

Fundraising from institutions

How To guide
November 2013



Why apply?

Institutional donor funding is popular with NGOs because it provides regular, reliable, year-on-year resourcing for high quality development projects. Such funds, however, are highly competitive.

When you have identified and planned your project and are ready to look for funding, you will want to present it to the most appropriate donor in the most effective way.

This guide gives you the essential information about the main UK/European institutional donors offering funding to UK NGOs.

Who are the institutional donors?

Institutional donors are either government or other large-scale development agencies with high value, multi-annual funds.

This guide looks at donors to UK-based civil society organisations (CSOs), including the UK government Department for International Development (DFID), the European Union, Comic Relief and the Big Lottery Fund.

The majority of the grants programmes run by these donors operate on an open, two-stage competitive process: Stage 1 as a concept or summary stage, followed by invitation to submit a Stage 2 or full application.

Why do they fund CSOs?

For multilateral and bilateral organisations, like DFID and the EU, CSOs can complement government-to-government assistance.

DFID

The Conservative-Liberal Democrat Coalition's programme for government says it will use the aid budget to support:

- actions to achieve the Millennium Development Goals
- the development of local democratic institutions, civil society groups, the media and enterprise
- efforts to tackle corruption

DFID funding to CSOs

In 2011/12 total spending through UK CSOs was £201 million. This does not include funding to civil society through country and regional offices.

The EU

The EU sees CSOs as able to:

- deliver effectively with their good knowledge of local context
- provide an alternative partner in difficult relationships
- respond quickly and cost-effectively in emergency situations
- address sensitive areas such as HIV/AIDS, human rights and gender
- fill the gap when the state is absent
- play an independent watchdog role

EC funding to CSOs

Between 2011 and 2013, €702 million of EC aid was earmarked for non-state actors and local authorities.

Comic Relief

Comic Relief is itself an NGO which has been raising funds since 1988 to help the poorest and most vulnerable, in the UK and in Africa.

Comic Relief funding to CSOs

In 2011-12, Comic Relief spent £45 million on its international grants programme, through a wide range of CSOs.

Big Lottery Fund (BIG)

The Big Lottery is a government appointed body responsible for distributing funds raised by the National Lottery for good causes, including an international grants programme tackling the needs of the most disadvantaged communities in developing countries.

Big Lottery funding to CSOs

The Big Lottery's International Programme 2010-2015 made up to £80 million available for the work of UK-based organisations in developing countries.

What does DFID fund?

Global Poverty Action Fund (GPAF)

A demand-led fund for projects focused on service delivery in support of poverty reduction and the most off-track MDGs in poor countries, the GPAF replaced CSCF as a main channel of support to small and medium sized UK-based CSOs.

Following a review, the scope of the fund was broadened to include empowerment and accountability, and work on conflict, security and justice.

All 2010-2013 funding has been allocated, and 100 projects have been mobilised. DFID is reviewing the fund in preparation for a relaunch in 2014-2015, and is planning an interim funding round of £20m in 2013-2014, with a focus on livelihoods and jobs.

- See boxes on page 4

Girls Education Challenge Fund

A multi-window competitive challenge fund, aimed at non-government organisations, including NGOs and businesses. Worth up to £355 m by 2015. Aimed at increasing the number of marginalised girls of primary and lower secondary age who are in school and getting a good quality education.

Three funding windows: step change projects, innovative projects and strategic partnerships. Awards announced in 2013, not currently open for new applications.

Building resilience and adaptation to climate extremes and disasters programme (BRACED)

A disaster risk reduction programme launched in 2013, for consortia working in the Sahel and selected DFID focal countries at most risk of climate extremes.

UK Aid Match

A demand-led fund that matches public donations to UK appeals for poverty reduction projects in developing countries. The £120m fund runs from 2013 to 2016, and has two grant rounds per year including £1m per round for small organisations.

Partnership Programme Arrangements (PPAs)

Awarded through an open, competitive process, a PPA provides unrestricted funding to key CSO partners, linked to a set of agreed strategic level indicators. All PPAs for 2011-14 were awarded, and recipients were invited to apply for a two year extension from 2014-2016. There will be no more PPA funding rounds before 2016.

Humanitarian Response Funding

Funds allocated in response to specific humanitarian emergencies through CSOs, the UN and the Red Cross organisations. Pre-qualified partners are eligible to apply for the Rapid Response Facility straight after a disaster or emergency.

Funding from DFID country offices

A number of civil society funding schemes run at country level. Some information is available on the funding pages of the DFID website.

GPAF at a glance: Community Partnerships window

- Grants of up to £250,000 for projects lasting up to three years
- No match funding needed
- Total available annually £4 million
- Max 2 grants per CSO

How to apply

Two stage application process:

- Four page concept note
- Interview stage for applications where clarification is needed to go to Stage 2

What to apply for

- Poverty reduction linked to MDGs
- Off-track MDGs are the priority
- Reducing poverty at community level
- Innovation welcomed, but not essential

Where projects can be set up

- List of countries is updated for each round

Who can apply

- Small UK-based CSOs (average income less than £1m for the past three years)

When to apply

- Keep watching DFID and Bond websites for information on funding rounds and deadlines
- Join the Bond Funding Working Group for updates
- Two funding rounds per year
- See links on page 9

GPAF at a glance: Impact window

- Grants between £250,000-£4 million for projects lasting up to 3 years
- CSO to provide at least 25% match funding
- Total available annually £36 million
- Max 3 grants per CSO and 6 grants per international family

How to apply

Two stage application process:

- Four page concept note
- First two columns and activity log of the DFID Logical Framework Template
- Maximum 3 concept notes per round
- Interview stage for applications where clarification is needed to go to Stage 2

What to apply for

- Poverty reduction linked to MDGs
- Off-track MDGs are the priority
- Delivering results at scale
- Innovation considered

Where projects can be set up

- List of countries is updated for each round

Who can apply

- Medium sized UK based CSOs (not defined but not recipients of PPA)
- Locally registered CSOs in DFID focus countries (see DFID website)

When to apply

- One funding round per year – announcements on DFID and Bond websites
- See page 9

What does the EC fund?

NB The EU's new seven year Multiannual Financial Framework will come into force in 2014. It will introduce a new Partnership Instrument and curtail bilateral aid to middle income countries. However, projects under the horizontal thematic instruments will still receive funding.

The EU funds international development through the European Commission, mainly through its EuropeAid office. The EC has a range of different funding instruments (its term for funding mechanisms).

EC Horizontal (thematic) Funding Instruments

European Instrument for Democracy and Human Rights (EIDHR)

Frequently used by CSOs, as it has a range of opportunities, including Country Based Support Programmes (CBSS) for Human Rights work.

Instrument for Stability

Crisis response and prevention.
Limited opportunities for CSOs.

European Humanitarian Aid Instrument (ECHO)

CSOs negotiate an ECHO partnership agreement enabling them to rapidly apply for funds when emergencies arise. DIPECHO is a fund for Disaster Preparedness, open to CSOs.

EC Geographic Funding Instruments

The Pre-Accession Instrument (IPA)

Financial assistance to official and potential candidate countries wishing to join the EU. Mostly disbursed

through government, but there are limited opportunities for CSOs.

European Neighbourhood & Partnership Instrument (ENPI)

Funds for the EU's near neighbours and borders, mainly disbursed bilaterally through government.

European Development Fund (EDF)

The bedrock of EU cooperation with 79 African, Caribbean and Pacific (ACP) countries, based on the Cotonou Agreement. It works in five year rounds, currently the 10th EDF which entered into force in January 2008. Funding priorities per country are defined in Country Strategy Papers and National Indicative Programmes. There are limited opportunities for CSOs as funding is basically EU to government.

Development Cooperation Instrument (DCI)

Funding to governments in Latin America, the Middle East, Asia, Central Asia and South Africa. Most importantly it also covers the five thematic programmes through which CSOs tend to get most of their EC funding:

- Non-State Actors and Local Authorities (NSA LA) in development - focus on civil society actors and actions
- Food Security – development of food security (food aid comes under humanitarian aid)
- Investing in People – includes health, education, gender, children's rights, culture, and employment
- Environment and sustainable management of natural resources
- Migration and asylum

EC funding at a glance

The EC awards grants through the Call for Proposals system – a competitive submission procedure.

For information on Calls for Proposals see the EuropeAid tender webpage, and for country specific calls check the website of the EU delegation as well.

See page 9

When to apply

Calls for Proposals can be published at any time of the year.

It is possible to get some advance warning on the publication of Calls for Proposals for Thematic Programmes in the Annual Action/Work Programme (from the link on the right hand side of the EuropeAid funding webpage).

See page 9

What to apply for

The Guidelines to each Call for Proposals will give the basic information on thematic criteria, size of grant, how long projects can last, who can apply and partnership arrangements. It is impossible to generalise.

How much to apply for

The EC (with rare exceptions) does not fund 100% of a project.

Percentages of match funding required for co-financing vary, although generally the EC will fund at least 75% of a budget and often more.

10% of funding is always held back until the final report and audit have been approved.

How to apply

Two step process (known as a Restricted Call)

- a four page concept note
- full proposal, budget and logical framework

The EC says that it tries where possible to issue Restricted Calls.

One step process (known as an Open Call)

- All documentation required in one go – concept note, full proposal, budget and logical framework

PADOR

On-line registration system for potential applicants. All applicants must be registered on PADOR before they submit a proposal.

Co-applicants and affiliated entities must also eventually be registered.

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Who can apply

- As an applicant, you must have a track record of at least three years experience in the field/sector for which you are applying. At full proposal stage, you will be expected to prove this with summary examples of projects you have implemented which are similar to the one you are proposing
- EU-based CSOs are usually (with exceptions) expected to work with partners in-country
- Almost all EC funding mechanisms are open to applications BOTH from EU-based organisations and from the countries of implementation

What does Comic Relief fund?

Comic Relief's International Grant making strategy is based on seven goals (of which you can choose up to three):

- Health
- Education*
- Women and girls
- Slum dwellers
- Children and young people at risk*
- People affected by HIV*
- Trade, enterprise and employment

*Sport for Change is not a separate funding stream but an approach you can adopt under these three goals.

You can select up to five out of 21 programme outcomes, arranged under five themes:

- Better futures
- Healthier finances
- Safer lives
- Stronger communities
- Fairer society

There are three funding approaches:

- Generating ideas – for small and diaspora organisations
- Implementing and adapting
- Achieving scale – by invitation only

90% of funding will be in Africa, principally sub-Saharan Africa. All non African funding will be by invitation, and only for Education and Children and young people at risk.

Most funding will be social development grants. There will be some social investment funding for Health and all funding for Trade, enterprise and employment will be social investment grants, loans and blended finance.

NB Comic Relief and DFID have not yet finalised a new Common Ground Initiative for small and diaspora organisations.

Comic Relief at a glance

- Only UK registered organisations can apply, including charities and community interest companies.
- There is a strong emphasis on partnership, due diligence and organisational development.

How to apply

Generating ideas: One stage process

Implementing and adapting: Two stage online application process:

- Stage 1: summary application including budget template
- Stage 2: full proposal including budget template, organisational development plan template (for small and diaspora organisations or for building your partners' capacity) and MoU with partners. You can apply for support to design your monitoring, evaluation and learning framework

How much to apply for

- Generating ideas: up to 10,000 over six months
- Implementing and adapting: likely to range from £250,000 to £800,000 over three to five years, but there's no upper limit
- Comic Relief will consider 100% in justified circumstances but expects some match funding
- Comic Relief won't fund less than 25% of a project

When to apply

- Check the Comic Relief website
- You can apply for one project per funding cycle, though you can hold more than one grant at once
- See page 9

What does BIG fund?

The Big Lottery Fund's International Communities programme to help disadvantaged communities overseas runs from 2010-2015, with a budget of £80 million.

BIG wants to fund projects that tackle the causes of poverty and deprivation and bring about a long-term difference to the lives of some of the most disadvantaged people in the world in the areas of:

- Primary education
- Health
- Access to land and use of natural resources
- Human rights
- Sustainable livelihoods for both rural and urban communities

BIG at a glance

- Project grants will be between £50,000 - £500,000
- Projects can last from two to five years
- Will support some capital costs, up to £50,000, but these should not be a major part of the project
- Stage 1 applicants can apply for up to £10,000 'development' grant to support business plan preparation.
- Stage 1 applicants can also apply for a £5000 organisational development grant, with a possible further £5000 after Stage 2.

Who can apply

NGOs and other voluntary and community sector organisations (including social enterprises) who are UK-based and work with independent, local partners overseas

How to apply

Two step process using the Big Lottery application form available from their website. Read their guide carefully before you start.

- Stage one application form (includes budget pages)
- Stage two application form and business plan
- Potential Stage One applicants strongly encouraged to contact helpline to discuss their applications.

What to apply for

All projects must address a number of cross-cutting themes:

- Diversity
- Participation
- Influencing opinion
- Capacity building and building alliances
- Collaboration and networking

Where projects can take place

- Africa
- Asia
- The Middle East
- Central and South America
- The Caribbean
- Parts of Eastern Europe

Projects that work in more than one country are eligible.

How much to apply for

BIG will consider 100% funding, or match funding.

When to apply

Quarterly funding rounds introduced from March 2013, to run to 31 March 2014.

Limit of two applications in assessment at any one time, only one stage 1 application at a time.

Applicants advised to submit to earlier deadlines than March 2014, as competition likely to be high for that round.

Before you start

A good funding proposal presents a convincing case for funding, meets all the donors requirements, and is true to its own aims and objectives.

Requirements

- Check the donor's criteria for their fund and show how your project fits. Such is the competition for funds that there is no point in submitting a project, however worthy, if it does not clearly meet the donor's priorities.
- Both DFID and the EC require a logical framework matrix as part of the full proposal. This can also be helpful in defining project outcomes as required by Comic Relief and BIG.
- Find out the criteria by which the donor will evaluate your project. They can often give clues as to how to present your project information in the best way.

Capacity

- Look at the minimum and maximum funding available. Do you have the management, financial and administrative capacity to manage such a grant? The donor will assess the annual turnover of your organization, your capacity and the size of grant requested.
- Can you find match funding and, in the case of the EC, do you have the capacity to advance 10% of the grant from your own funds?
- Look at the formats or requirements for proposal submission. Institutional donors expect a high standard of project planning and, at full proposal stage, a high level of detail. Do you and your partners have the capacity to plan and prepare a complex funding proposal?

Partnership

- Do you have a partnership with one or more independently established CSOs in the countries in which you will implement the project?
- Is this an equitable relationship based on shared project design, management, learning, monitoring and evaluation?

Donor websites

DFID

<https://www.gov.uk/browse/citizenship/international-development/development-funding-ngos>

EC

http://ec.europa.eu/europeaid/work/funding/index_en.htm

PADOR

http://ec.europa.eu/europeaid/work/onlineservices/pador/index_en.htm

Comic Relief

<http://www.comicrelief.com/apply-for-a-grant/>

BIG

http://www.biglotteryfund.org.uk/prog_international_communities

Find out more from Bond

Training courses

This guide will put you on the right path, but to really get to grips with the subject you need to attend:

- ***Fundraising from institutions: writing winning proposals*** with Rachel Haynes and María-José Pérez

This course is part of Bond's regular open programme of short training courses, which also includes:

- ***Putting together an EC project proposal*** with Angela James
- ***Managing EC contracts and reporting on EC grants*** with Angela James
- ***Project budgeting essentials*** with John Cammack
- ***Project planning using a logical framework approach*** with Jane Davies

bond.org.uk/learn

Funding pages

bond.org.uk/resources/funding

More How To guides

- ***Advocacy and campaigning*** by Ian Chandler
- ***Fundraising from trusts, foundations and companies*** by Bill Bruty
- ***Project budgeting*** by John Cammack
- ***The logical framework approach*** by Greta Jensen
- ***Monitoring and evaluation*** by Louisa Gosling

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