Pooled Funding at a Crossroads

Research Overview
Scope

• Literature Review to help ICVA shape future research and advocacy agenda
• Overview and gap analysis
• Resources in English
• Last seven years
Findings: effective vehicles, potential for catalytic change

Increased funding = catalytic change

- Minor percentage of funding (6% (2021))
- Calls for increased use

Effective vehicles

- Fit for purpose (agile)
- Risk pooling and delegation
- Stakeholder engagement
- Learn and Innovate
- Cross sectoral/multi-year funding
- Localization and nexus funding
- Size/cost effectiveness balance
Findings: gone far, can go further

Localization
- An independent perspective on national actors’ experiences
- Continue to improve the “recipient user experience”
- Increase innovation to reach a wider range of national actors
  - Localization strategies
  - Consortium funding
  - L/NNGO support structures
- Growing smaller local pooled fund mechanisms
- More emphasis placed on “investment” and capacity strengthening

Efficiency/Effectiveness
- Continued progress in grant allocation and management (including higher risk grantees)
- Outcome level measurement
- Effective management of conflicts of interest
- Maintaining agility/flexibility
- Comparative size
- Vicious/virtual circle within system

Nexus/Development
- Climate finance / Nexus funds
- Increased multi-year funding
- Synergies across Funds
Future Trends

Increased number and diversity of funds
- Driven by their own success
- Increased drive towards localization
  - Donor cost effectiveness and support in reaching localization targets
  - Invest in national capacities

Growing Nexus impact
- Climate finance and health finance mechanisms
- Area based financing
- Transition – durable solutions financing

Opportunities not to be missed?
Catalytic change potential?
Need for Coordination?
Risks of Duplication?
Threats to Effectiveness?
Recommendations

Resource Center for pooled fund materials
Directory of funds, scope and application processes
Repository of reviews, analysis, useful links
Guidance in launching and/or managing a fund

Follow up research:
Pooled funds from a local/national perspective
Diversity of pooled fund structures mechanisms: ensuring fit for purpose, synergies and cross learning
Future of pooled funds (realizing the silver bullet): avoiding fragmentation and realizing synergies among climate, health and humanitarian funding mechanisms.
Questions for discussion:

Can pooled funds make further inroads on localization (e.g. reach deeper and broader for local and national NGOs)?

Do you agree that pooled fund structures may multiply? Is there a risk of fragmentation? How can this be avoided?

Are there opportunities for synergies with climate/health financing vehicles?