

# National NGO Access To Pooled Funds



Report

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## SUMMARY AND RECOMMENDATIONS

- Although several pooled funding mechanisms are theoretically accessible to NNGOs, **there is significant difference between a fund just being 'open' to NNGOs and that fund actively soliciting and facilitating NNGO access.**
- There is a clear **need to improve communications towards NNGOs regarding pooled funds.** A good understanding of pooled funds is currently lacking for many NNGOs. Improved awareness by NNGOs increases the prospects of successful applications, and reduces the workload for NNGOs in preparing (and pooled fund management agents in reviewing) applications which are unlikely to be successful.
- Improved communications is likely to involve both email (with more realistic deadlines given for NNGOs to respond to messages, and ensuring that queries from NNGOs receive a response) and other forms of communications (such as newspapers, radio and perhaps even SMSs).
- **NNGOs based outside of Juba are at a particular disadvantage** with regards to understanding (and hence successfully applying to) pooled funds. Ways should be found to increase their awareness of, and access to, pooled funding opportunities (for example, through regional outreach efforts in key state capitals).
- It seems that **NNGOs expect funding opportunities to be announced with clear Calls for Proposals.** Where such Calls are used, they should be widely circulated with clear instructions and realistic timeframes for submissions. If other application methods are used, they should be specifically explained ahead of time, and also issued with clear instructions and timeframes.
- Funding mechanisms should ensure **grant sizes which are appropriate for the scale of NNGOs** (in many cases, this will mean less than \$100,000, although some NNGOs will prefer larger amounts).
- **Funding decisions should be based on clear and transparent criteria,** including objective assessments of NNGO capacity, appropriate grant size and so forth.
- Fund management agents should **provide clear and constructive feedback to NNGOs regarding unsuccessful applications.** This is both a basic courtesy and a vital learning opportunity.
- Funding mechanisms should **adapt their reporting and accounting requirements** to match the modest size of grants and capacities of NNGOs.
- Funding mechanisms should provide **clear and early indications of future funding opportunities** for current recipients.

***Disclaimer:** This report has been prepared based on questionnaires completed by various national NGOs in Southern Sudan. However, it should not be taken as necessarily representing the official view of a specific NGO Forum member.*

## 1. Introduction

- National NGOs (NNGOs) frequently cite lack of access to funding as a key constraint to their operations<sup>1</sup>, and to their desire to expand their role in Southern Sudan.
- It is understood that many governmental donors are unable to provide bilateral funding directly to NNGOs, for a variety of organizational and legal reasons. However, such donors will often state that NNGOs should be able to receive funding indirectly, via the various pooled funding mechanisms that have been established in Southern Sudan.
- Unfortunately, many NNGOs report that in fact they are, or have been, unable to access funding from the pooled funding mechanisms. This report aims to provide a snapshot of the issues faced by NNGOs in accessing the current pooled funds in Southern Sudan. It is hoped that this will be of benefit when designing new funding mechanisms, to ensure that NNGOs can easily access appropriate funding.
- This report is based on a questionnaire sent to the National NGO Forum mailing list, in February / March 2011. The questionnaire asked questions regarding whether NNGOs were aware of, had applied to, and had received, funds from five key pooled funding mechanisms in Southern Sudan:
  - The Common Humanitarian Fund (CHF): an annual humanitarian funding mechanism (first established in 2006), based on projects included in the UN and Partners Humanitarian Work Plan. NNGOs can access the CHF directly, or via International NGO (INGO) or UN agency partners.
  - The Basic Services Fund (BSF): a mechanism for supporting service delivery in health, education and WASH, managed by BMB Mott McDonald and operating on 18 months funding cycles (first initiated in 2005). NNGOs can access via INGOs or directly themselves.
  - The Sudan Recovery Fund Round One (SRF-R1): a one-off window for livelihoods projects, initiated in 2008 and administered by UNDP. Although direct grants were limited to INGOs, NNGOs could have access via INGOs.
  - The Sudan Recovery Fund Round Two (SRF-R2): a small grants window, specifically aimed at increasing the capacity of NNGOs and Community Based Organisations, approved in 2010 and administered by BRAC.
  - The Multi-Donor Trust Fund for Southern Sudan (MDTF-SS): a large multi-sectoral fund, initiated in 2005 and administered by the World Bank. Although only GoSS ministries can receive direct project grants, NNGOs could access sub-grants from some of these projects.

This survey does not distinguish between direct applications to pooled funds, and indirect sub-grants (eg: through INGOs).

- Twenty NNGOs responded, out of around sixty members in the Forum. While a 30% response rate is quite positive for a survey of this nature (and indicates the strong interest NNGOs have in this topic), unfortunately the limited size, and self-selecting nature, of the sample means the results cannot necessarily be generalized. However, it is felt that the results reported in this document are still broadly representative of the experience of NNGOs in Southern Sudan.
- By its nature, this report focuses on NNGO perceptions of pooled funds. It is recognized that other stakeholders may have different perspectives on some of the issues raised.

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<sup>1</sup> It is recognised that other actors may have differing views of the key constraints affecting NNGOs in Southern Sudan (especially with regards to the ill-defined term “capacity”). Detailed discussion of such other constraints is beyond the scope of this report. However, virtually all analyses would agree that access to external funding is a key issue for NNGOs.

## **2. Findings From The Survey**

### **2.1 National NGO Understanding Of Pooled Funding Mechanisms**

- The first step in being able to access a funding mechanism is knowing that it exists, and being aware of how it works.
- Unfortunately, NNGO awareness of pooled funding mechanisms is generally quite limited:
  - For each pooled fund, around half of NNGOs report that they “do not understand it all”.
  - The CHF and SRF-R2 are the best understood funds, with approximately half of NNGOs saying they understand them “well” or “very well”.
  - Only a quarter of NNGOs report that they have a good understanding of at least three different pooled funds.
- There is also a geographical aspect to understanding of pooled funds. NNGOs who are based outside of Juba (ie: who do not have an office presence in Juba) have a noticeably lower understanding of pooled funds, than those based in the capital. (Four out of nine NNGOs based in Juba report that they have a good understanding of at least three different pooled funds, compared to only two out of eleven NNGOs based outside of Juba).

### **2.2 National NGOs Making Applications To Pooled Funds**

- Despite the limited understanding of pooled funds, nearly all NNGOs had applied to at least one fund, and almost half had applied to two or more funds.
- Over three-quarters of NNGO applications to pooled funds were for US\$100,000 or less. This indicates the level of finance that many NNGOs feel comfortable in handling, and highlights the need for funding mechanisms to facilitate such appropriate-sized grants.
- Where NNGOs had not applied to specific pooled funds, the reason given (in over half of cases) was that the agency was simply unaware of the funding mechanism.
- In a number of other cases, the NNGO was aware of the funding mechanism in general, but did not receive a specific and clear call for proposals – and hence did not know when or how to apply.
- Other reasons given for not applying to a fund included:
  - Information regarding the funding opportunity (eg: a call for proposals) being received too late to be of use;
  - The NNGO feeling that the fund was not open to NNGOs, or that they would not have a realistic chance of success (even if the fund was, at least theoretically, open to NNGOs);
  - The NNGO deciding that the funding mechanism was not relevant for their mandate or otherwise not appropriate for their organization.

### **2.3 Unsuccessful National NGO Applications To Pooled Funds**

- In the cases where NNGOs had applied to pooled funds, nearly two-thirds of applications were rejected. Given the workload (and opportunity cost) for an NNGO in preparing a funding application, this failure rate is highly problematic.
- In over half of cases where NNGOs had applied for funding, but been unsuccessful, they had not received any feedback as to why their application had been rejected. (In a few additional cases, feedback had been received but the actual criteria for the decision was unclear). In addition to being a basic courtesy, providing feedback to unsuccessful NNGO applicants is vital to them being able to apply more successfully in future, and to avoid them wasting limited resources on applications which are unlikely to ever be successful.

## **2.4 National NGOs Receiving Funding From Pooled Funds**

- No NNGO reported receiving funds from the BSF or SRF-R1 (even indirectly)<sup>2</sup>. However, there were equal numbers of successful applications to the CHF, MDTF projects and SRF-R2.
- Where NNGOs had received funds, they received the full amount requested in 4 out of 10 cases; at least 50% of the amount requested in a further 4 out of 10 cases; and less than half the requested amount in the remainder of cases.
- Even where NNGOs had received funding, they expressed concerns at a number of issues, including:
  - A lack of feedback from funding mechanisms, in particular with regards to prospects for continued funding in future;
  - The (reduced) amount of funding given being inadequate for the envisaged project activities;
  - And (in only one case) reporting requirements being too difficult for an NNGO.
- There seems to be a significant correlation between an NNGO understanding a fund that it applies to, and success in receiving funding. Unsurprisingly, NNGOs that applied to funds which they had no understanding of, did not receive any funding. Meanwhile, NNGOs applying to funds which they understood 'very well' were successful half of the time.
- Coupled with the finding that NNGOs based outside of Juba generally have a lower understanding of available pooled funding mechanisms, this highlights the challenges faced by such NNGOs in accessing funding.

## **3. Key Issues**

### **3.1 The Importance Of Communication**

- Poor communication between pooled funding mechanisms and NNGOs has been highlighted throughout this report.
- Limited or infrequent internet access is a challenge for many NNGOs (who may only check email a few times a week, rather than several times a day which appears to be the norm for many international agencies and staff). This significantly increases the timeframe which must be given, to allow a reasonable response by NNGOs to Call for Proposals, query or similar.
- However, even where NNGOs have email access and have tried to be in contact with pooled funds, there are numerous reports of their emails or queries going unanswered.
- There is a need to improve communications between pooled funds and NNGOs. While some of this may be achieved by better use of email and internet, other solutions should also be considered. (For example, one NNGO reported applying to the SRF-R2, having seen an advertisement by BRAC in a local newspaper).
- It can also be difficult for NNGOs based outside of Juba to make proposal submissions in Juba (let alone in foreign capitals).

### **3.2 Capacity**

- The question of "capacity" of NNGOs is a sensitive topic.
- Some NNGOs indicated that pooled funds need to recognize the capacity constraints of many NNGOs, and in particular that NNGOs are often unable to meet the same reporting and accounting standards as international agencies (who are often handling much larger grants, anyway).
- However, other NNGOs indicated a perception that "low capacity" was simply being used as an excuse for not funding NNGOs. It was felt that the capacity of specific NNGOs were not necessarily being judged objectively, and that agencies were not being given the opportunities needed for them to develop.

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<sup>2</sup> A number of NNGOs have in fact been recipients of the BSF, but they presumably did not respond to this survey.

## Annex: Analysis Of Key Questions

How well do you understand how this funding mechanism works?

	Not at all	Not very well	Well	Very well
CHF	8	3	6	3
BSF	13	3	3	1
SRF-R1	12	4	2	2
SRF-R2	6	4	8	2
MDTF	8	5	5	2
<b>Total</b>	<b>47</b>	<b>19</b>	<b>24</b>	<b>10</b>

Number of NGOs reporting they understand at least 3 pooled funds 'well' or 'very well'

	Do not understand at least 3 pooled funds 'well' or 'very well'	Do understand at least 3 pooled funds 'well' or 'very well'	Total
NGOs based in Juba	5	4	9
NGOs based outside of Juba	9	2	11

If your agency applied for funding from this source, how much was requested?<sup>3</sup>

	<\$50,000	\$50,000 - \$100,000	\$100,001 - \$300,000	>\$300,000
CHF	0	2	1	2
BSF	0	0	1	0
SRF-R1	2	0	0	0
SRF-R2	3	2	0	0
MDTF	2	1	0	1
<b>Total</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>3</b>

If your agency has not applied for funding from this source, why not?<sup>4</sup>

	Not aware of the fund	No clear Call for Proposals	Information received too late	Fund perceived not to be open to NNGOs	Fund not relevant to own NNGO
CHF	6	3	0	0	0
BSF	9	4	0	1	1
SRF-R1	11	3	1	0	1
SRF-R2	7	2	1	1	2
MDTF	8	3	1	2	0
<b>Total</b>	<b>41</b>	<b>15</b>	<b>3</b>	<b>3</b>	<b>4</b>

<sup>3</sup> Not all unsuccessful applicants indicated the amount they had applied for, so the total responses in this table do not equal those in other tables.

<sup>4</sup> Questionnaire requested open format answers to this question, which have subsequently been coded to the 5 options listed here.

If your agency applied for funding from this source, was any funding received?

	No	Yes	Total Applications
CHF	7	4	11
BSF	5	0	5
SRF-R1	4	0	4
SRF-R2	3	4	7
MDTF	2	4	6
<b>Total</b>	<b>21</b>	<b>12</b>	

If your agency applied for funding from this source but did not receive it, why not?<sup>5</sup>

	No feedback received	Feedback received but criteria unclear	INGOs prioritized	Application below minimum budget threshold	Application made for wrong sector	Not answered
CHF	4	1	1	1*	0	0
BSF	4	0	0	0	0	1
SRF-R1	2	1	0	0	0	1
SRF-R2	0	1	0	0	1	1
MDTF	2	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>

\* This suggests a mis-application of the CHF Allocation Policy Paper, which permits allocations below the normal threshold of \$200,000 in a few specific circumstances, including "if the entire project budget is below US\$200,000".

If your agency received funding from this source, what percentage of the original request was received?

	< 50%	50% - 99%	100%
CHF	1	2	1
BSF	0	0	0
SRF-R1	0	0	0
SRF-R2	0	2	2
MDTF	1	1	2
<b>Total</b>	<b>2</b>	<b>5</b>	<b>5</b>

Comparison Of Level Of Understanding Of A Fund With Whether Applied For Funding Was Received

Understanding Of Fund	Funding Received		Percentage Success Rate
	No	Yes	
Not at all	3	0	0
Not very well	4	2	33%
Well	11	7	39%
Very well	3	3	50%
<b>Total</b>	<b>21</b>	<b>12</b>	

<sup>5</sup> Questionnaire requested open format answers to this question, which have subsequently been coded to the 6 options listed here.