Introduction

The gap between global humanitarian needs and available resources is widening, and crisis contexts continue to evolve. Investing in local action and local capacity has emerged as a key part of the solution to the challenges facing humanitarian action. As part of the Grand Bargain, governments and international organisations have committed to ‘increasing and supporting multi-year investment in the institutional capacities of local and national responders.’ The National Society Investment Alliance (NSIA) makes this commitment tangible.

Together, Red Cross and Red Crescent National Societies, the International Federation of Red Cross and Red Crescent Societies (IFRC) and the International Committee of the Red Cross (ICRC), have a unique ability to reach the most vulnerable people. Many National Societies are sustainable, independent humanitarian organisations, recognised and credible in their communities, and trusted partners delivering effective services. Others need investment in order to grow and reach their potential. Yet National Societies with limited capacities, or in situations of continual instability, can find it difficult to access the resources they need, and even accomplished humanitarian responders can struggle to mobilise investment in their organisational development.

The IFRC and the ICRC jointly manage the NSIA to provide substantial, multi-year support to National Societies, especially those in contexts with heightened humanitarian needs or risks. The NSIA helps strengthen the organisational development and capacity of National Societies so they can increase their impact.

The NSIA is now seeking resources to meet the demands of National Societies for investment in their sustainable development.
How the NSIA works

The NSIA is a simple, cost-efficient, and accountable funding mechanism for National Societies operating in medium to very high-risk environments as defined by the INFORM risk index. National Societies are encouraged to work with other partners in the Movement and beyond to articulate a robust organisational vision and to identify priority areas for investment. They provide the NSIA Office with evidence for their choices and outline how the investment will result in a sustained increase in capacity and sustainability.

The NSIA harnesses the Movement’s experience in organizational development and capacity strengthening. It is anchored in IFRC’s National Society Development Framework, which calls for holistic change driven by National Societies themselves. The IFRC brings its expertise in the development of relevant and sustainable domestic humanitarian organizations and capitalizes on its convening role to galvanize diverse expertise. The ICRC contributes its long experience of working in armed conflict and other situations of violence, including ensuring that National Society staff and volunteers can maintain access and remain safe and secure while delivering services.

The NSIA office works closely with ICRC and IFRC field staff to provide National Societies with support on contracting, monitoring, reporting, and raising concerns. A Steering Committee comprised of four senior representatives from the IFRC and ICRC oversees the fund, which is administered through the IFRC in line with international reporting standards. The Steering Committee has responsibility for strategic oversight, the funding strategy for each round, and the allocation of funds.

The NSIA offers support to help National Societies at different stages of their development:

**NSIA Accelerator**
- Purpose: long-term organisational development and sustainability.
- Period: 3–5 year investment plans, reviewed annually.
- Amount: CHF 1 million maximum.

**Bridge Awards**
- Purpose: develop National Societies readiness for future NSIA Accelerator or other investment.
- Period: 12 months.
- Amount: CHF 50,000 maximum.

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**STRUCTURE AND STAKEHOLDERS**

- **National Societies**
  - Plan & Implement
- **ICRC & IFRC Field Staff**
  - Liaison
- **NSIA Office**
  - Manages Pipeline & Portfolio
- **Joint Steering Committee**
  - Allocations, Strategy & Oversight
- **ICRC, IFRC & Partners**
  - Technical Support
- **Stakeholder Advisory Group**
  - Learning & Advice
FIRST ROUND FUNDING

National Societies made 48 applications during the first call for proposals, covering a variety of contextual challenges and organisational development needs. The NSIA Office consulted with IFRC and ICRC colleagues at the national and regional level, and with National Societies themselves, rating proposals against agreed criteria. In May 2019, the NSIA announced awards to ten National Societies, totalling CHF 1.5 million. The response to this first round both demonstrates demand and creates a pipeline of future investments.

NSIA Accelerator

Lebanese Red Cross—strengthening Planning, Monitoring and Evaluation (PMER) capacity, expanding digital communications, and developing fundraising capacity to raise more than 70% of its core services costs through local sources by 2023.

Ukrainian Red Cross Society—developing resource mobilisation capacities to help respond to the ongoing crisis in Ukraine and strengthen relationships with local communities.

Bridge Awards

Awarded to the National Societies in Armenia, Colombia, Comoros, Malawi, Namibia, Nigeria, Uganda, and Zambia.

Expected Outcomes

With the appropriate and sustained support of its funding partners, the NSIA can build a robust, cost-effective mechanism that increases the impact of National Societies. It can also help to demonstrate the positive potential of locally led humanitarian action. Support from its partners can help the NSIA:

01. enhance and secure National Society capacity for the rapid and sustained delivery of relevant humanitarian services at the national and local levels,

02. increase humanitarian impact and resilience at the community level,

03. increase institutional learning, knowledge-sharing and improve coordination of National Society development within the Movement and the humanitarian sector.

2019 MILESTONES

Building on the progress since the launch in 2017, and the outcomes of the first round of funding, the NSIA will complete the following in preparation for the 2020 round of proposals:

- onboard National Societies and complete the Working With Partners Project (WWPP) in the Lebanon and Ukraine,

- collaborate with the ICRC and IFRC at the field level to increase accountability and promote learning while ensuring National Society ownership,

- review first-round funding, and refine application and review processes to ensure continuous improvement, accountability and efficiency,

- establish a monitoring and evaluation framework led by National Societies, to measure progress and encourage learning and adaptation,

- share progress with key partners through an annual report outlining finances and activities,

- promote the NSIA through various channels, and with relevant policy processes, such as those associated with the “Grand Bargain” and the International Conference in December 2019.
2020 Funding

Financial contributions to the NSIA will support approximately five NSIA Accelerators and eight Bridge Awards in 2020.

**Indicative 2020 Funding**

- **Bridge Awards**: 30%
- **NSIA Accelerator**: 70%
- **Management Costs**: 10%

Investments will be structured to provide a pipeline for National Societies through Bridge funding to future Accelerator support. In addition to substantial support to National Societies, funds will be used to support a small NSIA Office, managing the day to day operations of the fund and ensuring the quality of the applications and selection process, while channelling the highest possible proportion of contributions directly to National Societies.

The NSIA will require new, flexible funding to increase its efficiency, reduce administration costs, and provide a predictable line of support to National Societies.

**SUPPORTING THE NSIA**

The NSIA is seeking at least **CHF 5 million** to provide vital resources to National Societies during the next round of proposals in January 2020.

To date, the NSIA has received generous support from the governments of Switzerland, the United States and Canada. Contributions to the NSIA should be made up of new funding that does not compromise existing donor and partner support to the Movement’s work.

NSIA will report annually to donors on the functioning of the mechanism, and implementation by National Societies, with a focus on demonstrating the impact of investments over time.

At this crucial juncture, we call on partners to provide the additional financial support needed to grow this approach to enhancing local capacity. Working together we can deliver on commitments made as part of the Grand Bargain, provide predictable support for the development of local humanitarian actors, and enhance the capacities of responders in some of the world’s most challenging contexts.