

How to guide



# How to fundraise from institutions

Essential information on UK/ European donors offering funding to UK NGOs



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## About Bond

Bond is the civil society network for global change. We bring people together to make the international development sector more effective. [bond.org.uk](http://bond.org.uk)

## Acknowledgements

This resource was originally produced for Bond by Angela James, Maria-Jose Perez and Rachel Haynes.

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How to fundraise from institutions, July 2017

Published by Bond, Society Building, 8 All Saints Street, London N1 9RL, UK

Registered Charity No. 1068839 Company Registration No. 3395681 (England and Wales)

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## Why apply?

Institutional donor funding for international development NGOs provides regular, reliable, year-on-year resourcing for high quality development projects. However, such funds are highly competitive.

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's Department for International Development (DFID), the European Union (EU), Comic Relief and the Big Lottery Fund.

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

## Why do they fund CSOs?

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

Donors see the strategic value of civil society as partners in development, and appreciate that they can have a reach and influence that government cannot.

### DFID

The Conservative Government published their UK Aid Strategy in 2015, with the following four main objectives:

- Global peace, security & governance
- Resilience
- Global prosperity
- Tackling extreme poverty

Value for money is a cross cutting concern across all of DFID's work.

### DFID funding to CSOs

The November 2016 DFID Civil Society Partnership Review announced £70m spending on civil society through four centrally-managed funding programmes for 2016/17:

- UK Aid Direct
- UK Aid Match
- UK Aid Connect
- UK Aid Volunteers

In addition, DFID provides funding to civil society through country and regional offices, and through successful competitive tendering.

### 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

In 2017, €257 million of European Commission (EC) aid was earmarked for non-state actors and local authorities. More funding is available from other budget lines and ECHO.

While Brexit may impact on the extent to which UK NGOs can access funding from the EU in the future, at the time of printing the Commission has stated that it is business as usual. See Bond's Report on the [Impact of EU Funding on UK CSOs](#) for more information.

### Comic Relief

Comic Relief is an NGO that has been raising funds since 1988 to help the poorest and most vulnerable in the UK and in Africa. Comic Relief is included in this guide because it is a significant donor that operates in a similar way to other institutional donors.

### **Comic Relief funding to CSOs**

In 2014-15, Comic Relief spent £58.7m 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 to good causes, including an international grants programme tackling the needs of the most disadvantaged communities in developing countries.

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

In 2016 BIG announced their new overall strategy for their programmes: Putting People in the Lead.

BIG's International Programme makes up 2% of their total programmes and is currently closed. It is expected to open during 2017 with a much narrower focus than previously.

The Programme is expected to provide £6-£10m per year to support disabled people to improve their livelihoods working through UK-based organisations.

Starting with a geographical focus on Tanzania and Uganda, BIG have indicated that they wish to fund work led by disabled people. A learning, adaptive funding approach based on a common theory of change is preferred. At the time of writing, BIG were planning to launch their new funding strategy in Autumn 2017.

## **What does DFID fund?**

### **UK Aid Direct**

UK Aid Direct aims to support civil society to deliver solutions to achieve sustained poverty reduction and to achieve the SDGs. The scheme is open and competitive, and is the main channel of support to small and medium-sized UK-based CSOs.

UK Aid Direct was relaunched in 2016, with a new fund manager, Mannion Daniels. During its first round, a total fund of £30m was available. There were two key focus areas: Impact Grants and Community Partnership Grants.

### **Small Charities Challenge Fund (SCCF)**

Under UK Aid Direct, Mannion Daniels are also managing the SCCF which seeks to support charities whose annual incomes is less than £250,000. Grants of up to £50,000 will be available to applicants who can strengthen grassroots development organisations working with the poor, vulnerable and most marginalised to tackle poverty and work towards achieving the SDGs.

### **UK Aid Match**

UK Aid Match provides match funding on public donations to UK appeals for poverty reduction projects in developing countries. The £120m fund previously ran from 2013 to 2016 with two grant rounds per year including £1m per round earmarked for small organisations. The fund was relaunched in November 2016 with a total of £40m available in the first round.

### **UK Aid Connect**

This new programme will “support coalitions of CSOs, think tanks, public, private and third sector organisations to help find solutions to current complex situations whilst tackling tomorrow’s challenges”. UK Aid Connect will support up to 15 programmes run by diverse consortia of southern and northern organisations over the period 2017 to 2021. For the focus areas each phase will focus on, see [this funding guide](#).

### **Common Ground Initiative**

Targeted at small and diaspora organisations, DFID have invested £12m for 2014-2019. See Comic Relief section for more details.

### **Global Innovation Fund**

A US\$200m multi-donor fund providing grants, loans and equity of between £30,000 to £10m for social innovations to transform the lives and opportunities of people living in poverty. It was launched at the UN General Assembly meetings in September 2014. Open to social enterprises, not-for-profits, and research and government agencies.

### **Humanitarian Response Funding**

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

### **Funding from DFID country offices**

DFID country offices continue to directly fund civil society programmes. These programmes “contribute to the delivery of the UK Aid Strategy, whilst responding to the specific priorities, needs and opportunities of that country”. Country offices lead on the selection of partners, and work with DFID central teams. Such programmes accounted for more than half of DFID's bilateral funding to civil society in 2014 to 2015.

For further DFID funding opportunities see their [International Development Funding portal](#).

## At a glance: UK Aid Direct

Three funding streams:

- Community Partnership Grants for smaller organisations
- Impact Grants for larger organisations
- Small Charities Challenge Fund

### How to apply

For the Community Partnerships and Impact Grant there is a two-stage, online application process, through an externally-managed dedicated [UK Aid Direct website](#).

- Concept note must include a Theory of Change and top level budget.
- Full proposal must include a logical framework, organogram, full budget and three references.

### Priorities

- Strengthening global peace, security and governance
- Strengthening resilience and response to crisis
- Promoting global prosperity
- Tackling extreme poverty and helping the world's most vulnerable

### Where projects can take place

- As with all Aid Direct grants, project must take place in the lowest 50 countries in the UN Human Development Index (HDI) and countries DFID considers to be of high or moderate fragility.

### When to apply

- One funding round per year is anticipated
- 2017 round closed for full proposals in April. Successful candidates were announced in July.
- Bond members can join the Bond Funding Working Group for updates.

## Community Partnership Grants

- Grants of up to £250,000 for projects lasting up to three years
- No match funding needed
- Max. two grants per CSO

### Who can apply

Small UK-based CSOs whose average income has been less than £1m for the past three years.

### Impact Grants

- Grants between £250k - £4m for poverty reduction projects lasting up to 3-5 years
- CSO to provide at least 25% match funding – the more matched the better
- Max three grants per CSO

### Who can apply

Medium-sized CSOs whose average income is less than £10m per annum for the past three years. These can be organisations registered in the UK or in one of the lowest 50 countries in the UN Human Development Index (HDI) or one of the countries DFID considers to be of high or moderate fragility.

## Small Charities Challenge fund

- Projects can last for up to two years in duration.
- Up to two grants per organisation can be granted.

### Who can apply

Any small-sized, not-for-profit UK registered organisation, with an annual income of £250,000 or less.

### When to apply

While there is no deadline for applications, the first review of proposals will begin from October 2017.

## At a glance: UK Aid Match

With a budget of £40m for the latest funding round, DFID has doubled their commitment to UK Aid Match.

### Objectives

- Support the achievement of the SDGs through financing civil society projects
- Provide opportunities for the UK public to engage with international development issues and have a say in how a portion of the international development budget is spent

### The mechanisms

- DFID will match all donations raised by successful CSOs during a three-month appeal to the UK public from £100k to a maximum of £5m
- Matched funds from DFID must be spent on a pre-agreed project. However, money raised by the public can be used for broader purposes within the scope of the appeal
- Max three grants per CSO

### Priorities

- UK Aid Match welcomes all applications that tackle poverty by addressing the SDGs
- For round 1 “some” successful proposals will focus on family planning, nutrition or ending modern slavery. However, these are not exclusive priorities.

### How to apply

Two-stage application process:

- Concept note, including communications plan
- Full proposal with logical framework, organogram, full budget, risk register

### Where projects can take place

- The lowest 50 countries in the HDI and countries of high or moderate fragility

### Who can apply

- UK-based international development NGOs who can run a public appeal raising at least £100k
- Applicants need to secure communications partners who can ensure at least 400,000 opportunities to view their appeal. See [DFID guidance](#) for more details.

### When to apply

- First round concept note stage closed on 31 January 2017
- Full proposal deadline for successful candidates was 26 April 2017
- Successful candidates were notified in late July 2017.
- Announcements of future rounds will be on [DFID Funding Pages](#)
- Bond members can join the Bond Funding Working Group for updates

## What does the EU fund?

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



## Thematic instruments and programmes

### Civil Society Organisations and Local Authorities (CSO-LA)

This is the main funding instrument for CSOs and is dedicated to strengthening the capacity of CSOs and LAs by improving governance and accountability. It focuses on: a) country level support for governance and development processes; b) reinforcing regional and global CSO networks and associations of LAs; and c) developing and supporting education and awareness-raising initiatives.

### Global Public Goods and Challenges (GPGC)

Flagship programmes: Environment and climate change; Food and nutrition security and sustainable agriculture and fisheries; Human development; Migration and asylum; and Sustainable energy.

### European Instrument for Democracy and Human Rights (EIDHR)

With global and country calls, this provides small grants for human rights defenders and a direct awards facility.

### Instrument Contributing to Stability and Peace (ICSP)

Peace-building and conflict prevention. Limited opportunities for CSOs.

## Geographic instruments and programmes

### Development Cooperation Instrument (DCI)

Provides funding to governments in 47 Latin American, Middle Eastern, Asian, Central Asian and South African countries. It includes two thematic programmes: CSO-LA and a new Pan-African programme. EU support will concentrate in 3 sectors in each country.

### European Development Fund (EDF)

The bedrock of EU cooperation with 79 African, Caribbean and Pacific (ACP) countries, based on the Cotonou Agreement. The 11th EDF will run from 2014 to 2020. CSOs can receive funding.

### European Neighbourhood Instrument (ENI)

Funds for the EU's near neighbours and borders, mainly disbursed bilaterally through government. Funding priorities per country are defined in Country Strategy Papers and National Indicative Programmes. There are opportunities for CSOs, particularly towards their involvement in democratisation processes.

### Instrument for Pre-Accession (IPA)

Financial assistance to official and potential candidate countries wishing to join the EU. Mostly disbursed through government, there are 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.

## At a glance: EC Funding

The EU introduced a new seven-year Multiannual Financial Framework in 2014 and awards grants through its Call for Proposals system. The new MFF has introduced other aid modalities, such as direct awards, and multi-stakeholder approaches.

For information on Calls for Proposals see [EuropeAid's Funding webpage](#) and for country specific calls check the website of the EU delegation as well.

### 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 in the Annual Action and Work Programmes. See the above website for more details.

### 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.

### How much to apply for

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%-20% of funding will be held back until the final report and audit have been approved.

## How to apply

The EC usually follow a two-step process known as a "Restricted Call":

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

Occasionally "open calls" are also issued, where all documentation is required together, i.e. the concept note, budget, full proposal and logical framework.

### PADOR

On-line registration system for potential applicants. All applicants must be registered on PADOR before they submit a concept note. Co-applicants and affiliated entities must be registered at full submission stage.

### PROSPECT

New electronic system for managing the application process. Increasingly, submission and management of a proposal is via this portal. You can access PROSPECT once you are registered on PADOR.

### 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 some 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.

See Page 10 for all website links.

# What does Comic Relief fund?

Comic Relief's vision is "A Just World Free from Poverty", where everyone is safe, healthy, educated and empowered. Comic Relief allocates funding under four programme areas:

- Investing in children and young people
- Empowering women and girls
- Improving health and wellbeing
- Building stronger communities

Funding initiatives are announced on the [Comic Relief Grants portal](#). Each initiative has its own criteria for eligibility.

Some funding initiatives are open, competitive calls for proposals (e.g. Common Ground Initiative).

Other funding initiatives, (e.g. Fighting Malaria, Improving Health) are by invitation only.

The Common Ground Initiative for small and diaspora organisations is run jointly with DFID. It is open to organisations with a turnover of less than £1m, or diaspora-governed organisations.

Most funding for international work will be in Africa, principally sub-Saharan Africa, however Comic Relief also fund work in a limited number of locations outside of Africa. Please check individual funding initiatives for more detail.

## At a glance: Comic Relief

- Comic Relief welcomes proposals from UK-registered organisations, or non-registered organisations with a signed constitution.
- Some funding initiatives are open to organisations registered outside the UK.
- There is a strong emphasis on partnership, due diligence and organisational development.

### How to apply

Application process is online through the [grants management system](#). The process will depend on the initiative, and will often comprise of a two-stage application, with:

- Concept note
- Full proposal with accompanying documents, including business case, budget, organogram, compliance and financial assessment, etc.

### How much to apply for

- This will vary according to funding initiative, so check the funding initiatives currently open.
- Match funding is not obligatory, however, Comic Relief usually expects applicants to find at least 25% of the costs of the project from match funding, and this must be confirmed before any grant is disbursed.

See page 10 for web links.

# Things to consider before you start your application

A good funding proposal presents a convincing case for funding, meets all the donors' requirements, and is backed by thorough and solid project design.

## Requirements

- Check the donor's criteria for their fund and show how your project fits. The competition for funds is so competitive that there is no point in submitting a project, however worthy, if it does not clearly meet the donor's priorities.
- Most donors require a Theory of Change and a logical framework matrix as part of the full proposal. These can also help you define project outcomes as required by Comic Relief and Big Lottery Fund.
- Look out for scoring grids or generic donor feedback on applications. Together with an understanding of the assessment criteria 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 organisation, your capacity and the size of grant requested.
- Can you find match funding and, where required, do you have the capacity to advance a percentage 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? Do you have in place strong partnership arrangements? These include due diligence processes, memoranda of understanding, etc.

# Donor websites

## DFID

[Funding finder](#) | [UK Aid Direct](#)

## EC

[Calls for proposals](#) | [PADOR Registration and Prospect](#) (follow the links from this site)

## Comic Relief

[Grants](#)

# Further support from Bond

## Training courses

To really get to grips with institutional fundraising, you should attend Bond's training on writing funding proposals for institutions.

Bond's regular [open programme of short training courses](#) covers a range of topics, including DFID grant writing and management, EC funding, commercial contracting, project budgeting and planning, and value for money.

## Funding pages

Bond regularly lists upcoming funding opportunities on its [website](#).

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