

Funding Briefing & Donor Update

11 January 2024



Image by AI

About us

We build **better non-profit organisations.** We secure funds,
develop smarter strategies and
build higher performing agencies.

A social enterprise with many services subsidised. Training is already free for partners.

In-person training is back!



Christian Meyer zu Natrup Managing Director chris@mzninternational.com



a (sort of) **brief & pragmatic**overview for 2024

- 1. 2024 Outlook
- 2. Global funding trends
- Reaching tipping points for INGOs, Agencies and Donors



Reaching tipping point

- 1. Donor nations likely turn inward faster this year, slashing aid budgets faster
- 2. Many recipient countries become more challenging partners
- 3. Wars in Gaza and Ukraine likely to continue (and possibly intensify & spread)
- 4. Now 300 million people need humanitarian assistance
- 5. 25% of the world's population live in fragile environments, many of them also the lowest-income countries (Source: World Bank)



Image by AI

6. Artificial Intelligence very likely to advance 3000- 10.000 x by December



Humanitarian need at all time high

Development agencies are struggling with rise in humanitarian work.

USAID's humanitarian budget doubled from USD5bn to USD10bn in the last three years.

At the expense of long-term development work?



Less time for transitions now

USAID - need to cement localisation

UKFDO - has chance to lead on cash transfer, pay for results under new government? (no budget increase though).

German aid - no elections this year after sharp rise in 2022-23. Chance to cement this before electrons next year.

Development Banks - driving development agendas and climate transition more than bi-lateral donors

Philanthropists and Impact Investors funds exceed that of bilateral donors. What to do with it?

NGOs - make localisation real day-to-day and find new donors, whilst driving old ones forward

"There's less time to do what we thought about doing for a while now.

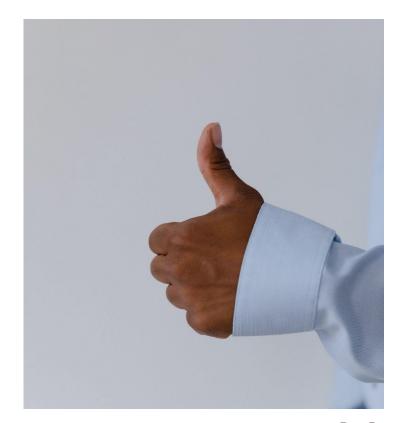
And we either succeed soon, or simply fail. "

INGO Leader of MzN Partner Jan, 2024



MzN's funding principles for NGOs

- The myth of donor diversification:
 Many donors are good, the right ones are better!
- Aim for at least 15%-30% unrestricted funding to be financially stable.
- Actively manage large donors and add two new institutional donors per year.
- Minimise proposal development costs
- Develop multi-channel funding capacity and aim to attract to post-boomers philanthropic donors and impact investors.
- Create investment opportunities for impact investors where possible.







Major topics in 2024

Funding

- In 2024 we will hear more on the following themes
 - Localization (led by USAID)
 - Impact Investments
 - MDB Dev Banks budget increasing
 - Peace- Development Humanitarian nexus
 - Non-profit with business grants instruments - multi-channel funding capacity for NGOs is key
- Being reactive to calls/ToRs/donor publications is no longer enough. Donors aim for more co-creation.





USAID trends

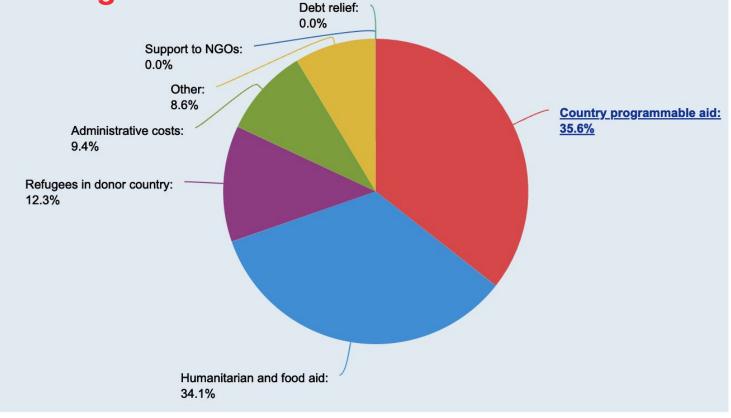


- Increase work with businesses and local NGOs
- Increasing humanitarian budget
- But, strategy to work with smaller NGOs is gaining speed.
- Staff shortage persisting
- Expect a lot more to be pushed to mid-sized and local implementation agencies.
- Capacity for iNGOs to manage rapid, multi-national framework contracts still of interests

Thematic focus on:

- 1. Private sector partnership
- 2. Localisation takes centre stage
- Improving Global Health and Global Health Security.
- 4. Promotes gender equality, equity and empowerment.
- 5. Assistance to the Ukraine.

USAID spending 2021



Source: OECD



USAID Strategy guide



Get the right funding, not just any!

- 1. Programmatic & geographic long term fit has to be right.
- Things move fast: Build or acquire the capacity to daily monitor, engage thematically and bid fast.
- 3. Core programmes of USAID will likely remain constant, but beware of
 - a. new head of Acquisition and Assistance
 - b. Elections in 2024
- Localisation & Private sector partnership are key success factors

Practical tips:

- Register with
 https://www.workwithusaid.org/ and
 engage weekly, especially as a local or
 small organisation
- Monitor large calls & quarterly business forecast and approach key contractors and awardees for subcontracting
- At the right time, prepare a NICRA application process to ensure financial sustainability

BE PREPARED AND CO-CREATE

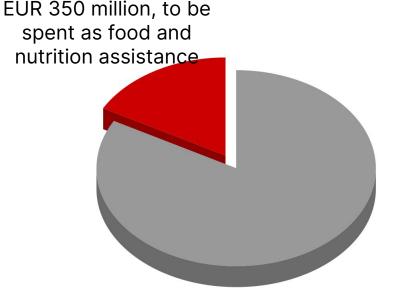


- 1. Newest Development Finance Institution (founded 2018)
- 2. Now ca USD1bn, 100 staff (up from USD230m and 35 staff in 2022)
- 3. Expansion into Indo-Pacific region, especially investments in Indonesia, Vietnam, the Philippines, and the Pacific Islands
- 4. Focus:
 - a. Climate
 - b. Women's economic empowerment
 - c. Market development

Priority sectors/partners

- a. Financial Services (local banks)
- b. Agribusiness & forestry
- C. Attracting private capital on individual opportunities up to another USD1bn- USD1.5bn

EU on Humanitarian Assistance (ECHO)





Humanitarian Aid and Civil Protection

Union-funded humanitarian aid actions for 2024 is set at EUR 1.8billion.

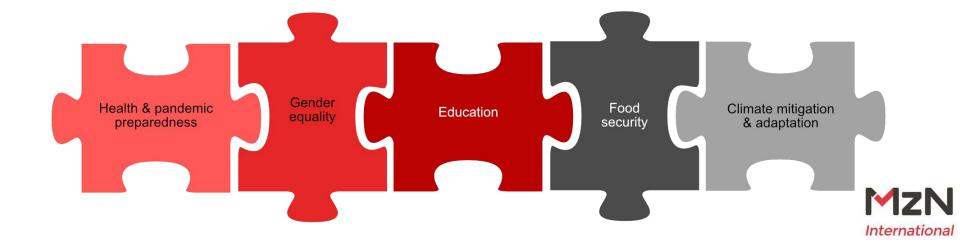
NGOs wishing to become partners with DG ECHO and increase their access to programmes funded under DG ECHO are required to complete a comprehensive application procedure. When rewarded with the Certificate of Partnership, it will be valid until December 31, 2027. When a certificate is awarded, then the NGO is eligible to apply for funding and implement humanitarian actions in line with the established rules and procedures.



Germany - Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) GmbH & BMZ

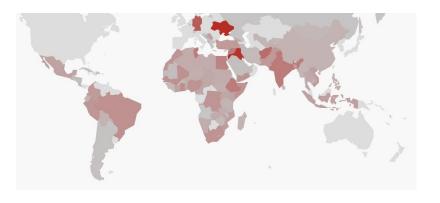
Key focus areas

- "Feminist Foreign Policy" is taking shape: 90% plus of projects receiving funding should have a primary or secondary gender equality focus
- Since 2022, German ODA is the second largest global donor (after USA).
- Outlook: Set to increase one-to-one with increase military spending
- Could (slightly) reduce in 2024-2025, depending on elections. But budget changes are more difficult for new administrations.



GIZ - Cont'd





NUMBER OF PROJECTS

VOLUME OF COMMISSIONS IN EURO

1.519

21.280.731.458

GIZ is currently supporting 1.519 projects worldwide with average 15% of co-financing requirement. https://www.giz.de/projektdaten/region/-1/countries/

Training Courses





In this course you will learn how to write, manage and negotiate a winning proposal. You will improve your proposal writing skills through exercises on real proposals, case-studies from the world's leading donors and learn together in small groups. Before and after the course, you can benefit from our online learning offers.



Grants & Beyond; Diversifying Income & Building Reserves

Successful NGOs need the right funding mix to create impact and build a better world. But with donor funds severely restricted, and constantly changing priorities and demands, the key question is how can we build a financially sustainable NGO?



Getting Project Budgeting & Reporting Right

The budget is the most frequent reason why proposals fail to win funds. And many projects are limiting their impact due to budget management issues. Let's fix that!

https://mzninternational.com/training-courses/

Stay in touch!

We are here to make doing good better. We help non-profit organisations secure more funding, drive innovation and develop smarter strategies.

By 2030, most of our services to NGOs will be free of charge or subsidised. Training already is.

Christian Meyer zu Natrup

Chris@mzninternational.com

New blog, podcast and upcoming events www.mzninternational.com



Upcoming webinars:

2024 WEBINAR SERIES

10 TIPS TO IMPROVE YOUR PROPOSAL BUDGET

The budget is the centrepiece of a successful proposal. Over half of the proposal failures for USAID, EU and other major institutional donors are due to insufficient or incoherent budgets. In this webinar, we will take an in-depth look at common mistakes, how to avoid them and what donors expect to see in a budget.

DATE

25 JANUARY 2024

TIME

3 - 4 PM CET

9 - 10 AM EST

REGISTER NOW

nzninternational.com/mzn-events/#webinars



MzN

2024 WEBINAR SERIES

AI & PROPOSAL WRITING, FUNDING SUPPORT, AND MORE

Join us for an insightful webinar where we delve into the transformative power of Artificial Intelligence (AI) in revolutionizing the landscape of proposal writing, securing funding, and beyond. In today's competitive environment, harnessing the capabilities of AI can be the game-changer in crafting compelling proposals, accessing funding support, and optimizing your approach to grant applications.

DATE

8 FEBRUARY 2024

TIME

3 - 4 PM CET 9 - 10 AM EST

REGISTER NOW

ızninternational.com/mzn-events/#webina





Thank you for listening.

Any Questions?



