2026

Sustaining Investment in MHPSS Localisation and Integration:

A decision brief for donors

THE MHPSS COLLABORATIVE

PEACE OF MIND FOUNDATION

Save the Children

Center for Global Mental Health Equity
THE GEORGE WASHINGTON UNIVERSITY

Global Mental Health Action Network

MHIN Mental Health Innovation Network

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Why this brief

Humanitarian funding is contracting while needs continue to rise, and Mental health and psychosocial support (MHPSS) enters this period after years of chronic underinvestment. Donors therefore face two linked tasks: protect MHPSS services that are already limited and change the funding practices that keep local actors under-resourced, fragment the continuum of care and make integrated work difficult to sustain.

What funders need to know

- ! Protect MHPSS during the funding contraction. Mental health and psychosocial support promotes survival, dignity and rights. It also strengthens outcomes in health, education, protection, livelihoods and recovery.
- ! Move authority and resources with localisation. Moving implementation without moving resources, decision-making authority and institutional support transfers cost and risk to local organisations and communities.
- ! Use integration to expand access while protecting care. Integrated approaches need dedicated resources, supported workers, functioning referrals, and continued focused and specialised services.

SIX FUNDING COMMITMENTS

- ➔ Fund continuity. Provide multi-year, flexible grants that include core and overhead costs, bridge funding and protection against inflation.
- ➔ Share authority. Give local actors and affected communities real influence over priorities, design, adaptation, budgets and definitions of success.
- ➔ Support the people who deliver care. Pay workers and volunteers fairly and resource supervision, safeguarding, manageable workloads and wellbeing.
- ➔ Keep the continuum of care intact. Fund community support, embedded approaches, referrals, medication continuity, focused care and specialised services together.
- ➔ Invest in local knowledge and capacity. Resource organisational systems, locally led research and learning, and South-South exchange.
- ➔ Measure local, cross-sectoral and longer-term change. Use shared, locally meaningful indicators that capture relationships, social value, implementation and systems change.

Why acting now matters

Humanitarian funding is undergoing a deep contraction while armed conflict, displacement and climate-related shocks continue to increase need. Official development assistance from the wealthiest donors fell by 23.1 percent in 2025, and humanitarian assistance fell by 35.8 percent. MHPSS enters this period from chronic underinvestment, with governments allocating an average of only 2.1 percent of health budgets to mental health and far less through other sectors.

The effects are already visible in interrupted treatment, medication shortages, closed programmes and a shrinking workforce. A 2025 survey of 131 programmes across 32 countries found that the number of people supported fell from 981,850 to 207,030 within a year, while staffing fell from 9,343 posts to 2,508. Cuts to training have also reduced the number of people available to provide safe support in future emergencies.

FUNDING CONTRACTION IN NUMBERS

35.8%

fall in humanitarian assistance in 2025

USD 80.3bn to 39.1bn

fall in health-specific assistance, 2021–2025

>750,000 people

lost support in one year across 131 surveyed programmes

2.1%

average health-budget share for mental health; financing gap >USD 200bn

MHPSS BELONGS WITHIN CORE HUMANITARIAN ASSISTANCE

Around one in five people in settings affected by armed conflict lives with a mental health condition. Unaddressed needs can contribute to suicide, one of the leading causes of death among adolescents and young adults. The MHPSS continuum ranges from everyday measures that help people remain safe and connected, through structured psychological support, to clinical treatment for people living with the most serious conditions. It concerns survival, dignity and rights, and it also shaps whether investments in other sectors succeed.

Psychosocial wellbeing affects children's learning, adherence to medical treatment, recovery after violence and people's ability to benefit from cash, livelihoods and protection assistance. Because MHPSS runs through health, education, protection, nutrition and livelihoods, cuts in those sectors can also remove psychosocial support.

FUNDING IMPLICATION:

Protect a dedicated MHPSS funding line while also requiring and resourcing MHPSS across the wider humanitarian portfolio. Hyper-prioritisation that treats psychosocial support as secondary creates avoidable harm and weakens other investments.

Sustaining investment in MHPSS localisation

WHY LOCALISATION MATTERS UNDER FUNDING CONTRACTION

As resources shrink and humanitarian needs continue to grow, investing in localisation is more important than ever. Affected communities should meaningfully influence how increasingly scarce resources are prioritised and used, and localisation should not be framed simply as a means of “doing more with less.”

Localisation is particularly important in MHPSS because locally led approaches can strengthen relevance, trust, agency and social cohesion by building on communities' own priorities, knowledge, resources, and support systems. In contrast, externally designed and standardised approaches can overlook local realities and marginalise existing capacities, with potential unintended harms. Investment in localisation can shift power, uphold communities' right to self-

determination, and help ensure that MHPSS is relevant, equitable and effective.

Yet funding, decision-making and knowledge production in MHPSS remain disproportionately shaped by international actors and Global North institutions, while locally grounded approaches receive less funding and research attention. Direct funding to local and national actors remained below one percent of humanitarian funding in 2023. As budgets contract, localisation must not become an austerity strategy that moves delivery costs and operational risk downwards while priorities, contracts and budgets remain controlled elsewhere.

LOCALLY LED MHPSS AND MEANINGFUL LOCALISATION

Locally led MHPSS means local actors lead priority-setting, design, implementation, evaluation and governance. Meaningful localisation concerns the funding, partnerships, governance and knowledge-production arrangements that redistribute power and make that leadership possible. Local implementation can expand while control over funding, priorities, and evidence remains elsewhere, so the distinction matters.

FROM CURRENT PRACTICE TO MEANINGFUL LOCALISATION

CURRENT PRACTICE	FUNDING SHIFT
Short, restricted projects	Multi-year, flexible grants with core costs, bridge funding and inflation protection
Due diligence used mainly as a gate	Due diligence linked to funded organisational strengthening and proportional controls
Donor-defined priorities and indicators	Shared decisions and locally meaningful definitions of quality and success
One-way capacity strengthening and sharing	Mutual earning, organisational systems, locally led research and South-South exchange.

RECOMMENDATIONS FOR FUNDING LOCALISATION

- **Fund organisations and continuity.** Provide multi-year, flexible support that covers staff, office space, finance and safeguarding systems, supervision, management, connectivity, core costs and overheads. Include bridge funding, inflation protection and phased transitions rather than abrupt exits.
- **Share authority and accountability.** Local actors and affected communities should shape priorities, calls, programme models, budgets, adaptations and definitions of quality and success. Review contracts, reporting rules, timelines and risk assumptions that keep decisions centralised even when delivery is local.
- **Strengthen without gatekeeping.** Make due diligence proportional and link it to funded organisational strengthening. Capacity support should respond to partner priorities. Where intermediaries are used, their role and cost should be explicit, and they should help local organisations access funding, connect with public systems or receive requested technical support.
- **Resource local expertise and representation.** Compensate community workers and volunteers fairly, and fund supervision, manageable workloads, worker wellbeing, locally led research, documentation and South-South exchange. Ask who has influence within a community and pay for

meaningful participation by children, young people, people with disabilities, people with lived experience and others often excluded from leadership and programme design.

Sustaining investment in MHPSS integration

WHY FUND INTEGRATION OF MHPSS ACROSS HUMANITARIAN ACTION

People affected by emergencies face interconnected social, economic and psychosocial challenges, with adversity such as poverty, violence and food insecurity both affecting and being affected by mental health and psychosocial wellbeing. Integrating MHPSS across health, education, protection and other systems is therefore essential to address these interconnected needs, improve access and equity, and provide sustainable, person-centred support.

Integration has long been a priority in humanitarian MHPSS, reflected in the 2007 IASC Guidelines and more recently reinforced through the MHPSS Minimum Service Package, which provides practical guidance for integrating MHPSS across sectors. It can involve adding specific MHPSS activities, such as structured psychological or psychosocial support, screening, referral or task-sharing, within another service. It can also involve applying a psychosocial lens across a programme so that dignity, safety, agency, participation and wellbeing shape its design and delivery.

Integration ranges from light-touch linkage to system-wide work, with the benefits dependent on funding and system conditions. At one end, an activity or referral is added with little shared planning, and at the other, MHPSS and the host sector share concepts, processes and outcomes, and adapt to each other. Without joint design, supported staff, functioning referrals and continued focused and specialised services, integration can become an unfunded addition to already stretched services.

CURRENT PRACTICE	SHIFT REQUIRED FOR SUSTAINABLE INTEGRATION
MHPSS added after the host-sector programme is designed	Joint planning with the host sector from preparedness and programme design through implementation, learning and recovery
Short-term training or task-sharing without continued support	Ongoing supervision, mentoring, translation, fair compensation, safeguarding, manageable workloads and worker wellbeing
The host system is assumed to absorb additional work	Assessment of workforce, infrastructure, leadership, mandates, medication and referral capacity, with support for community-based organisations where formal systems are weak

CURRENT PRACTICE	SHIFT REQUIRED FOR SUSTAINABLE INTEGRATION
An integrated activity is funded in isolation	Protected MHPSS funding alongside community support, referrals, medication continuity, focused care and specialised services
Separate sector budgets and one-directional partnerships	Flexible cross-sector budgets, local leadership, power-sharing and clear responsibilities across sectors
Psychosocial contributions disappear into host-sector reporting	Shared, locally meaningful indicators and learning systems that capture psychosocial, host-sector and longer-term systems outcomes

RECOMMENDATIONS FOR FUNDING INTEGRATION

- **Co-develop from the outset.** Design with health, education, protection, livelihoods or other host sectors, as well as local actors and affected communities, from preparedness and programme design through implementation, learning and recovery.
- **Assess readiness and fund missing capacity.** Examine workforce, infrastructure, public-system capacity, leadership, mandates, medication and referral options. Where formal systems are weak or absent, resource community-based organisations rather than assuming the system can absorb more work.
- **Protect the full continuum of care.** Fund community-led support, embedded approaches, referrals, medication continuity, focused care and specialised services as complementary layers. Maintain a protected MHPSS funding line alongside cross-sector investment.
- **Resource the workforce and partner organisations.** Budget for training, ongoing supervision, mentoring, translation, fair compensation, safeguarding, manageable workloads, worker wellbeing and the organisational systems needed for safe delivery. Task-sharing should not become unpaid or unsupported labour.
- **Measure shared outcomes and fund learning.** Support shared and locally defined indicators that capture psychosocial and host-sector outcomes, implementation processes and longer-term systems change. Fund implementation research and collective reporting so that psychosocial contributions remain visible.

ACCOUNT FOR POLITICAL AND SOCIAL RISK

In settings where mental health, gender-based violence, sexual and reproductive health and rights, girls' education or support for specific groups are politically restricted, funders should support local partners to identify safe language, entry points, referral options and safeguarding measures without exposing communities or providers to avoidable risk.

From principle to grant practice: a checklist for decision-makers

The questions below translate the six commitments into ordinary funding decisions and can be used when developing strategy, designing a funding call, reviewing or renewing a grant, and planning a transition or exit.

- ! Is the funding built for continuity? Does the grant provide enough time, flexibility, core and overhead costs, inflation protection and a responsible transition between funding cycles?
- ! Who decides? Do local actors and affected communities have real authority over priorities, design, adaptation, budgets and definitions of success - including people who are often marginalised within communities?
- ! Who carries the work and the risk? Are local practitioners, community workers and volunteers fairly compensated, supervised and supported, and are risk and duty of care shared rather than transferred?
- ! Does integration strengthen the full system of care? Are embedded support, community-led approaches, referrals, medication continuity, focused care and specialised services resourced together?
- ! Whose knowledge counts? Can local concepts, practice-based knowledge, lived experience and community priorities shape the programme model, evidence and interpretation of wellbeing?
- ! Does measurement capture the change being funded? Are indicators locally meaningful and able to reflect relationships, social value, cross-sectoral outcomes, implementation, capacity and longer-term systems change?

What funders can change now

Many decisive levers sit within ordinary funding practice: grant duration, eligible costs, due diligence, decision-making structures, reporting requirements, measurement and exits. Funders do not need every conceptual debate to be settled before acting where the evidence is already clear. Where uncertainty remains, they can the transition visible by stating what is being tested, what risks are being managed, what safeguards are in place and what would make the approach stronger over time.

CALL TO ACTION

Funders can protect MHPSS while changing how resources, authority, risk and accountability are distributed. The six commitments in this brief provide a starting point for funding that strengthens local leadership, expands access through integration, and preserves the full continuum of care.

About this brief

This brief summarises the paper Sustaining Investment in MHPSS Localisation and Integration: Recommendations for Donors. The full paper contains the evidence base, detailed case studies, featured funding approaches and questions for internal deliberation.

HOW THE WORK WAS DEVELOPED

The brief and full paper draw on a review of published and grey literature on humanitarian financing, localisation and integration; key informant interviews with funders, practitioners and researchers; case studies on localisation and integration across different contexts; featured approaches showing how funders and implementing organisations have built these principles into their work; and a co-creation workshop that tested and refined the emerging findings.

PRODUCED BY

The MHPSS Collaborative, in partnership with Peace of Mind Foundation, Save the Children, George Washington University, MHPSS.net, Terres des hommes, the Mental Health Innovation Network, the Global Mental Health Action Network and UNICEF.

Funding was provided by Peace of Mind Foundation, the Danish International Development Agency (DANIDA) and Save the Children Netherlands.

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