

Content for this topic: [Bilateral Funding - trends, challenges and opportunities for NGOs](#), was informed through a combination of contributions from individuals and desk research.



With special thanks to Susan Kyle of the U.S Mission to Geneva, Alberto Garralon Perez of the European Commission, Walter Brill of the International Catholic Migration Commission (ICMC), and Magali Mourlon of NGO VOICE for their participation in this topic's webinar, arranged in partnership with the International Association of Professionals in Humanitarian Assistance and Protection (PHAP), who collated the follow-up questions:

## FOLLOW UP QUESTIONS

**Given the easier access to bilateral funding that big international NGOs have, how and to what extent do INGOs partner with local and national NGO to channel bilateral funding to first responders? For instance, how do INGOs report such money transfers to their governmental donors?**

*Executive Director, Democratic Republic of the Congo*

### **Walter Brill (ICMC)**

“I cannot speak for all INGOs but in the International Catholic Migration Commission (ICMC) – a mid-size INGO – we partner with national and local NGOs whenever there is an added value in terms of delivering protection and assistance on the ground. For instance, we work closely with a national NGO in Syria, to provide for continued access to the beneficiary population in often challenging conditions. In such instances, we ensure that the local partner is adequately prepared and equipped to implement the project, including by providing training and capacity building. But it also means that we expect our local partner to respect the relevant guidelines and conditions imposed by the donor, such as diligent budgeting and timely reporting. In all instances, the donor is fully informed on any parts of the project that might be implemented through a local partner, including any sub-awards and related budget transfers.”

### **Magali Mourlon (NGO VOICE)**

“This question is of central relevance and it is being addressed through the discussions on the Grand Bargain. Indeed, each donor currently addresses the issue differently; some ask for their grantee to report on their sub-granting arrangements (including financially), while others don't. At present, INGOs also have different practices, but it is to be noted that many have made commitments to increase the transparency in relation to how much funding goes to national and local NGOs, as well as to beneficiaries. Many INGOs have also committed to further

strengthen their partnership with national and local NGOs and not to ask more from them than they are being asked by their own donors.”

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**From an NGO perspective, how do the challenges and opportunities vis-à-vis bilateral funding differ from those of [OCHA's funding mechanisms](#)?**

*Humanitarian Advisor, Military, Pakistan*

**Walter Brill (ICMC)**

“Based on our experience with OCHA’s country-based pooled funds (CBPFs), the process is not very different from funding obtained bilaterally from UNHCR or government donors. Like many other donors, OCHA first undertakes a capacity assessment of potential partners, which is quite demanding in terms of standards and documentation requested. There is also a mandatory “[Grants Management System](#)” via a web-based platform.

While the mechanism is relatively flexible and responsive in terms of the availability of funds, the duration of projects is usually short (max. 6 months) and does not allow for sustainable actions beyond emergency interventions. In addition, depending on their individual risk rating assigned by OCHA, NGOs may initially receive only 50% of the funds required for implementing the project, and the other 50% only at the end of the project. This can cause cash-flow problems, in particular for smaller NGOs. Finally, the applicable OCHA funding guidelines allow for little flexibility in terms of covering certain administrative NGO costs such as office rent, office equipment, and utilities.”

**Magali Mourlon (NGO VOICE)**

“VOICE is specialized on EU issues and as such has very limited knowledge on OCHA's funding mechanisms. However, the main challenges regarding bilateral funding (that may be similar to UN's architecture) lie in the fact that each bilateral donor works differently and with different sets of rules and requirements. For NGOs, this makes it difficult to identify funding opportunities and increases risks related to the management of different sets of funding portfolios. However, this diversity among donors can also be seen as an opportunity since it constitutes an essential part of the humanitarian ecosystem we are supporting, with each donor having specific expertise reflected in different funding streams and different focuses (thematic or geographical).”

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**In PRM, what are the possible durations of programs/project grants: 6 months, one year, or even more? And is there a need to co-finance?**

*Humanitarian Coordinator, INGO, Belgium*

**Susan Kyle (U.S Mission to Geneva)**

“PRM will define the timeframe and duration of activities in each unique Notice of Funding Opportunity (NOFO) announcement. Most PRM awards are for 12-month periods. However, PRM has the option of issuing NOFOs offering provisional approval for 24 or 36 month periods. Multi-year applications selected for funding by PRM will be funded in 12-month increments. Continued funding after the initial 12-month award is contingent upon available funding, strong performance, and continued need. Co-financing is not a requirement, but PRM welcomes projects that have multiple sources of funding.

In the financial year of 2016, PRM provided \$254 million to NGOs for overseas humanitarian assistance, accounted for 9% of PRM’s overall overseas assistance. Among PRM’s top NGO recipients for overseas assistance include the International Rescue Committee, International Medical Corps, Catholic Relief Services, and the Danish Refugee Council. Please see [PRM’s FY 2016 Summary of Major Activities](#) for more information.”

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**What is the difference between the Office of U.S. Foreign Disaster Assistance (OFDA) and PRM in terms of funding and partner procedures?**

*Humanitarian Emergencies Manager, INGO, Belgium*

**Susan Kyle (U.S Mission to Geneva)**

“PRM’s primary activities support the efforts of the key multilateral humanitarian organizations responsible for refugees, conflict victims, stateless persons, and vulnerable migrants. PRM funds NGO programs that are coordinated with the multilateral system and fill critical gaps in humanitarian assistance and protection programs. Refugees are the primary beneficiaries of PRM projects and generally must constitute at least 50% of the beneficiary base for PRM-funded projects.

OFDA is responsible for leading and coordinating the U.S. government’s response to disasters overseas and works with the international humanitarian community to give vulnerable populations resources to build resilience and strengthen their own ability to respond to emergencies.

Please refer to PRM’s [General NGO Guidelines for Overseas Assistance](#) and OFDA’s [Guidelines for Proposals](#) for more specific information on each organization’s funding procedures.”

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**Does PRM have difficult specific requirements around compliance with ‘terrorism financing’ regulations? What kinds of problems could affect NGOs engaged in sensitive contexts?**

*Humanitarian Coordinator, INGO, Belgium*

**Susan Kyle (U.S Mission to Geneva)**

“As part of efforts to improve risk mitigation, all PRM proposals now require applicants to submit a risk analysis that identifies the internal and external risks associated with the proposed project, rates the likelihood of the risks and their potential impact on the project, and identifies actions that could help mitigate the risks (see Appendix F in the [General NGO Guidelines for Overseas Assistance](#) for a suggest format and template). The risk analysis should include an assessment of the level of risk that the proposed program may inadvertently benefit terrorists or their supporters.

Additionally, project proposals need to provide specific information on all sub-contractors or sub-recipients the organization plans to fund, and describe how these organizations are vetted to prohibit transactions with, and the provision of support to, organizations associated with terrorism.

Funding for proposals with activities in certain countries are conditioned on passing a vetting process to evaluate the potential risk that funds may benefit terrorists or their supporters. In this case, the Grants Officer will request additional information on a standard form. After receiving the award, recipients are responsible for advising the Grants Officer of any changes in personnel listed on the form.”

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