

**MZLN**

*Do Good. Better!*

**FUNDING  
UPDATES FROM  
DONORS AND  
IMPACT  
INVESTORS**

Live Webinar



# MEET OUR SPEAKERS



**ELLEN BROOKS**

Director, Innovative Finance

IRC



**KARTHIK SUBBARAMAN**

Associate Partner

KOIS



**CHRISTIAN MEYER ZU NATRUP**

Managing Director

MzN Intl

A close-up photograph of a computer keyboard is shown on the left side of the slide. The keyboard has grey keys, and a prominent red key is labeled 'Withdraw' in white, italicized text. The red key is the focal point of the image. The background of the slide is white with a subtle pattern of small red dots.

**Beyond  
Grants -  
Donors are  
withdrawing**

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**Germany is likely  
to become the  
largest institutional  
donor soon**





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# Greater Role for **Multilateral** **Development Banks**



## **World Bank**

**Institutions like the World Bank  
are expanding financial capacity  
through innovative means**



## **World Bank Capital model**

**Reforms to its capital model will  
boost lending by an extra \$150  
billion over 10 years**



## **Donor Guarantees**

**They are also leveraging donor  
guarantees and private capital  
to crowd-in more funds for  
development**



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# Evolving Private Philanthropy Strategies

## More competition and tighter alignment

Donors in 2025 expect NGOs to tightly align their proposals with the donors' strategic priorities and the global agendas they support in face of declining budgets

## Rise of Blended Finance Models: Blended finance

Donors have made progress in deploying catalytic capital (concessional, risk-tolerant funds) to unlock larger pools of commercial investment

## Expansion of Social/Development Impact Bonds: Outcomes-based financing

## Growth of Impact Investing and ESG Capital

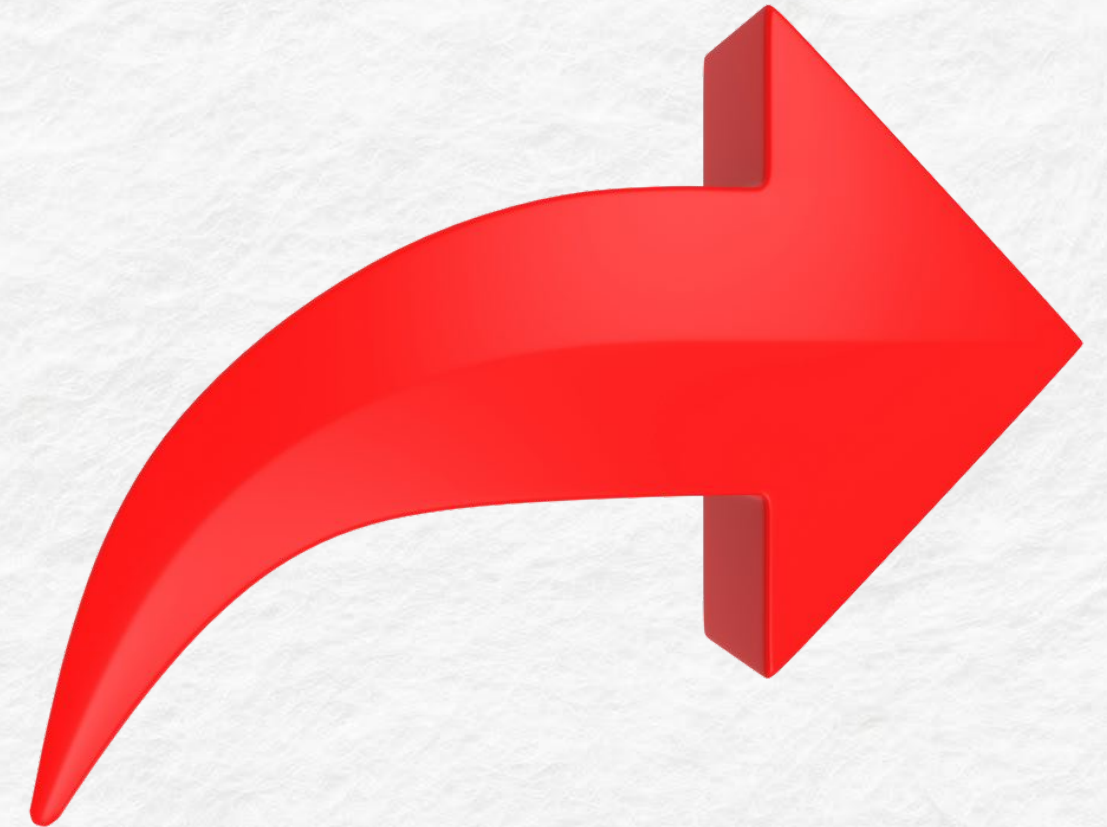
# KARTHIK, IMPACT INVESTMENT



**KARTHIK SUBBARAMAN**

Associate Partner

KOIS





MwSt

16.07

FUNDING

# Funding Updates

**Significant Reduction in Public Donor Funding:** Recent political and geopolitical shifts in the US and Europe leading to substantial cuts in foreign aid budgets.

In US, the dismantling of USAID affected 92% of its long-term contracts. Similarly, the UK has decreased its foreign aid from 0.5% to 0.3%.

**NGOs to Diversify Funding:** With traditional funding sources diminishing, NGOs have no choice but to innovate and seek alternative funding avenues.





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## Increased **Role of Private Capital:**

The reduction in public funding has opened opportunities for private foundations and investors to play a more significant role in financing social initiatives.

## **Necessity for NGOs to Innovate**

### **Operational Models:**

To attract private investment, NGOs need to develop revenue-generating activities that appeal to investors seeking both social impact and financial returns.





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# Three **Key Emerging Trends**



## **Emergence of Blended**

### **Finance Structures:**

Combining public, private, and philanthropic capital, blended finance structures are gaining traction as innovative funding mechanisms.



## **Private Sector Initiatives**

### **Supporting NGOs:**

Private entities are increasingly developing and supporting innovative financial vehicles to assist NGOs in achieving their missions.

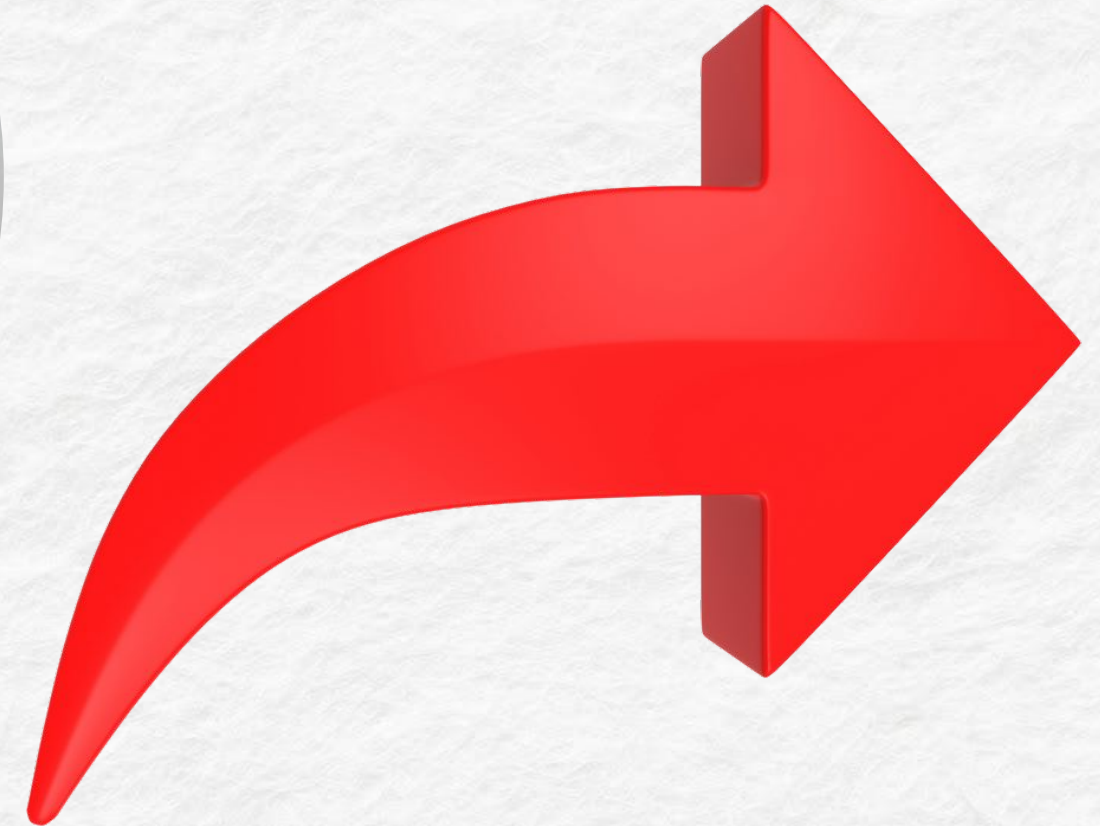


## **Integration of Technology**

### **in Operations:**

NGOs are adopting Artificial Intelligence (AI), blockchain, and data analytics to improve transparency, efficiency, and impact measurement. AI is being used for donor engagement, predictive analytics for fundraising, and optimizing resource allocation.

# ELLEN, DEFINING THE MARKET



**ELLEN BROOKS**

Director, Innovative Finance

IRC



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Gap for **humanitarian needs**:

New paradigm needed to

**unlock private capital.**

In 2024, the average annual funding gap was for humanitarian priorities: **\$40B USD**,

But the AUM of global capital markets **was over \$100T USD**



Investors lack market knowledge in acute contexts



Information asymmetries create uncertainty in risk assessment and effective implementation



Capital will not flow where there is a lack of information/knowledge



System change approach through partnership needed – how we define innovative finance at IRC

*Investors and Humanitarians have different, but complementary skillsets, that if leveraged together can create more sustainable, long term outcomes for frontline communities*

**IRC Innovative Finance provides investment implementation support through humanitarian-investor partnerships**

**Humanitarians**

Possesses deep humanitarian expertise over decades of solution implementation and results tracking, alongside our robust footprint in acute contexts



**Investors**

Possess significant capital & the desire to drive social outcomes, but lack experience & market knowledge to invest in acute contexts

**Humanitarian-investor partnerships**

Leverage partners' complementary skill sets & goals to de-risk humanitarian investments, closing implementation gaps and driving significant financial & social returns

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# BIG THANKS



**Get in touch!**

[www.mzninternational.com](http://www.mzninternational.com)

