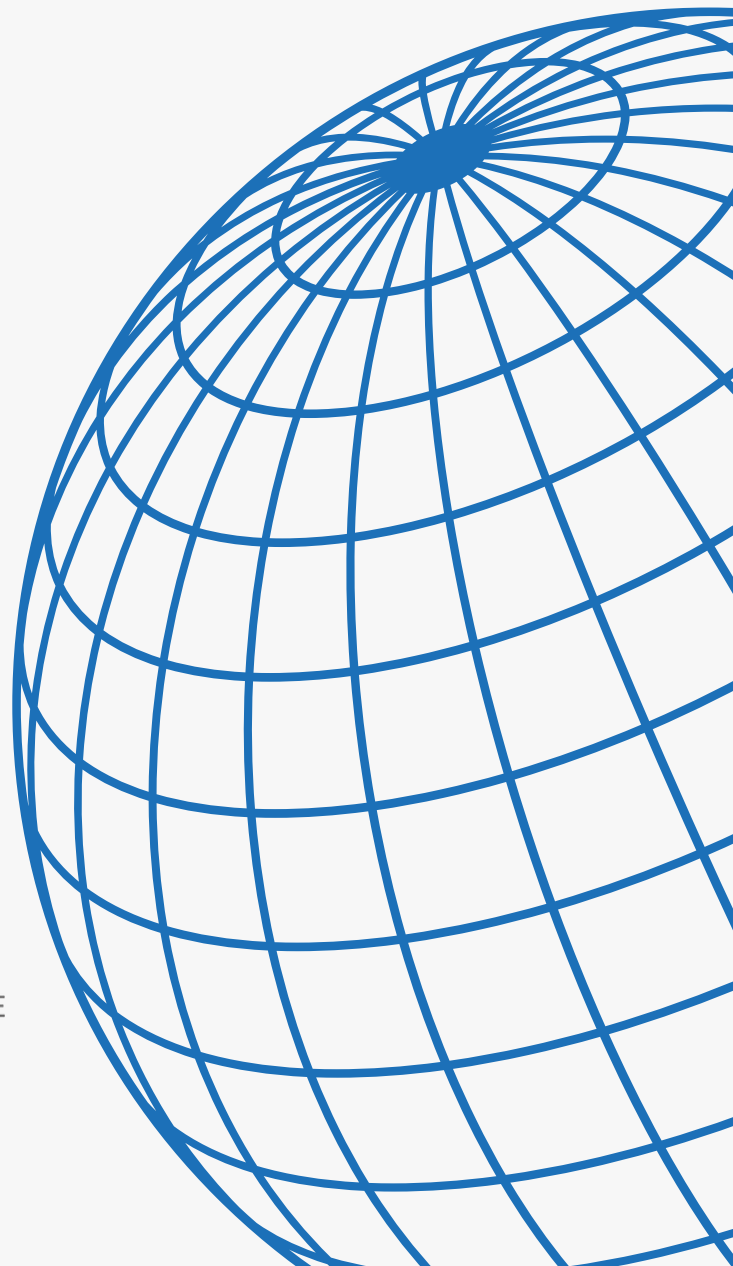

Rebalancing the Reset: Reflections on a 33% Increase to CBPFs

Briefing Paper

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A GLOBAL NGO NETWORK
FOR PRINCIPLED AND EFFECTIVE
HUMANITARIAN ACTION



Overview

As the humanitarian sector grapples with escalating crises, deep funding cuts and growing political pressure, bold reforms such as those proposed by the [Humanitarian Reset](#) are urgently needed. Yet, these proposals also demand rigorous scrutiny. One of the most significant among them is the call to channel 33% of global humanitarian funding through Country-Based Pooled Funds (CBPFs), which would see a potential increase in CBPF funding **from USD 1 billion to USD 6 billion**.

This proposal goes beyond a financial shift. It signals a major reconfiguration of how humanitarian financing is prioritised, governed, delivered, and made accountable. While CBPFs offer recognised strengths—including alignment with Humanitarian Response Plans, support to local actors, and risk sharing—scaling them to manage a third of all humanitarian funding will have **far-reaching implications**.

This paper presents the collective reflections from ICVA, in consultation with its members, on the practical implications of the CBPF proposal. While recognising the advantages of CBPFs, it calls for further collective reflection and analysis before targets are adopted. It offers constructive recommendations to ensure that any expansion of CBPFs enhances—not replaces—the broader system of pooled funding, direct donor partnerships, and local initiatives.

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1. An overview of CBPF Focus and Governance

Country-Based Pooled Funds (CBPFs) are a key component of the humanitarian financing architecture. They are multi-donor humanitarian financing instruments established by the Emergency Relief Coordinator (ERC)/ Under-Secretary-General (USG) for Humanitarian Affairs. Managed by UN OCHA¹, they are under the leadership of the Humanitarian Coordinators (HCs)² at country level.

CBPFs are designed to support timely, coordinated, and flexible humanitarian action, through allocating funding against needs identified in [Humanitarian Response Plans](#) and other collective planning initiatives as part of the [Humanitarian Programme Cycle \(HPC\)](#).

At country level, a Pooled Fund Advisory Board supports the HC in articulating the strategic vision of the CBPF, ensuring the strategic nature of individual allocations, and overseeing Fund performance. The

¹ See Annex 1 [Country Based Pooled Funds Global Guidelines](#) for the specific responsibilities of OCHA's Head of Office, which includes the responsibility for the operation of the Fund in support for the HC and the Fund's effective management

² See Annex 1 for the specific functions assigned to HCs in the governance and management of the CBPFs in each country. Among the HC's responsibilities include: defining the vision of the Fund; approve and lead the review of the Fund's operational manual; define the strategic focus and amount of funding for each allocation; make final funding decision; undertake risk analysis; and issue the Funds annual report.

Advisory Board has a consultative role, ensuring that the HC is informed by the views of donors, UN agencies, the NGO community and relevant technical experts.³

2. Current CBPF Funding Levels

CBPFs have grown in prominence, particularly since the 2005 humanitarian reform and the 2016 Grand Bargain commitments, which called for more efficient, transparent, and localised aid mechanisms. Seen as effective vehicles for localisation, among the [original commitments of the Grand Bargain](#) was the Secretary General's recommendation "[to double the Central Emergency Response Fund \(CERF\) to USD\\$1 billion and to increase the portion of appeal funding to the UN Country-Based Pooled Funds \(CBPF\) to 15 per cent, including through new and additional sources](#)".⁴

OCHA [has adopted](#) a current target of 15% for CBPF funding, to be revised at country level as per decisions of the Advisory Boards.⁵

In 2025, there are 16 CBPFs in operation and four [OCHA-managed regional funds](#) (RhPF). In 2024, over USD 1 billion was mobilised and just under USD 1 billion [was allocated](#).⁶ For 2025, thus far, USD 364 million has been mobilised and USD 511 million allocated.

3. The Reset Proposal: A 33% Increase Funding to CBPFs

The importance of CBPFs has been elevated in the context of the "[Humanitarian Reset](#)", led by the Emergency Relief Coordinator (ERC) Tom Fletcher. The Reset is a response to unprecedented and abrupt donor funding cuts – most notably, the US President's decision to dismantle USAID, alongside other governments redirecting humanitarian aid budgets to defence and national security.

As part of this vision, [Fletcher outlined his](#) "hope and aspiration that more money will go to CBPFs". He proposed expanding CBPFs⁷ to manage at least 33% of global humanitarian funding. Fletcher floated a potentially higher target "[to make this the electric shock the system needs](#)".

Although there has been no official written position or analysis from OCHA to date explaining or supporting this "one third or larger ask", arguments made in favour of this proposal have included:

- An increase in flexible and predictable funding available for multi-sectoral needs.
- Strengthened donor coordination at country level with fewer funding vehicles
- Enhanced localisation, including increased direct, or as direct as possible, funding to local and national NGOs.
- Empowerment of the HC/RCs in country to manage pooled funds aligned with country level priorities.
- A platform for nexus funding through the combined office of the HC/RC.
- The potential for increased cost-efficiency in fund administration
- A response to a perceived proliferation of fragmented funding instruments, positioning CBPFs as the system's primary pooled mechanism capable of absorbing reduced global resources.
- Supported flexibility for INGOs to act as intermediaries or surge partners in specific contexts.

In parallel to the proposed increase to CBPF funding, the NEAR network in [their humanitarian reset positioning](#), advocates for 70% to 100% of CBPF funding to be given directly to local and national NGOs.

³ <https://www.unocha.org/publications/report/world/country-based-pooled-funds-global-guidelines-enaresfr>

⁴ The full text can be found [here](#)

⁵ CBPF funding targets are set at 15 % of funding received for corresponding Humanitarian Response Plans (HRPs) in the previous year. These targets may be revised at country level with the agreement of CBPF's Advisory Board <https://cbpf.data.unocha.org/cbpfvshrp>.

⁶ See <https://cbpf.data.unocha.org/index.html>.

⁷ At the time of writing, it is unclear if the 33% increase was limited to country based pooled funds or also included the four regional based funds, and their country windows.

4. Crunching the numbers: What a 33% increase means

In the current financing landscape, the majority of humanitarian funding is provided to INGOs **directly through bilateral donors or through UN agencies acting as intermediaries**. Funding to local and national NGOs, is allocated primarily through INGO intermediaries and secondarily through UN agencies (excluding CBPFs).

In 2024, total contributions to CBPFs reached approximately USD 1.1 billion, representing less than 10% of all funding received against Humanitarian Response Plans (HRPs).⁸ Notably, in 9 out of 16 countries, CBPFs received less than 5% of total HRP funding.

The proposal to channel 33% of HRP funding through CBPFs represents a seismic shift: If **2024 funding levels** are held constant and applied to the current **2025 HRP** country requests, achieving the 33% target would require an increase in CBPF funding of approximately 5 billion – moving **from USD 1 Billion to USD 6 Billion**. If the 2025 HRPs are fully funded, that amount rises to an increase of USD 11 billion.

Table 1 below estimates the funding increases/amounts required to reach the 33% target for each CBPF. If funding remains at the 2024 funding rates against the 2025 HRPs, for 9 out of the 15 CBPFs reviewed the increase of funding required in 2025 would be above USD 300 million and for some as high as USD 887 million.

Table 1: Amounts Required to Increase Funding to 33% of 2025 HRPs

CBPF	A Current % of funding to CBPFs for 2024	B Estimated increase if 33% of 2024 funding rates against HRP 2025 (in millions USD)	C Estimate increase if 33% of 2025 HRPs (in millions USD)
Afghanistan	4%	482.13	954.45
CAR	6%	98.86	102.83
DRC	4%	293.55	814.61
Ethiopia	5%	443.03	1005.10
Myanmar	9%	102.28	300.07
Nigeria	4%	176.47	286.76
oPt	13%	126.53	1080.06
Somalia	3%	372.81	489.80
South Sudan	4%	343.82	551.39
Sudan	16%	362.44	708.91
Syria	3%	336.24	1309.89
Syria Cross border	7%	336.24	1542.54
Ukraine	6%	887.23	863.52
Venezuela	3%	120.07	191.01
Yemen	2%	559.64	855.82
TOTAL:		5041.34	11056.76

Table 1 Explanation

- Column A provides the % of HRP financing received by each Fund in 2024.
- Column B estimates the increase for each Fund if funded at 33% of **2024 funding levels against the 2025 HRPs**. To run estimates of received HRP funding for 2025, 2024 funding levels were adopted as a working assumption at this stage.
- Column C estimates the increase for each CBPF if funded at 33% of the full 2025 HRP asks.

⁸ 2021, 10%, 2022, 6%, 2023, 7%. See Annex 4 and <https://cbpf.data.unocha.org/cbpfvshrp>.

5. Funding to Local and National NGOs

In terms of the allocation of CBPF funding between INGOs and NNGOs over the last three years:

- Since 2022, there has been a noteworthy increase in direct funding to NNGOs with almost equal proportions of direct funding to INGOs and NNGOs in 2024.
- Conversely, there has been a significant decrease in CBPF funding to UN agencies and minimal CBPF funding is currently provided to Red Cross and Red Crescent entities.

The percentage of funds implemented by national NGOs, through direct and indirect funding from CBPFs and RHPFs has also increased since 2022. When implemented indirectly, the funding is in large majority provided by INGOs.

Table 2: % of funding and implementation rates of NGOs and UN

CBPF	Direct Funding Rates to Partners			Implementation Rates by Partner		
Year	% to INGOs	% to NNGOs	% to UN Agencies	% INGO	% NNGO	% UN
2022	44%	27.7%	27.8%	39.8%	36%	23.6%
2023	44.2%	30.1%	25.2%	39.2%	38.7%	21.2%
2024	51%	42%	7.1%	44%	50%	6.2%

Table 3 below analyses the implications of increasing direct funding to local and national NGOs to 70%, both under current funding levels and alongside the proposed 33% scale-up of CBPFs.

It finds that if the share of direct funding channelled to LNNGOs was increased from 42% to 70% under current 2024 HRP rates this would require **an extra absorptive capacity of USD 312 million across these 15 CBPFs**. For some funds - such as CAR or DRC - the increase would be modest. For others, it would be **doubling, tripling or even quadrupling the current levels channelled directly to LNNGOs**.

If the 70% localisation target were pursued simultaneously with a scale-up of CBPFs to 33% of HRP funding, and assuming funding levels for 2024 were sustained, the **required absorptive capacity would increase dramatically. An additional USD 3.5 billion in absorptive capacity would be needed across the 15 CBPFs, with country level increases in the hundreds of millions for most funds**.

Table 3: Estimated Funding Levels if 70% funding to L/NNGOs

	2024 Actuals		70% Direct Funding Against Actuals		70% Direct Funding against 33% Target	
	A	B	C	D	E	F
CBPF	% allocated to NNGOs	Direct Allocation to NNGOs (USD m)	Amount if 70% of CBPF in 2024 was allocated to NNGOs (USD m)	Additional absorptive capacity needed among LNNGOs (USD m)	70% direct financing if allocations were 33% of 2024 levels of 2025 HRPs	Additional absorptive capacity needed (USD m)
Afghanistan	27%	14.7	38.6	24.0	319.94	305.24
CAR	30%	5.6	13.0	7.4	47.71	42.11
DRC	55%	20.2	25.9	5.7	235.40	215.20
Ethiopia	40%	24.8	43.9	19.0	251.19	226.39

Myanmar	28%	7.8	19.5	11.7	80.22	72.42
Nigeria	38%	7.2	13.3	6.1	87.24	80.04
oPt	30%	15.0	34.6	19.6	804.71	789.71
Somalia	78%	26.0	23.3	-2.7	159.17	133.17
South Sudan	30%	11.8	27.2	15.4	209.41	197.61
Sudan	1%	1.4	126.5	125.1	266.61	265.21
Syria	24%	8.2	24.2	16.0	177.12	168.92
Syria Cross border	63%	42.2	47.1	5.0	212.09	169.89
Ukraine	45%	72.9	113.4	40.5	489.17	416.27
Venezuela	61%	7.7	8.8	1.1	72.07	64.37
Yemen	70%	26.0	26.0	-0.1	244.00	218.00
Totals	34%	291.5	604.1	312.5	3847.08	3555.58

Table 3 Explanation

Columns A and B: set out the current direct funding percentages and amounts for L/NNGOs in 2024.

Columns C and D: set out (C) what the total amount of funding to L/NNGOs would look like if 70% of current 2024 funding was provided directly and (D) the increased amounts of direct funding required by each fund to reach this target.

Columns E and F: show what the levels of 70% direct funding to L/NNGOs would look like if CBPFs were funded at 33% of 2024 funding levels against the 2025 HRPs and (F) the increased amounts of direct funding required by each Fund to reach this target.

6. NGO Perspectives on CBPFs and the 33% increase

Local and international NGOs generally consider CBPFs as a useful tool in the humanitarian financing toolbox, including as vehicles for channelling funding to local and national actors, who many not otherwise qualify for bilateral funding. They also offer a platform for coordinated disbursements based on assessed needs aligned to the HRPs.

An ICVA led [NGO perception survey](#) in 2023 found that CBPFs are generally viewed more positively by L/NNGOs than by INGOs, who rated direct bilateral funding as more attractive. Some ICVA members have noted progress in transparency, access, and in some contexts, meaningful participation in CBPF allocation decisions.

From a donor perspective, CBPFs reduce transaction costs, allow pooled risk-sharing, and promote visibility for contributions.

However, areas for improvement remain. At the Bi-annual meeting of the Pooled Fund Working Group in January 2024 an 11-point action plan was articulated to enhance accessibility to the Fund, including:

- Streamlining allocation processes
- Simplifying project submission and reporting
- Supporting partnerships and consortia
- Simplifying reprogramming processes
- Simplifying eligibility processes.

However, persistent challenges remain. **Accessing CBPF funding is still administratively burdensome, and funding is still short-term.** L/NNGOs face significant hurdles in meeting due diligence requirements, deadlines for applications and what is seen as complex proposal formats. These barriers seem to disproportionately affect smaller organisations including WLOs and WROs.

From a governance perspective, CBPFs are heavily influenced by the strategic and operational priorities of the HC and the cluster leads, roles overwhelmingly led by UN agencies. While NGOs are represented in cluster processes, their ability to influence funding allocations can be limited. The proposed centralisation raises concerns about fairness, impartiality, and responsiveness to needs. There is growing recognition that **CBPFs risk entrenching power imbalances** and the dominance of UN agencies unless governance reforms are enacted to democratise the governance of the funds, including through broader and more equitable participation in decision making of diverse L/NGOs in the various governance bodies and processes.

Furthermore, the feedback loops within CBPFs are often weak or inconsistent. In some countries, advisory boards [lack](#) structured mechanisms to escalate concerns. There are calls for improved governance structures that go beyond nominal participation. For **CBPFs to be truly inclusive, their governance must reflect the diversity of the humanitarian ecosystem** and include the voices of diverse local and national actors, including women-led organisations and women rights organisations and representatives from affected populations.

There is also a need for greater predictability and longer-term funding, especially in protracted crises. The annual nature of CBPF allocations, and their orientation toward short-term project grants, often inhibits strategic planning, partnership development, and capacity investment. Despite multiple calls for multi-year and flexible funding windows, only a few CBPFs have piloted these features.

7. Concerns raised on the 33% increase:

While CBPFs play a vital role in the humanitarian financing architecture, the proposal to now quickly channel **33% of all HRP financing** through a single mechanism raises several strategic, operational and governance concerns:

1. Risk of over -centralisation and systemic vulnerability

Concentrating a third of humanitarian funding into a single mechanism **risks** creating a **single point of failure** with potentially implications on affected people and the response. It also raises concerns about any one institution – in this case OCHA – becoming ‘too big to fail’.

2. Reallocation, not new funding: what would the system lose?

Assuming that the increase in funding to CBPFs would not be “new money”, the proposal implies a significant redistribution away from existing channels. It is not clear **which organisations, and pooled funds would be “defunded”** to enable the increase in funding to CBPFs.

Combined with the current significant cuts affecting humanitarian actors, the proposed shifts could amplify current operational downsizing at country level, potentially affecting programming and services or undermine existing direct partnerships with donors, especially for organisations that have built long-standing, effective delivery mechanisms.

3. Centralisation threatens funding diversity and innovation

Increases to CBPF funding would very likely result in the defunding of other pooled fund mechanisms, including NGO-led funds, Feminist Funds, locally led funds, RLO funds, or Nexus funds. These instruments play a crucial role in the humanitarian funding landscape by ensuring diversity, innovation and adaptability within the humanitarian financing landscape.

4. Risks related to HC/RC dual mandates and impartiality

The potential **concentration of resources with the HC/RCs** could increase challenges related to principled humanitarian action at country level. In restrictive contexts or contexts where

governments are party to the conflict, there is a risk that the role of OCHA and the HC are inadvertently politicised, particularly given HC/RCs' dual mandates and diplomatic responsibilities. This could impact impartiality of fund decisions or create perceptions of conflict of interest.

5. **Lack of sufficient trust in current allocation decision-making**

A scale-up of CBPFs to manage one-third of global humanitarian funding would require **a high level of trust in OCHA's role as fund manager and in the transparency, impartiality, and consistency of allocation decisions**. Concerns persist regarding the perceived concentration of power, limited participation in governance, and insufficient feedback and accountability mechanisms.

Any substantial increase in CBPF funding must be accompanied by accelerated efforts to reform. This includes **building confidence through demonstrable reforms in governance, decision-making transparency, and inclusive engagement**. Poor performing funds would require strengthened accountability oversight mechanisms.

8. Recommendations

As the humanitarian sector faces unprecedented levels of need, funding models must evolve to be more inclusive, balanced and responsive. CBPFs offer a valuable tool for aligning funding with strategic priorities at the country level. However, scale alone will not deliver the transformation envisioned by the Humanitarian Reset.

Many NGOs fully support **a responsible increase in funding volumes** to CBPFs and critically an increase in direct financing to local and national actors best placed to reach people in need.

Our call is for:

1. A rebalanced, inclusive, and diverse pooled funding landscape, one where CBPFs, NGO-led funds, regional mechanisms, thematic pools work together and complement each other to serve communities in crisis. Only by embracing this diversity can we build a more effective, equitable, and resilient humanitarian system for the future
2. If an international target is placed on CBPFs it should remain at the current 15% funding levels and informed by the [Guidance note for donors: Promoting inclusive and locally-led action through humanitarian pooled funds \(November 2024\)](#).⁹
3. Both in their roles as governance members and funders, donors should work with the funds and their grantees, in particular local national NGOs to achieve the objectives set out in the Guidance Note.
4. The priority of CBPFs should remain focused on increasing direct quality financing to the diversity of local and national NGOs, including WLOs/WROs, RLOs, and CBOs. Measurable action plans with clear timelines should be adopted to raise the percentages of funding to 70 or 100% as the operational contexts allow. Increase funding to local and national actors should be prioritised over increasing amounts of CBPF funding.

⁹ <https://reliefweb.int/report/world/guidance-note-donors-promoting-inclusive-and-locally-led-action-through-humanitarian-pooled-funds-november-2024>.

5. National and international intermediaries that actively promote and have a proven track record of equitable partnerships should be recognised and supported as strategic enablers. Their experience and expertise leveraged and their role in risk-sharing supported.
6. While funding to CBPFs should be increased, this increase must be responsible and go hand in hand with continuous fund improvement. The 11-point plan agreed with OCHA must be implemented and funding increases tied to progress made.
7. Ensure CBPFs set ambitious context specific and measurable targets for funding to WLOs / WROs and for gender specific interventions.
8. The increase in CBPF funding should not be at the cost of the operational capacity of key actors nor should it substitute for direct bilateral funding, when the latter is more efficient.



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