, path to make local partners independent in their fundraising efforts, reduction of direct implementing staff vs partnership support staff).

Experience	Score	Verification tools
Sharing overhead costs fairly	- **Score 4**: Overhead costs are regularly shared, properly calculated and the anchor supports the local partner in defining effective use - **Score 3**: Overhead costs are regularly shared and properly calculated - **Score 2**: Overhead costs are shared in certain cases and properly calculated - **Score 1**: Overhead costs are shared only in certain cases and not properly calculated - **Score 0**: Overhead costs are never shared	Show if this has happened before, how the share is calculated, how the anchor is supporting the local in planning for shared overhead costs
Funds shift in terms of funding	- **Score 4**: Plans to transfer direct more funds and/or donors to partners within the next 3 years are in place - **Score 3**: Plans to transfer direct more funds and/or donors to partners within the next 5 years are in place - **Score 2**: Plans to transfer direct more funds to partners and/or donors to partners are in place with no clear timeline - **Score 1**: Plans to transfer more funds and/or donors to partners are somewhat in place - **Score 0**: No plans in place	Describe how the anchor is planning to transfer funds/donors to the local partner in the following 3-5 years (reduction of anchor organisation programmatic staff, etc)

c) Demonstrated ability to mobilise and support Community Based Local Actors:

Proven capacity to identify, support, and mobilise smaller, Community Based Local Actors for the implementation of comprehensive programming.

The applicant will need to clearly demonstrate:

- Local actors with whom they are already collaborating or have collaborated in the last 5 years.
- Capacity to support local actors during implementation

Experience	Score	Verification tools
Number of local actors that are or have been partnering with in the last 5 years	- **Score 4**: 8 to 6 organisations (at least 1 WLOs or 1 YLOs) - **Score 3**: 6 to 4 organisations (at least 1 WLO or 1 YLO) - **Score 2**: 4 to 2 organisations - **Score 1**: less then 2 organisations - **Score 0**: no organisation	List of partner organisations that are local actors (see Annex 3). Previous sub-grants provided.

Implementation support to local actors	• **Score 4**: Fully formed Partnership/programme team with at least weekly contact with the local partner • **Score 3**: Fully formed Partnership/programme team with at least by-weekly contacts with the local partner • **Score 2**: Partly formed Partnership/programme team with at least monthly contacts with the local partner • **Score 1**: Partly formed Partnership/programme team with limited contact with the local partner • **Score 0**: No partnership team to support local partners	Prove previous experience and existing structure (e.g., organigramme) that is supporting local partners organisations in daily implementation and problem solving (ex: partnership support dedicated staff)

Annex 2: Approach to inclusion of Community Based Local Actors under the AFNS Anchor Concept

The logic behind the Anchor Concept is to treat each sub-partner as unique, tailoring their involvement in the consortium based on their specific size, expertise, and characteristics and, with a strong emphasis on shared understanding and co-design practices. This approach ensures that the concept does not merely become a conduit for passing more funding to Syrian NGOs, transforming them into local versions of INGOs. Instead, the core idea is to enhance local actors in their areas of strength, which include, but are not limited to: community acceptance, advocacy on key/difficult community-driven topics, access to target beneficiaries and most vulnerable groups, and cultural sensitivity that allows them to explain complex topics to communities in an easily understandable manner.

Their unique added value and expertise should be acknowledged and integrated into the project design, contributing to the Anchor Organisation's goals while benefitting from capacity strengthening.

Some ways Anchor Organisations can engage with local actors are:

- **Community mapping and needs assessment:** Anchor Organisations and Community Based Local Actors collaboratively conduct participatory community mapping exercises and needs assessments to ensure a comprehensive understanding of local dynamics and priorities.

- **Community outreach programmes:** Joint development and implementation of outreach programs to improve access to target beneficiaries, especially in hard-to-reach areas, leveraging Community Based Local Actors' local knowledge.

- **Beneficiary feedback systems:** Establish continuous feedback mechanisms from beneficiaries, with Community Based Local Actors leading the design based on their direct connections and insights.

- **Leadership development:** Offer leadership training programmes to enhance the leadership skills of Community Based Local Actors, focusing on advocacy, negotiation, and community mobilisation.

- **Visibility and advocacy support:** Collaboratively support Community Based Local Actors in gaining visibility and recognition through advocacy campaigns and representation in local and national forums, fostering mutual recognition.

- **Targeted interventions:** Jointly design and implement targeted interventions for specific vulnerable categories, particularly in economic empowerment and livelihoods development, combining the Community Based Local Actors' insights with Anchor Organisations' resources and expertise.

- **Communication skills training:** Enhance communication skills, focusing on translating complex topics into easily understandable language for beneficiaries, with Community Based Local Actors leading based on their direct experience.

- **Community accountability mechanisms:** Develop and support accountability mechanisms such as community scorecards and public feedback sessions, with Community Based Local Actors taking a leading role based on their close community connections.

- **Sustainable practices:** Encourage the adoption of sustainable practices and technologies that align with local contexts and reduce dependency on external aid.

- **Collaborative projects:** Promote collaborative projects that involve multiple Community Based Local Actors working together on common goals, supported by Anchor Organisations' resources.

Annex 3 - Definition of Community Based Local Actors for the AFNS Anchor Concept

Community Based Local Actors within the AFNS Anchor Concept encompass a diverse array of organisations and entities that are integral to the socio-political fabric of northern Syria. These actors are characterised by their deep-rooted connections to the communities they serve, embodying local values and fostering community resilience. **Community Based Local Actors that can be supported through the Anchor Concept include:**

- **Civic Organisations**: Entities that operate on a value-based framework, aiming to enhance the political agency and representation of Syrian civic actors. These organisations work towards elevating their presence in decision-making platforms and advocating for the rights and needs of local populations.
- **Grassroots Associations**: Community-led groups that are deeply embedded within local contexts, focusing on addressing immediate community needs through participatory and inclusive approaches (parent-teacher associations, victim associations, etc.)
- **Community-Based Organisations (CBOs)**: Local entities that provide a range of services directly to community members, often focusing on health, education, and social support, ensuring that the most vulnerable groups have access to essential services.
- **Women-Led Organisations (WLOs)**: Organisations led by women and other feminist groups that focus on gender-specific issues and advocate for women's rights, empowerment, and active participation in community decision-making processes.
- **Youth Associations**: Groups that represent and work towards the interests of young people in the community, fostering youth engagement and leadership in local governance and development initiatives.
- **Community based Non-Governmental Organisations (NGOs)**: Indigenous or locally founded NGOs that operate within northern Syria, providing a range of humanitarian and development services, and maintaining a commitment to localisation principles.
- **Faith-Based Organisations**: Entities that deliver services and support based on religious values, playing a crucial role in community cohesion and moral guidance.
- **Academia and Research Institutions**: Local universities, colleges, and research bodies that contribute to knowledge generation and capacity building within the community.
- **Professional Unions:** Also known as professional associations or trade unions, these organisations are formed by workers within a particular profession or industry (e.g., teachers, lawyers, students, doctors) to advocate for their specific issues and rights.
- **Private Sector**: Local businesses and enterprises community based that engage in humanitarian and development initiatives, contributing to the economic resilience of the community.

Annex 4: Performance Indicators and Monitoring Framework for the Anchor Concept

The concept behind the performance indicators is to provide a framework for evaluating the effectiveness and progress results of the AFNS Anchor Organisation Concept, tailoring the assessment based on specific goals and objectives. This approach ensures that the initiative is not limited to being a funding mechanism but a strategic effort to enhance the capabilities and impact of local actors, as part of AFNS localisation strategy. The core idea is to measure progress in key areas such as funding allocation, operationalisation of Anchor Organisations, capacity-building efforts, and the establishment of feedback and safeguarding mechanisms. These indicators reflect the unique strengths of Community Based Local Actors, including their community acceptance, advocacy on critical issues, and ability to reach the most vulnerable groups. Additionally, a detailed monitoring framework will be developed during the inception period (first 4 months) of implementing the anchor concept and will be annexed to the AFNS Localisation Strategy.

Initial targets and finalisation of the Anchor Performance Indicators (currently the below is only provisional) will be completed after the drafting of RA3, the completion of the ongoing Localisation Mapping Process and the registration of partners submitting the Expressions of Interest to become Anchor Organisations. This Anchor Organisation Concept is not typical in the context of northern Syria, and due to its unprecedented scale, the targets set for the indicators will need to be revised and/or have a progressive nature after the completion of the first year of implementation of the anchor concept and thus could be subject to change.

Performance Indicators

Performance Indicator	Definition/Logic
% of total funding directed to Community Based Local Actors through Anchor Organisations*	Measures the proportion of AFNS funding that is allocated to Community Based Local Actors (including grassroots organisations) via Anchor Organisations in a calendar year. Thus, reflecting the commitment to supporting local actors and enhancing their capacity to manage resources effectively.
% of Community Based Local Actors showing improved practices in key operational areas	Measures the percentage of Community Based Local Actors that demonstrate improvements in practices as assessed by periodic KAP** assessments in key operational areas such as community engagement, project implementation, or governance strengthening
# of Anchor Organisations selected and operationalised	This indicator tracks the number of Anchor Organisations that have been selected and are fully operational. It provides insight into the expansion and implementation of the Anchor Organisation framework.
# of Community Based Local Actors receiving funding through Anchor Organisations	This indicator counts the number of Community Based Local Actors that receive funding through Anchor Organisations. It highlights the reach and inclusiveness of the funding strategy towards local actors.
# of new operational systems, policies, processes, roles, or functions established by Community Based Local Actors through capacity strengthening efforts*	Measures the tangible outcomes of capacity building initiatives by counting the number of new operational systems, processes, roles, or functions that Community Based Local Actors have successfully established.
# of Community Based Local Actors receiving comprehensive support through the Anchor Concept	Measures the number of Community Based Local Actors receiving a range of non-financial support aimed at operational enhancement (e.g., community mapping, outreach programs, collaborative projects), not limited to conventional training.
# of feedback and safeguarding mechanisms established by Community Based Local Actors*	This indicator tracks the number of feedback, and safeguarding mechanisms put in place by Community Based Local Actors. It reflects the emphasis on accountability, transparency, and community engagement in project implementation.

* *disaggregated by type of Community Based Local Actor;*
** *Knowledge, Attitude, and Practice.*

Monitoring

Monitoring will be conducted in line with the AFNS Monitoring approach explained in the AFNS Manal[4] (Section 6) and relevant annexes.

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[4] AFNS Manual: https://afns.org/volumes/doc/AFNS-Manual.pdf?v=1681925368

Annex 5- Risk management and shared responsibility

Anchor Organisations are pivotal in extending the fund's reach by channelling support to Community Based Local Actors that do not meet traditional funding eligibility criteria. While this role is crucial, it also exposes Anchor Organisations to risks, particularly related to compliance and operational stability of these smaller entities.

Strategies for mitigating these risks include:

- **Risk assessment**: Before initiating any funding for a Community Based Local Actors (CBLA), Anchor Organisations will conduct a risk assessment. This assessment will evaluate the entity's risk profile, focusing on financial stability, governance, legal compliance, and operational risks.

- **Shared compliance framework**: AFNS together with CBLAs will develop a compliance framework tailored to the capacities of Community Based Local Actors. This framework will provide clear, achievable compliance milestones that are progressively scaled to match their operational maturity. Anchor Organisations will guide these smaller entities in meeting these standards, with periodic reviews to track progress.

- **Risk-sharing mechanisms**: AFNS will implement risk-sharing agreements that clearly delineate the liabilities and responsibilities of both the Anchor Organisation and AFNS. These agreements will include provisions such as indemnity clauses and reserve funds specifically set aside for mitigating unforeseen compliance-related liabilities.

- **Capacity building and support**: Recognising that risk is often a function of capacity, AFNS will invest in comprehensive capacity-building programmes. These programmes will focus on financial management, governance, and compliance for Community Based Local Actors, facilitated by the Anchor Organisations and funded and supported by AFNS.

- **Escalation and intervention protocols**: Clear protocols will be established for escalating issues from smaller entities to Anchor Organisations and, if necessary, to AFNS. This ensures that risks are managed proactively and that AFNS can intervene directly when certain risk thresholds are exceeded.

- **Regular training sessions**: Anchor Organisations will conduct regular training sessions for the staff of Community Based Local Actors and sub-IPs to ensure they understand and can effectively implement the required compliance standards.

- **Performance-based funding**: Release of funds will be contingent on compliance and performance benchmarks being met, ensuring that smaller entities have a continual incentive to adhere to prescribed standards.

- **Transparency and reporting**: Enhanced transparency mechanisms will be put in place, requiring detailed reporting and auditing of projects handled by smaller entities. This will include regular financial and operational audits, the results of which will be shared with both AFNS and the Anchor Organisation.

Other challenges and risk mitigations

Challenge	Description	Mitigation Strategy
Cultural & operational misalignments	Differences in organisational cultures and operational approaches may lead to misunderstandings and inefficiencies.	Conduct cross-cultural training and regular alignment sessions to ensure mutual understanding and coordinated efforts.
Resource constraints	Limited resources can strain the capacity of Anchor Organisations to meet project demands effectively.	Develop contingency funding strategies and enhance capacity building to optimize resource use and ensure sustainability.

Political & security instability	Changes in the political or security landscape can disrupt project implementation and outcomes.	Implement flexible project plans with adaptable strategies to respond to changing environments. Establish strong communication channels for rapid response to crises.
Compliance & accountability	Challenges in maintaining high standards of financial and operational accountability across all levels.	Strengthen oversight mechanisms, provide training in financial management, and implement robust monitoring and evaluation systems to ensure transparency and accountability.
Dependency risks	Over-reliance on Anchor Organisations might hinder the development of Community Based Local Actors	Promote diversification of partnerships and capacity enhancement for Community Based Local Actors to reduce dependency and encourage more balanced development within the sector.