



Funding Briefing & Donor Update

28 March 2024

MzN
International

Image by AI

About us

- ✓ We build **better non-profit organisations**. We secure funds, develop smarter strategies and build higher performing organisations.
- ✓ A social enterprise with many services subsidised.



Christian Meyer zu Natrup

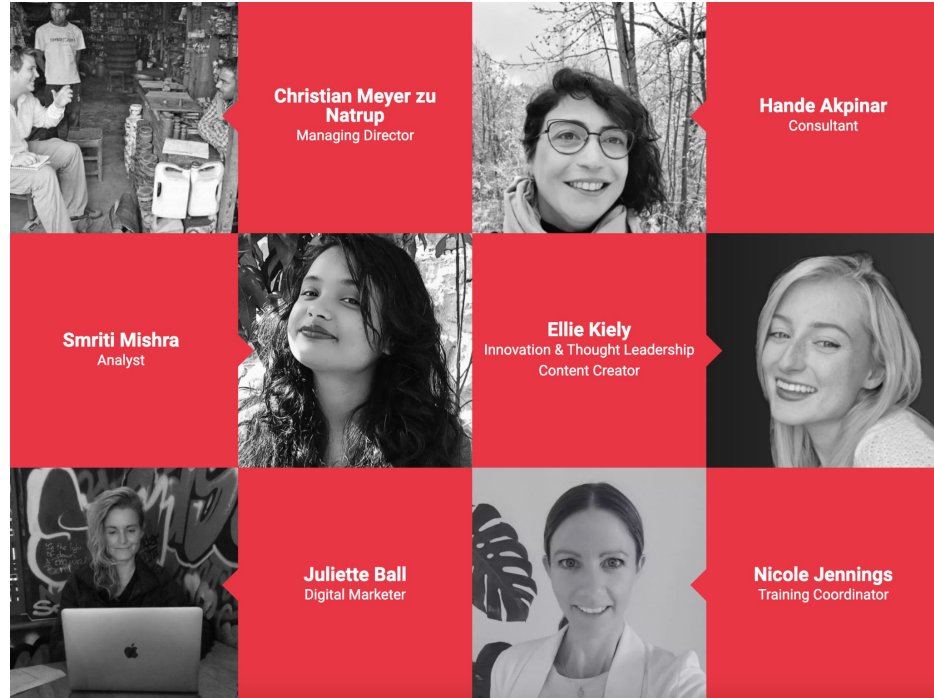
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a (sort of) **brief & pragmatic** overview for Q2 and 2024

1. 2024 Outlook
2. Global funding trends
3. 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)
6. Artificial Intelligence very likely to advance 3000- 10.000 x by December



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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?

Lots of change with all donors

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 elections 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**

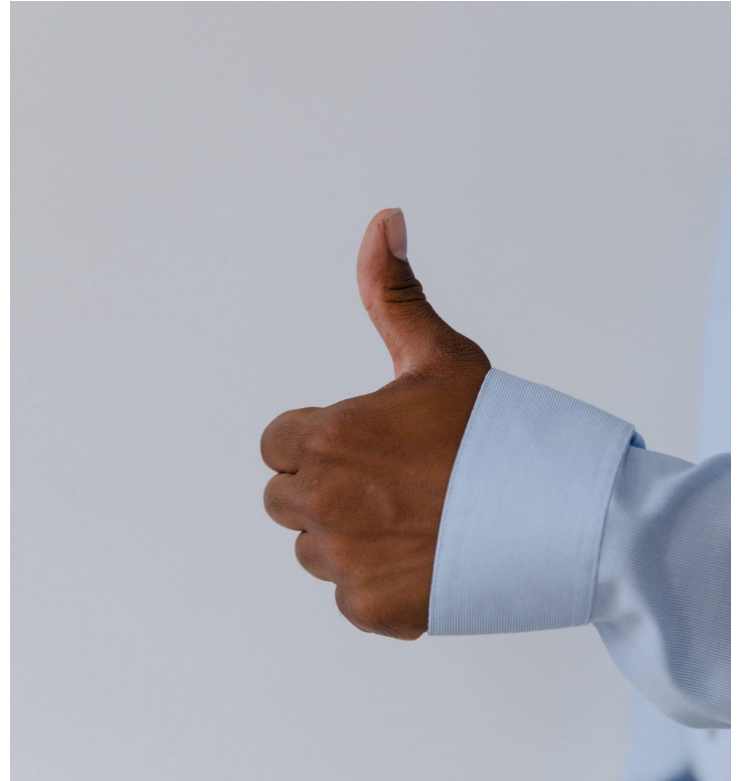
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Do Good. Better!

International

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.



Funding trends - selected institutional donors



Major topics in 2024

Funding

- In 2024 we will hear more on the following themes
 - Localization (led by USAID)
 - Impact Investments are increasing sharply
 - EU on track
- Being reactive to calls/ToRs/donor publications is no longer enough. Donors aim for more co-creation.



Big Picture

1. Moderately increasing public budgets

DAC donor budgets have increased overall by just 5% (or US\$0.5bn) since 2022 .

2. Better increases in foundation budgets

Foundations & private philanthropists funding increased by c.15% (or US\$1.5bn) since 2022. See our upcoming **Top 100 foundation list**, available for download in April. Register your interest [here](#).

3. Venture Philanthropy & impact investments

Impact investment total market size ist est. US\$1.156bn. Venture Philanthropy another US\$450bn. Recent drip in Investment in 2023, but increase in development countries by c.23% in 2022.

Got an investment pitch? Submit it [here](#) to pitch to investors.

- Burden reduction for implementing partners
- Capacity strengthening to help local organizations, put local actors in the lead
- 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. Accelerate climate action
2. Private sector engagement
3. Build and expand digital programs
4. Localisation takes centre stage
5. Address food security challenges

USAID Fiscal Year (FY) 2025 Budget Request

\$42.8 billion for foreign assistance

This total includes \$28.3 billion in foreign assistance for USAID fully and partially managed accounts.

Focus Regions

Ensure Russia's strategic failure in Ukraine

Support the people of the Middle East

Invest in the Indo-Pacific region

Get the right funding, not just any!

1. Programmatic & geographic long term fit has to be right.
2. 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
4. Localisation & Private sector partnership are key success factors

Practical tips:

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

BE PREPARED AND CO-CREATE

EU on Development Funding in 2024

EU's main priorities for 2024 under development funding

Planet: Protect future generations from environmental destruction and resource depletion.

Prosperity: Ensure prosperous and fulfilling lives in harmony with nature.

Peace: Create peaceful, just and inclusive societies.

Strategy: Investing in social protection, health, education, labour, industrial development, sustainable agriculture and energy.



Elections for the European Parliament take place 6-9 June 2024.



If you have questions about who is eligible to receive funding from the European Union, you can [contact the EU directly](#) through EU Centers near you.

Foundations Spotlight

Gates Foundation

- Gender equality
 - Global Development
 - Growth and Opportunity
 - Health
 - Policy & Advocacy
 - US Domestic
- Awards: 90% implementing agencies
 - Strategic Investment Fund partner with founders and investors
 - India, Nigeria, Pakistan, Kenya, Ethiopia
 - Budget expected to increase in 2024

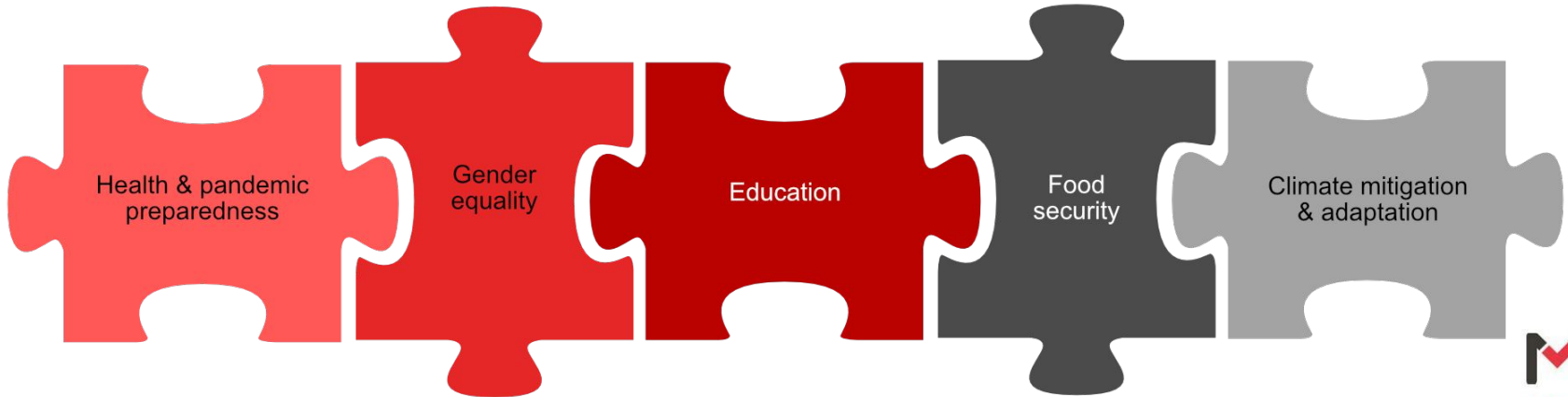
Increased budgets in 2023 and expected in 2024 from

1. Gates Foundation
2. Wellcome
3. Children's Investment Fund Foundation
4. The Rockefeller Foundation

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.

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BRAND NEW Online Training Courses



Write Winning Proposals

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.

This course is tailored to empower NGOs like yours with the following skills: crafting winning proposals, mastering proposal management and budgeting, negotiating to secure grants and donor contracts, engaging in real-world exercises and case studies and collaborating effectively in small groups.



Financial Health and Resilience for Non-profit organisations

This course covers all key principles of sustaining funding for non-profit organizations. You will explore the appropriateness of various income sources for different organizational needs, and learn to strategically set targets to achieve a well-balanced income portfolio. You will discover strategies for covering administrative costs, mix income streams, effectively find unrestricted funding, and build sustained financial success by engaging stakeholders differently.

<https://mzninternational.com/mzn-training/online-training/>

In-Person Training Courses



Write Winning Proposals

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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/mzn-training/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.

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

Upcoming webinars: mzninternational.com/mzn-insights/#webinars

2024 WEBINAR SERIES

WRITE BETTER PROPOSALS TO SECURE BETTER FUNDING

Learn about the most common questions that every proposal should answer to be successful. Our funding team uses these questions to ensure that every proposal we prepare with our NGO partners maximizes its chances for shortlisting and, ultimately, a funding award. This webinar will also offer an opportunity to discuss your proposal with members of our team.

DATE

18 APRIL 2024

TIME

3 - 4 PM CET

9 - 10 AM EST

[REGISTER NOW](https://mzninternational.com/mzn-insights/#_webinars)

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Upcoming webinars: mzninternational.com/mzn-insights/#webinars

2024 WEBINAR SERIES

GETTING YOUR FUNDING STRATEGY RIGHT

During this session, we will explore why a funding strategy is crucial for your organisation's financial sustainability and how it will help you with effective fundraising. We will take you through the various elements of a funding strategy and provide you with 10 steps on how to get to a funding strategy that works for you.

DATE
8 MAY 2024

TIME
3 - 4 PM CET
9 - 10 AM EST

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Thank you for listening.

Any Questions?

