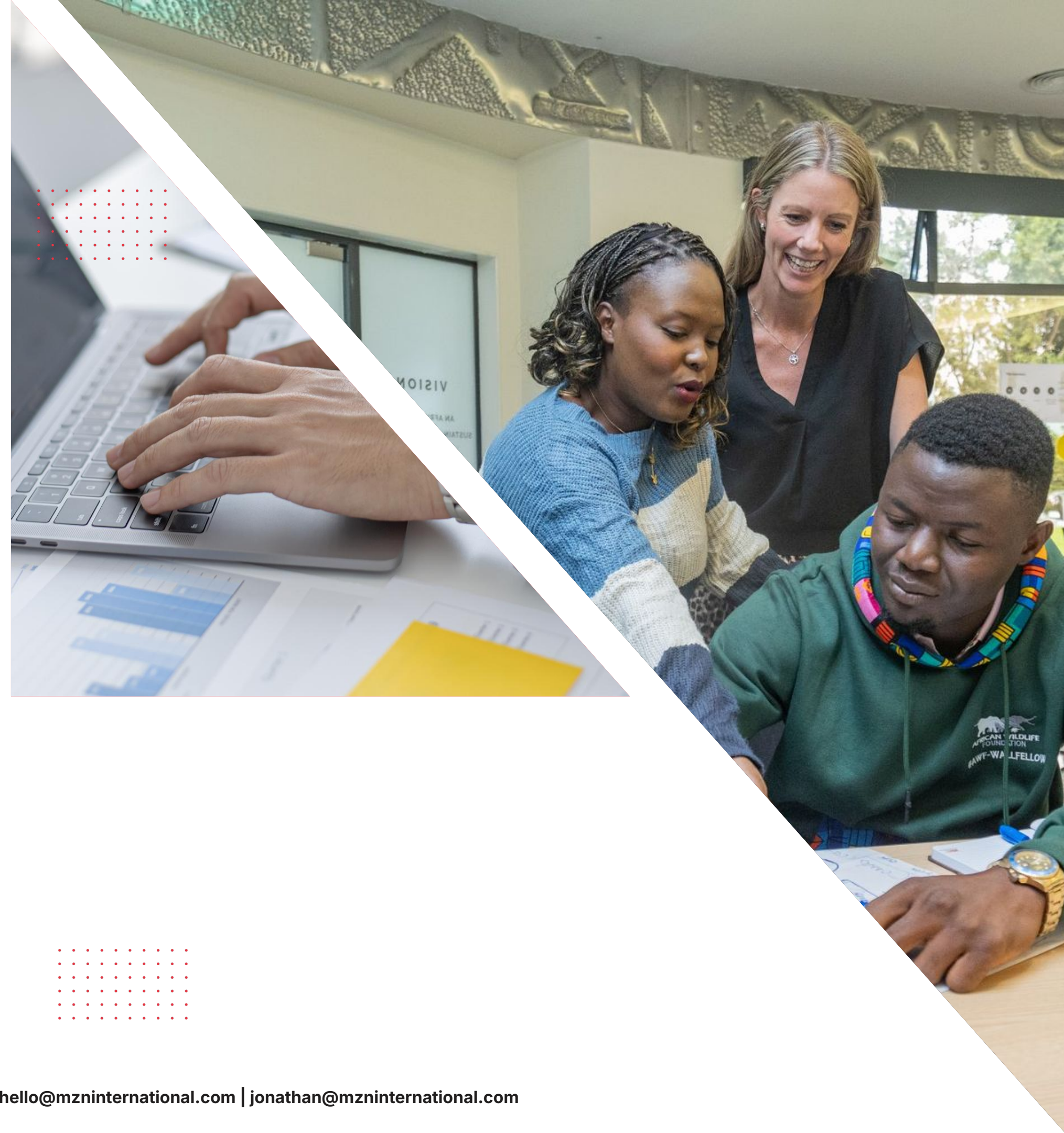




# 2026 FIRST QUARTER

## FUNDING BRIEFING & DONOR UPDATE

Uncover the latest trends, donor priorities, and opportunities shaping global impact in 2026.



# AGENDA

- 01 ————— About MzN International
- 02 ————— Donor & General Updates
- 03 ————— Early Funding Signals
- 04 ————— Incubator/Training
- 05 ————— Events & Opportunities



Do Good. Better!



Image from one of our latest trainings

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

A social enterprise with many services subsidised.



Global footprint

A photograph of a business meeting in progress. Several people in white shirts and ties are seated around a wooden table. One person is pointing at a laptop screen with a pen. There are various documents, a spiral notebook, and another pen on the table. The scene is dimly lit, with a dark overlay across the image.

# Donor and General Updates: Global Funding Trends



# US and UK Updates

The USA is out. UK seems to getting out soon! What now?

**USAID**- in Q1 2025 update last year, we forecasted that the freeze of USAID is not temporary but a permanent demolition. That seems to be true.

In the UK, funding cuts are significant as priorities shift toward defence and security.

UK Aid budget cut from **0.5% to 0.3% of GDP by 2027–28** ( $\approx$  £6 bn annual reduction)

- Bilateral aid to fall from **£9 bn to £6.2 bn**; **health funding –46%**, major education cuts.
- Several country programmes closed, affecting hundreds of thousands of beneficiaries.
- Multilateral contributions to **World Bank IDA (£1.98 bn)** and Gavi maintained.

## What to do now?

- Shift focus from US development funding to EU NDICI–Global Europe, Germany’s KfW operations, and Nordic donor programmes (2025–2029).
- If targeting US funds, focus on humanitarian aid, select global health channels, and State-aligned economic support; pursue sub-grantee/implementing roles over prime contracts.
- Develop blended-finance and outcome-based project components; ensure compliance with EU and multilateral standards to reduce reliance on volatile US funding.



## Agenda

Day 1

The funding landscape

Donor trends & Funding cycles

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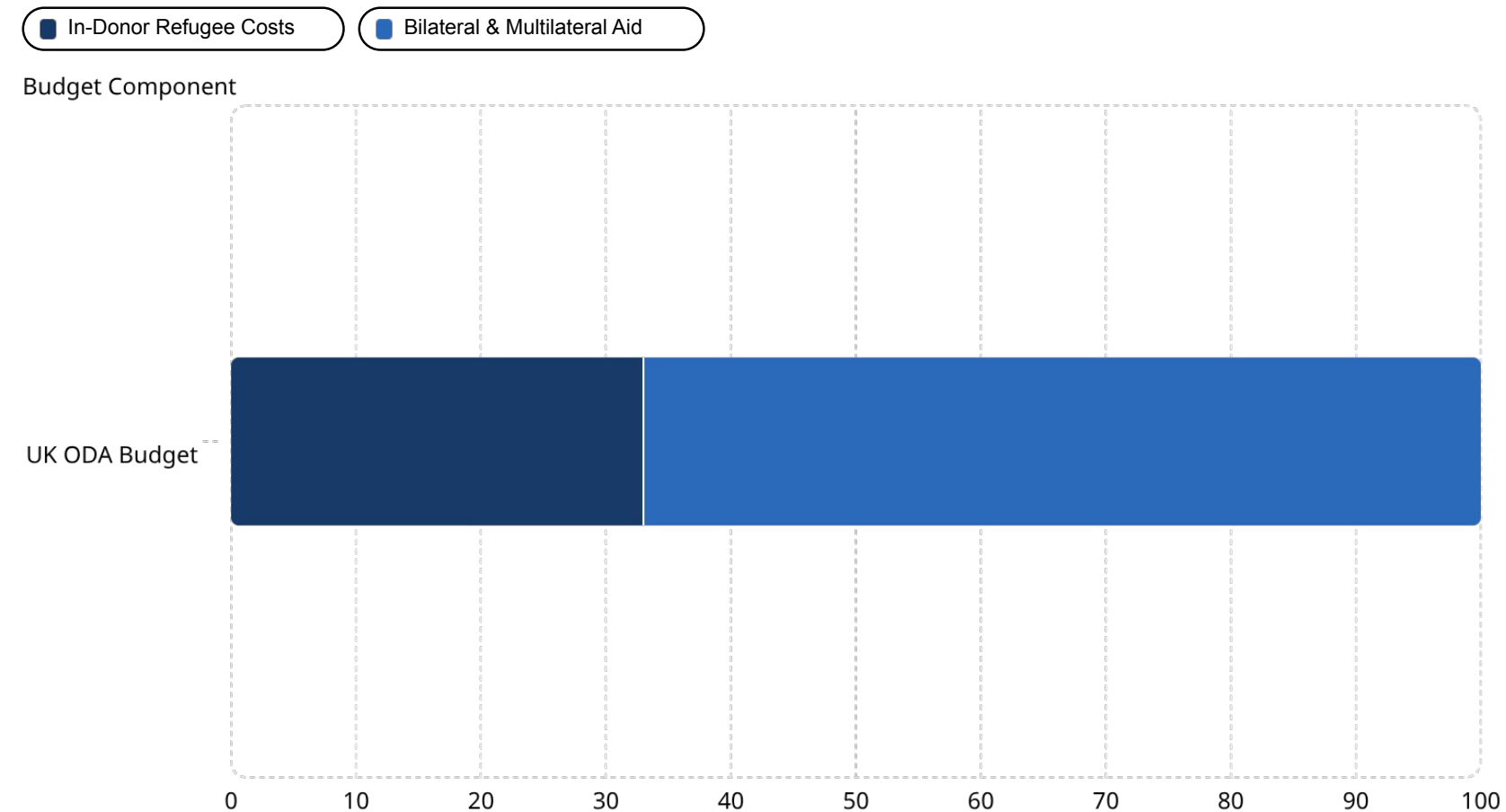
# United States: Historic Dismantling and Philanthropic Defense

The destruction of USAID and punitive tax legislation have fundamentally restructured America's global development footprint forcing philanthropy into a defensive posture.



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# UK Aid Architecture: What the Numbers Reveal



**Up to 33% approximately £3 billion of the UK's total ODA budget is absorbed by in-donor refugee costs.**

## Fiscal Austerity Enforced

The UK permanently reduced its ODA target from **0.7% to 0.3% of GNI** by 2027 to fund domestic defense priorities.

## Strategic Consolidation (2026–2029)

The FCDO is phasing out bilateral aid. Commitments include a **40% IDA funding increase** and **£1.25 billion for Gavi**.

## Unexpected Capital Flow

Wealthy US donors are quietly relocating assets to the UK to escape domestic political turbulence a nascent but significant philanthropic migration.

# EU Civil Society Architecture: Opportunity and Risk

## AgoraEU / CERV+ Framework

The proposed MFF consolidates civil society, culture, and media support into a single strand with a **doubled budget of €3.6 billion.**

## Systemic Funding Risk

Integrating funds into National Partnership Plans creates a structural vulnerability: member states could weaponize compliance criteria to **defund independent advocacy NGOs.**

## The Critical Tension

The EU is simultaneously the most ambitious structural funder of civil society and the most institutionally capable of quietly suffocating independent voices through compliance mechanisms embedded in national-level plans.

**Monitoring how National Partnership Plans are implemented not just funded is the defining advocacy challenge of 2026 - 2029.**

## Eastern Periphery Priority

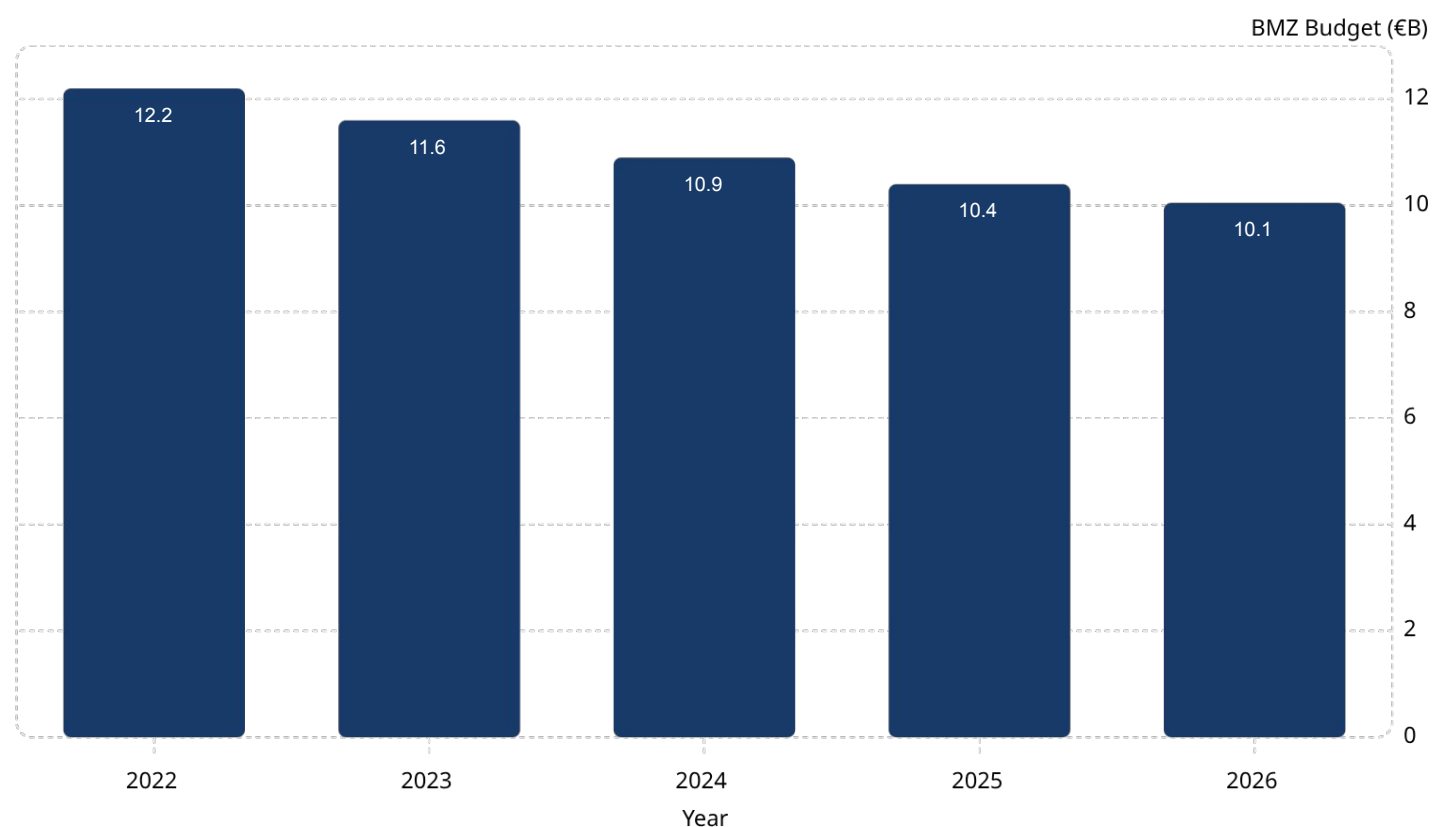
**€189 million disbursed to Moldova** contingent on completing 24 strict reform benchmarks signals the EU's security-first framing for neighborhood aid.

## Humanitarian Stabilization

The European Commission committed a robust **€1.9 billion humanitarian aid budget for 2026** to offset global instability from donor retreat elsewhere.

# Germany Non-Profit Funding Updates

Germany's €10.05 Billion BMZ: The Human Cost of Austerity



Germany's development budget has declined to its **lowest proportional share of the federal budget since 2010**, driven by constitutional debt brake mechanisms with no near-term reversal in sight.

### Civil Society Starvation

The CSO implementing-organization budget line sustained a direct **15% cut vs. 2024 levels** hitting the most cost-efficient delivery channel hardest.

### Global Health Consequences

Reductions to the Global Fund and GPEI are projected to cause **hundreds of thousands of preventable deaths** and leave millions of children unvaccinated.

### Philanthropic Reorientation

German foundations unable to replace state volume are pivoting to **niche, high-leverage investments**, with a focus on responsible AI deployment for the common good.

# The "Great Retrenchment": Four Converging Crises

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## State Funding Collapse

US and German budget cuts are the primary drivers of a historic \$42.6 billion ODA reduction a structural rupture, not a temporary dip.

## Hostile Civic Environments

Restrictive laws, surveillance, and political repression have pushed 73% of humanity into constrained civic space —>> a 10-year high.

## The Philanthropic Illusion

Even the combined assets of all US private foundations cover only 79 days of federal spending. Private capital cannot arithmetically replace state withdrawal.

## Sector Structural Adaptation

In the U.S., CSOs are adopting agile corporate structures (including LLCs) and critical public datasets are quietly being removed from circulation.

# UN Agencies Update - A Challenging Start to 2026

The situation has not improved since 2025.

## WFP, UNICEF & IOM

WFP is now facing a 40% reduction in funding.

UNICEF projects a 20% drop in income from 2024 levels (from US\$8.2 billion).

IOM estimated a 30% drop in donor funding in 2025, warning of "even bigger programme cuts in 2026.

## UNHCR

UNHCR supports a record 139.3 million displaced and stateless people, yet only 23% of its \$10.6B 2025 budget has been funded — leaving a critical \$8B+ gap.

The 2026 Global Appeal is set at \$8.5B, reflecting a strategic refocus on core protection and life-saving needs — but early pledges cover just 18%.

## The UN80 Reform & Structural Shifts

UN80 is still being rolled out. The INGO is facing a \$500 million shortfall in 2026.

The proposed core budget shrinks from \$3.7 billion to \$3.2 billion cutting resources by 15% and staff posts by 19%.

Of the four core areas, Human Rights had the largest budget reductions.

## The Humanitarian Reality on the Ground

In Uganda, aid to refugees has dropped from \$16 to just \$5 per person per month.

WHO warned that cuts in 2025 meant 6,700 health facilities in 22 crisis regions would have to reduce services or shut down entirely, leaving around 53 million people without medical care

## Who Is Most Exposed?

- WFP and UNHCR are most exposed, receiving 68% and 62% of their humanitarian funding respectively from donors that have now announced cuts. US withdrawal is the single biggest risk factor across nearly all UN agencies

# Philanthropic funders updates

This picture is more nuanced: overall giving remains strong, but the structure is shifting in ways NGOs must understand.

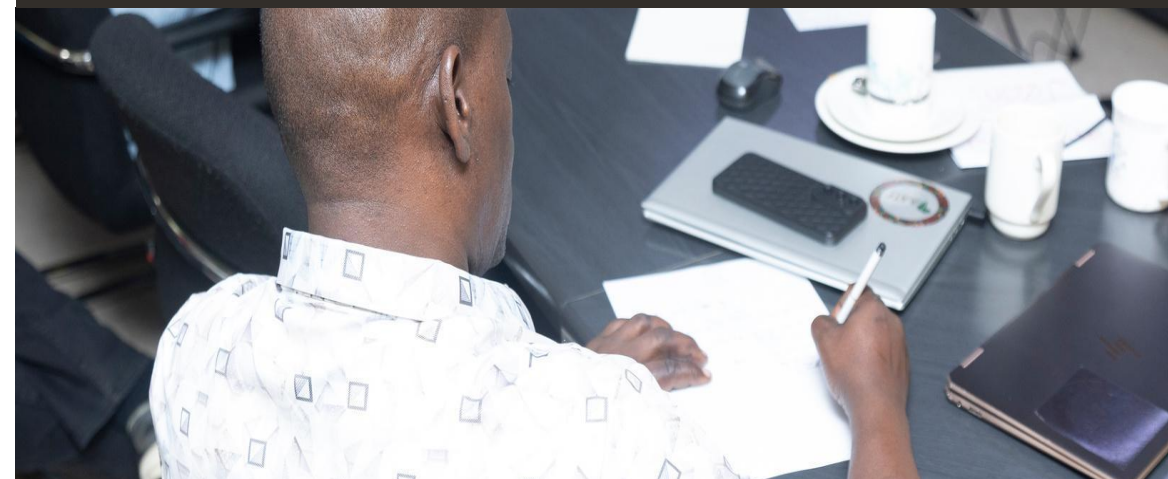


## Implications for NGOs

- Increased competition as foundations absorb demand formerly met by government funding.
- Organizations that can demonstrate measurable impact will be best placed to attract support.
- Next-gen and collective donors require stronger impact measurement and digital engagement.

## Key Changes

- Foundation assets reach ~\$1.75 trillion (Sept 2025); 2026 on track for record-breaking giving.
- Private foundations increasingly stepping in to fill gaps left by federal spending cuts and corporate giving pullbacks.
- Impact investing continues to surge upwards.
- Collective giving shifting toward community-level, collaborative decision-making; next-gen donors prioritise measurable impact and digital giving tools.



## Some Recommendations

- Target impact-aligned capital and high-net-worth donors.
- Position as a gap-filler, with clear, data-backed impact evidence.
- Use match-funding and collective platforms to expand reach.

# EARLY FUNDING SIGNALS FOR 2026

NGOS SHOULD WATCH AND ACT ON



## **SIGNAL 1: Contraction in traditional public/humanitarian funding (SHORT TERM: HIGH RISK)**

### **What the data says**

- By 2027, ODA is projected to fall back to 2020 levels, with least developed countries facing a 13–25% decline in bilateral ODA..
- France, Germany, the UK, and the US are on track to cut ODA simultaneously for two consecutive years.

### **Implication for NGOs**

- Core grant pipelines (multilateral / bilateral) will be more competitive; short-term, restricted humanitarian pots may shrink and be reprioritized (e.g., to geopolitically salient crises).
- Cash-flow volatility risk increases in NGOs that rely on single large public grants face program cuts.



### **Recommended actions**

- Prioritise portfolio triage - classify programs by strategic importance, cost-recovery, and donor diversification potential.
- Build short-term liquidity - convert multi-year commitments into rolling shorter contracts where possible; engage with a diversified cross-section of funders.

# Main Signal: Scale-up and maturation of impact & blended finance (opportunity + requirements)

## What the data says

- **Impact investing is now a \$1.57 trillion market** — there is serious, mainstream funding looking for opportunities to generate both financial returns and measurable social good.
- **It's growing fast** — the pool of investors actively seeking impact-driven organizations to support has expanded significantly year-on-year, meaning more potential funders for NGOs that can speak their language.

## Implication for NGOs

Tapping into this funding source will require NGOs to invest in stronger impact measurement, adapt governance structures, and in some cases accept hybrid financing models — representing a meaningful shift in how many organizations operate.

## Recommended actions

Develop a short funding case for your most scalable programs — mapping impact evidence, financial sustainability, and risk — to open doors with impact investors and blended finance funders.

# Live Poll

Introducing the Innovative Finance Incubator



# How the Innovative Finance Incubator Works

## The challenge:

We wanted to create an offering that meets organizations where they are, recognising that needs and readiness vary. The Incubator provides a more accessible pathway to explore Innovative Finance for your organizations.

## How it works.

**A practical, middle-tier journey** designed to help NGOs move from ideas to structured, fundable solutions.

- **20-week guided process** grounded in Design Thinking Methodology
- **Goal:** Turn projects into clear, investment-ready financial prototypes
- **Support:** Monthly expert guidance through a structured system

## The 5-step journey / 5 month journey:

- **Empathise** → Understand the problem and stakeholder context
- **Define** → Clarify the value proposition and opportunity
- **Ideate** → Explore the right innovative finance tools
- **Prototype** → Build financial models and structure the approach
- **Test & Pitch** → Develop investor-ready materials and engagement strategy

# Q & A





*Do Good. Better!*



# THANK YOU FOR LISTENING

## Upcoming Executive Education

### Innovative Finance for NGOs: A 5-Part Learning Journey

Unlock new funding opportunities with this course: learn to leverage impact investing, blended finance and innovative partnerships to fuel your mission. Learn how to build financial sustainability and impact.

▼ [Download agenda](#)

### Impact Investing for NGOs: Catalyzing Capital for Positive Change

This immersive course provides a practical and strategic introduction to **impact investing** for **NGOs, mission-driven organizations**, and **impact investors**.

▼ [Download agenda](#)

## Upcoming Webinars

**LIVE WEBINAR**

**2026**

**MzN International**

**Speakers**

**Cedric**  
Principal | Human Planet

**Christian**  
Managing Director

**Jonathan**  
Communication Lead

**Using AI to Strengthen Proposal Writing, Funding Pipelines, and Program Performance**

### Using AI to Strengthen Proposal Writing, Funding Pipelines, and Program Performance

22 April @ 14:00 - 15:00 CEST

**LIVE WEBINAR**

**2026**

**MzN International**

**Speakers**

**Christian**  
Managing Director

**Big Values and no Money. Is Purpose Enough When the Operating Model Is Broken?**

### Big Values and No Money. Is Purpose Enough When the Operating Model Is Broken?

20 May @ 14:00 - 15:00 CEST