

Reflections on the way forward for OCHA's CBPFs and RhPFs and broader pooled funds

Overall considerations

- **NRC supports the use of pooled funds—in the broadest sense—to enable and sustain a principled response and channel funding to the best placed actor.** The system should increase funding to all pooled funds, paying particular attention to NGO-led funds (both international and local) that have shown promise and [where evidence suggests](#) they should be scaled up.
- **NRC recognises that local and national actors (LNAs), INGOs, and UN agencies all play an important, complementary and differentiated role in the humanitarian ecosystem** that is pivotal to ensuring quality services are delivered at scale, humanitarian principles are upheld, and policy changes stay rooted in and responsive to the realities on the ground. While these roles will have some generalities that apply across responses, roles are not immutable and will be context specific.

By the numbers

- **The target of 15 percent of all humanitarian funding would require CBPFs to absorb more than twice as much funding as they currently take in.** In 2024, HRPs¹ received USD 17.5bn. To meet the 15% target, CBPFs would have had to receive USD 2.6bn. In reality, they took in USD 1.1bn—less than half of what the target would require.
- **Reaching this target (or the other suggested targets of 33 or 50 percent) would necessitate a significant shift in donor behaviour and OCHA's capacity.** If we assume a similar level of funding in 2025, CBPFs would need to receive USD 2.2bn² this year. One target also proposes at least 70 percent of CBPF funding is allocated directly to LNAs. Bringing the above estimates forward, in 2025 CBPFs would need to allocate more than USD 1.5bn directly to LNAs. In 2024, CBPFs channelled USD 329m directly to LNAs—hence, a five-fold increase. We must collectively consider if this is realistic in the short term.
- **We support the proposal to increase CBPF allocations to LNAs—but it would be hard to happen in tandem with such a large-scale increase in funds channelled to CBPFs.** If CBPFs are going to simultaneously receive a doubling of funding *and* increase direct allocations to LNAs from the current 35 percent to 70 percent, CBPFs would need to significantly scale up staffing, systems, and processes to cope with these increases. This would require a significant investment and donors would need to provide OCHA the additional funding necessary to staff up their field teams to take on this work.
- **Are we putting the cart before the horse?** CBPFs play a key role in humanitarian response and can and should continue to do so. By working with back donors to reform their current approaches to be more efficient, localized, simple and accessible, they will be better prepared to achieve the objective of supporting the best-placed actor to provide a principled, timely and needs-based response. Recognising the importance of moving in this direction, we'd suggest further strengthening and refining the tool and increasing investments incrementally, rather than aiming for a doubling overnight.

¹ HRPs/HNRPs are a subset of the Global Humanitarian Overview (GHO), which also includes flash appeals, regional refugee response plans and other plans. In 2024, the GHO requirements were USD 49.5 billion. HRPs required USD 33.4 billion.

² HRPs/HNRPs in 2025 require USD 28.5 million. If funded at 52 percent, they would receive USD 14.8 billion.

Scaling smartly and strength in diversity

- **Pooled funds in all shapes and sizes are well placed as intermediaries—they have tailored systems and tools to support timely front-line responses and can strengthen local capacity and reinforce locally led action**, often more meaningfully and efficiently than single UN agencies acting as intermediaries with downstream, sub-contracting modalities. Pooled funds can also enhance and support donor and response coordination and should be used to support integrated responses.
- **The proposed scale-up—from approximately 6 percent of current funding to 15 or 33 percent—is ambitious and potentially a good long-term objective but is not without risks and cannot happen overnight.** Over-reliance on one mechanism can be risky as it presents a single point of failure. A wide range of funding instruments, including CBPFs as well as NGO-led crisis response mechanisms, can help distribute risk, ensure power sharing and promote a more inclusive, balanced, and responsive humanitarian financing system.
- **We're concerned about moving toward the lowest common denominator, where flexible and risk-tolerant donor funding gets lost when pooled with other risk-averse donor funds.** Backdonors must take a stronger approach to risk sharing to support and enable CBPFs to play the role of a strong intermediary.
 - Good practice: Through NRC's flexible programme-based funding from the Norwegian government, NRC is able to pass on the full flexibilities of our funding to LNAs in Nigeria through our Naija Ignite partnership facility. The flexibility of the funding allows us to partner with LNAs—including through capacity strengthening support—to broaden and localise the humanitarian response. **Flexible funding from backdonors to the intermediary is a pre-requisite to scale up local action.**
- **An independent evaluation of CBPFs, RhPFs, and CERF would be a prudent step to take prior to increasing investments in any one mechanism.** We'd also encourage donors to engage directly with LNAs and INGOs on the strengths and needed improvements of CBPFs to ensure they become the tool we need them to be. [Assessing progress against this 2019 evaluation](#) could be a good starting point.
- **We need to be careful not to inadvertently politicise or undermine the role of OCHA and the HC by giving them control of one-third (or more) of country-level funding.** Sitting on 33 or 50 percent of humanitarian funds in conflict-affected contexts—where OCHA and the HC are engaging on behalf of the humanitarian community with the government and de facto authorities—could be quite risky. Combining OCHA and the HC's responsibilities for humanitarian diplomacy, access negotiations, coordination, and upholding the principles with significant funding control may create tensions or perceived conflicts of interest. For this, the role of HCTs must be strengthened.

Investments in strengthening CBPFs: unlocking their full potential

- **Given that the proposed target would represent, at minimum, a doubling of funds channelled through CBPFs, there are important questions around funding source and scale-up capacity that need to be answered:**
 - Where will this funding come from? Donor allocations to INGOs, to UN agencies, others?
 - How will OCHA scale up its capacity to both intake and allocate this level of funding? Would this scale up come with a significant increase in cost?

- o What are the changes that CBPFs would make in the short-term to become more accessible, simplified, lighter, share more risk, and involve LNAs more fully in decision making bodies and governance? If these changes had not been possible previously, what has changed to make them possible now?
 - An update on where OCHA is in relation to the range of adjustments that it proposed at the January 2024 PFWG with the aim of enhancing partners' accessibility, either by simplifying processes or by enhancing the tools to support the development and management of projects, would be beneficial. The 11-point "Background document on enhancing accessibility to CBPFs" is attached.
- **To unlock the full potential of CBPFs to fund LNAs, we should look at complementarities with the CERF and other pooled funds.** Given that the CERF represents a funding modality exclusively accessible to UN agencies, CBPFs should ensure that allocations to UN agencies only occurs in extraordinary circumstances. CERF could also be open to pre-selected, low-risk, high-capacity INGOs, building on successful pilots in the past. Rather than focusing on renegotiating the UNGA resolution, this could happen through IOM- or other agency-supported channels. This would create a greater push for CBPF financing to be channelled to LNAs.
- **INGOs can continue to offer a practical solution to funding challenges when direct funding to capable local actors is blocked due to the political environment and rigid banking requirements.** In Myanmar, for example, where local organizations often cannot safely use official banking channels due to scrutiny and restrictions imposed by the State Administration Council, the CBPF has been able to channel funding through intermediary INGOs to LNAs for implementation. The CBPF is unable to transfer funds to foreign or private bank accounts—a significant limitation in Myanmar's context—and this rigid banking requirement effectively blocks direct funding to many capable local actors who have been forced to adapt their financial operations to survive in the current political environment. INGOs serve as essential conduits due to their greater risk tolerance and flexibility in being able to rapidly transfer resources to national partners while maintaining accountability standards.
- **Evidence-based suggestions and suggested areas for improvement are available,** including the recommendations [in this report](#); in OCHA's January 2024 PFWG background document (attached); and in the [NGO feedback collected by the NGO Platform Advisory Group](#).
 - o **One simplification is to capacity assess INGOs at global level, rather than in each country.** CBPFs could reduce due diligence assessments for INGOs at country level and instead assess global level policies and controls. This would free up CBPFs to focus on conducting capacity assessments with new partners and providing support to LNAs, to navigate the process.
- **CBPF rules must be further simplified, taking forward a 'people before compliance approach', and significantly increasing risk sharing.** Recipients are still spending considerable amounts of time to manage, rather than implement, funding. CBPF allocations need more flexibility in allocations and budgeting and a more realistic level of controls. In one context that turned into a full-scale war overnight, LNAs were being asked to provide tax invoices to CBPF, when at the same time the UN was calling for a 'no regrets' approach to their own operations. We need more equity and risk sharing, including from backdonors to CBPFs, to enable LNA action in line with the reset.

Localized, accountable, and needs based

- **NRC agrees on the principle of increasing CBPF allocations to local actors to the extent possible**, while maintaining a role for INGOs as and when relevant and needed. To a limited extent, and only in exceptional circumstances, should CBPFs allocate funds to UN agencies. We also support the CBPFs as a UN intermediary of choice—in most cases, CBPF's are a more efficient and cost-effective intermediary to channel funding to LNAs than UN agencies.
- However, **we caution against the suggestion to 'increase funding for CBPFs that prioritise allocations to LNAs'.** The system should instead reinforce the principle of **needs-based assistance in line with current reprioritisation efforts based on severity of needs, both within and across crises.** In a funding landscape where more and more people may be at risk of not receiving assistance, prioritising allocations to countries that meet a target based on the identify of an organisation undermines our commitment to the humanitarian principles and goes against the reset's efforts at reprioritising to meet the most severe needs.