



The National Society
Investment Alliance

Smart Investment for Local Impact

National Society Investment Alliance

Guidelines for Applicants



These guidelines are for National Societies that are interested in applying to the National Society Investment Alliance (NSIA) for support for their medium and long-term development.

The guidelines apply to the 2022 round of funding and will be developed further in the light of experience and learning.

Document date: May 2022

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1. The National Society Investment Alliance

The National Society Investment Alliance (NSIA) is a joint initiative in which the IFRC and the ICRC work together and raise funds to invest in the medium and long-term development and strengthening of National Red Cross and Red Crescent Societies (National Societies).

Purpose and scope

The purpose of the fund is to invest in National Societies in medium, high and very high risk humanitarian contexts, to strengthen their capacity to deliver relevant and effective humanitarian services in their countries.

The NSIA will provide significant, flexible multi-year financing and support to enable National Societies to:

- enhance the relevance, safe access, quality and sustainability of their services
- strengthen leadership, governance and systems, ensuring accountability and transparency
- develop adaptive financial and business strategies and mobilise diversified resources to enhance organizational sustainability

The NSIA will facilitate access to expertise and technical support, and promote knowledge sharing and learning across the Movement and the wider humanitarian sector.

It will complement existing funding and capacity strengthening efforts undertaken by the IFRC, ICRC and National Societies, enabling recipient National Societies to plan and develop their organizations in a sustainable, holistic and coordinated manner.

The National Societies supported by the NSIA will be in the driving seat – planning, coordinating, implementing and learning from their own development. NSIA is aimed at National Societies and their leadership with the ambition to undertake change and take their organizations to new levels of performance and humanitarian impact.

2. Roles and responsibilities

The NSIA is governed and jointly managed by IFRC and ICRC according to the Memorandum of Understanding between the two institutions (signed in October 2017).

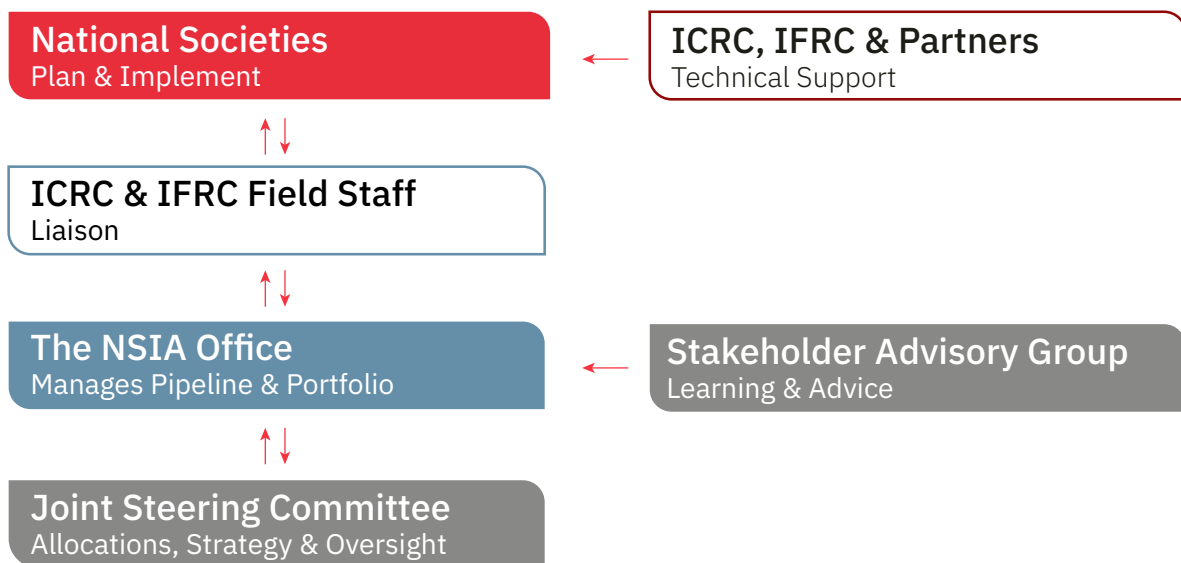
A **Steering Committee**, comprising four individuals, two senior staff each of IFRC and ICRC, has overall responsibility and strategic oversight for the Alliance. The Steering Committee agrees on a funding strategy for each round and decides on how the funds will be allocated.

A small **NSIA Office**, headed by a Fund Manager is responsible for the effective management of the investment fund, and reports to the Steering Committee. The NSIA Office also works closely with National Societies with the support of ICRC and IFRC staff in headquarters and in field structures, both in relation to the fund portfolio, and through the Stakeholder Advisory Group.

IFRC and ICRC field staff located close to the National Society receiving investment will have a **NSIA liaison role**. Such staff will support the NSIA Office in contracting, monitoring and reporting processes, and help ensure that any National Society concerns or questions are dealt with rapidly..

A **Stakeholder Advisory Group** of National Society representatives and external experts (as required) ensures continuous learning for the NSIA and wider National Society development approaches. It will advise the Steering Committee on improvements.

National Societies supported by the NSIA will develop and implement medium to long-term investment plans, sourcing technical support from partners inside or outside the Movement as needed and appropriate.



3. What funding and support does the NSIA provide?

The NSIA is open to all National Societies, but maintains a focus on those operating in medium, high and very high risk environments as defined by the independent INFORM risk index for 2022.

Funding is provided through two funding streams: multi-year Accelerator funding, and smaller Bridge grants to support National Societies in preparing for future investment.

Accelerator Funding for three to five-year investments plan for NS developments in National Societies

Accelerator funding is open to National Societies with a clear vision and plan for their organization's development over the next few years and who are looking for the investment to make it happen.

The funding will be provided on an annual basis for up to five years. The maximum funding for each National Society will be CHF 1 million over five years. The NSIA will support investment plans and budgets that are appropriate for the National Society's needs and absorption capacity.

Investment Plans should include processes and activities designed to strengthen key organizational areas that will lead to increased relevance, quality and sustainability of the National Society's humanitarian

services. This should take a wholistic view of the development of the organisation, but will likely focus on specific areas such as:

- Organisational vision and shared identity
- Governance, transparency and accountability
- Legal, statutory and policy base
- Auxiliary role and humanitarian diplomacy
- Leadership and management capacities
- Long-term programme/service design, quality and effectiveness
- Communications and partnership
- Volunteer and youth engagement
- Branch development
- Gender equality and diversity
- Resource mobilisation, including fundraising capacities and income generating activities
- Functional areas such as finance, admin, Human Resources, logistics, IT, safety and security
- Development, management and coordination of external relations

Proposals should include mechanisms and activities to support planning, monitoring, evaluation and learning throughout the implementation of the plan, including an annual national level learning meeting for Accelerator investments. A Guide for National Societies has been developed and is available to support National Societies in this area.

The investment plan submitted should fit with the National Society's existing strategic or development plan and build on current development initiatives. It should provide the basis for the National Society to coordinate and align support from its partners inside and outside the Movement.

To apply for funding, a National Society should be able to submit an evidence-based investment plan that has been widely discussed within the organization and fulfils the selection criteria for Accelerator funding (see section 6). If the National Society is not able to do this by the application deadline, then it should instead consider applying for a Bridge grant – see below.

Bridge Funding

Bridge grants of up to CHF 50,000 over 12 months will support National Societies to develop an investment plan for their development and increase their readiness to apply for the NSIA Accelerator or other sources of funding.

Support will be provided to activities that contribute to such broader objectives, for example:

- **Strategy development** – developing a shared vision and strategy involving internal and external stakeholders, reviewing the organizational model to deliver relevant and effective humanitarian services
- **Assessment** – carrying out an organizational self-assessment process such as OCAC, PER or SAF, or an assessment of the external context; carrying out a financial audit or a financial capacity and risk assessment such as IFRC's WWPP (see Section 5.4, risk assessment); or other types of assessment that are relevant to the purpose of the plan.
- **Business, resource mobilisation strategy and partnership development** – such as carrying out a market assessment for commercial/income generating activities, developing a detail and evidence-based business plan and financial model, or developing a resource mobilisation and fundraising strategy.

- **Strengthening critical capacity areas** or issues that affect chances of future investment for example, finance system development, improving governance, or a National Societies legal, statutory and policy base.

A Bridge grant can be used for related research and to test ideas that could be the basis of medium-term investment.

Bridge grant proposals should include mechanisms for planning, monitoring, evaluation and learning from the activities supported.

There is no guarantee that National Societies that have received Bridge funding to develop good quality investment plans meeting Accelerator funding criteria will automatically access Accelerator funding. However, it will maximize their possibilities of accessing other sources of funding.

What is not funded?

The NSIA will not support the implementation of ongoing operational activities, basic running costs, core costs, or any activities that will not clearly contribute to the longer-term sustainability of the National Societies capacities beyond the period of the NSIA investment. While salary costs are eligible, only National Society staff fully engaged in the implementation of the Investment Plan can be covered by the NSIA.

Overheads will only be covered where there is an approved and functioning cost-recovery policy which is in line with IFRC financial policies. Capital expenditure and related costs will only be funded if there is a clear benefit and the outcomes of the investment can be maintained after NSIA support finishes, for income generating commercial activities this should include financial projections with a defined break-even point. Proposals that seek funding to cover deficits, or which do not consider existing financial obligations will not be accepted

Technical support and accompaniment

Each National Society will define the technical support needed, and from where it wishes to source that support, be it from inside or outside the Movement. Any costs should be budgeted for in the proposal. The NSIA Office, working with relevant IFRC and ICRC field structures will help to identify support as requested. Support might include consultancy, expert advice, training and other learning mechanisms, peer-to-peer support, as well as coaching and mentoring for leadership (This is not an exclusive list).

The NSIA will also support National Societies to learn from their experiences, through learning activities included in National Society Investment Plans; and support to sharing of experiences with other National Societies in international learning exchanges.

As mentioned above, IFRC and ICRC field staff located close to each National Society receiving investment will provide support to the contracting, monitoring and reporting processes, and help with concerns or questions around the NSIA.

4. Integrity – an eligibility condition for NSIA support

The NSIA support will only be available to National Societies committed to the Fundamental Principles and to operating with a high level of integrity.

At a basic level, if a National Society is at the time of application an ‘integrity case’ being addressed by the IFRC Compliance and Mediation Commission (CMC) it will not be eligible for funding.

If existing integrity issues are identified at the time of the application, the Steering Committee will assess their relevance to the application, as well as the National Society’s leadership and management response.¹ The NSIA will consider funding if the issues have been or are being managed proactively, transparently and effectively; and safeguards are in place to avoid recurrence. The integrity of the National Society will be assessed and evaluated within the criterion of ‘implementation risk’.

¹ The International Federation defines integrity as “the degree of will and capacity of National Societies to act in accordance with their stated objectives, policies and standards in full compliance with the Fundamental Principles of the Movement”. Quote from the 2009 IFRC Policy on the protection of integrity of National Societies and bodies of the International Federation.

5. Applying to NSIA

The application process

The key stages and responsibilities in the application process are shown below.

1. Call for proposals

Invitation to eligible National Societies to submit completed applications to the NSIA Office, via the online portal accessible via www.nsia.fund.

2. Review of applications

The NSIA Office will determine the eligibility of the applications and review them against set criteria. It will use different approaches to assess the applications, such as review by IFRC and ICRC experts, field feedback from Movement actors, and interviews with the National Society leadership and technical staff.

3. Decision by the Steering Committee

The Steering Committee, advised by the NSIA Office and oriented by the overall investment strategy, will decide on the provisional allocation of funds based on the quality of applications and likely impact.

The Steering Committee may:

- accept an application or,
- propose support is given through the Bridge grant rather than Accelerator funding or,
- decide the NSIA is unable to support a given application at this stage

The decisions of the Steering Committee will be communicated to applicants and shared publicly. Constructive feedback will be given to National Societies on unsuccessful applications.

4. Due diligence and risk assessment (applicable only to the Accelerator funding)

National Societies whose application for Accelerator funding has been approved by the Steering Committee will be required to undergo a financial capacity review and risk assessment, using IFRC's Working with Project Partners (WWPP) process (unless they have already undertaken it). This will be financed by the NSIA, unless it has been included in a Bridge funding proposal. The NSIA agreement, conditions and funding modality will be adapted according to the results of this assessment.

Proposals which involve significant capital expenditure, or high investment in fundraising and resource mobilisation activities are likely to receive further checks prior to investment. These may be carried out by Movement experts or by external experts hired by the NSIA Office.

5. Agreement

Once the NSIA Office has confirmed the investment an agreement will be signed between the National Society and IFRC on behalf of the NSIA. This will confirm the terms and conditions of the investment, including reporting requirements and how NSIA will monitor and review progress.

How to make an application

1. Application

Applicants are asked to apply via the online portal, completing the application form and submitting all relevant supporting documentation.

In addition to English, applications in French, Spanish, and Arabic are accepted, and will be translated if shortlisted.

Note that the NSIA Office will communicate with applicants in English and French only.

The Application Pack is available at www.nsia.fund and includes additional information and notes on completing the online application form.

2. Mandatory supporting documents for applicants for Accelerator funding

Applications for Accelerator funding must include electronic versions of the following documents:

- **Financial information:** relevant available information on the National Society financial situation e.g. audit report or financial statements for the last two years; and conclusions of any financial management capacity assessment e.g. ICRC's financial assessment or IFRC's WWPP.
- **Assessment:** relevant organisational assessment directly related to the plan e.g. OCAC, SAF, PER, or similar process. This should give a clear description of the issues facing the National Society and its context, have been developed through a consultative process, and be endorsed by National Society leadership.

Proposals which involve significant capital expenditure, commercial ventures or large-scale fundraising should include relevant supporting documentation, for example Business Plan including financial projections with a defined break-even point, market research, or resource mobilisation strategy.

3. Other supporting documents

All applicants should include electronic versions of any material that show that they meet the application criteria and will help the NSIA Office to better understand their proposal, e.g. a Strategic Plan, Annual Report etc.

Support for developing applications

National Societies can approach the NSIA Office to access advice and support in thinking through their applications.

IFRC and ICRC field structures or external sources could also provide guidance and support. The best placed field structure will depend on the type of proposal and the expertise available.

Support to applications might include:

- Advice on the type of application (Bridge or Accelerator) and what should be submitted
- Advice on potential sources of technical support from inside or outside the Movement
- Help in thinking through the application.

While the NSIA Office, IFRC and ICRC field structures or external actors should be potential sources of advice and support, a National Society is responsible for drafting its own application. **The final application must be the work of the National Society.**

Discussion with partners

National Societies are encouraged to discuss their proposals with their domestic and international partners and look at how current and future support can be coordinated around their plans. Partners might, for example, provide technical support, support complementary activities or help scale up activities under the plan.

The Investment Plan can provide a frame for the National Society to coordinate and align support from its partners inside and outside the Movement.

6. How will applications be assessed?

Applications will be reviewed and assessed against specific criteria as outlined below.

All applications

- **Country-level Humanitarian Risk** – in 2022 the NSIA will only be accepting applications from National Societies operating in medium, high and very high risk environments as defined by the INFORM risk index. The risk environment will be reflected in the scoring of applications.
- **National Society Risk** – the assessment will also include an assessment of the underlying level of risk related to the National Society and how this relates to the specific risks of the proposed investment and its potential impact against the complexity of delivery, the capacity and of the National Society, and consequences of delay or failure.
- **Investment Impact** – analysis the potential impact of investment in a National Society over the long-term, with attention paid to whether and intervention will lead to measurable impact (humanitarian and/or financial), as well as the availability of other NSD funds and the potential catalytic effect of NSIA funds.

- **Governing Board and Senior Management Commitment** – Governing Board and Senior Management endorsement of the proposed plan and commitment to and ownership of its success.
- **Alignment with the goals of the NSIA – in supporting the medium- and long-term** development and strengthening of National Societies in order to deliver relevant and effective humanitarian services to communities in need.

Strong and credible National Society leadership, clear about the change it is seeking to bring about, will be central to successful investment proposals.

Accelerator funding applications

In addition, applications for Accelerator funding will be evaluated according to the criteria and supporting documentation described below:

- **Vision and Strategy:** plan fits with the National Society's existing strategic plan; a clear and shared vision on its development and future humanitarian impact
- **Quality of proposed plan:** a viable and realistic plan based on a thorough assessment of the National Society and its context, with clearly defined measures of success
- **Impact and Sustainability:** likely sustainability of the outcomes of the plan; likely potential to improve humanitarian impact (recognizing the challenges particularly in complex and high-risk environments)
- **Implementation capacity:** leadership and management capacity to implement the changes proposed, or plans to develop such capacity with a relevant technical support plan
- **Budget:** a realistic budget and cost-effective activities

Mandatory Supporting Documentation:

- Relevant **Organizational Assessment** (OCAC or similar), and link to proposal focus
- **Financial information:** relevant available information on the National Society's financial situation and financial management capacity assessment

Proposals which involve significant capital expenditure, commercial ventures or large-scale fundraising, particularly those involving investments of over 25,000 CHF, should include supporting documentation that backs up the proposed approaches.

See Section 5 "How to make an application" for more information on these mandatory supporting documents.

Bridge grant applications

Applications for the Bridge grant will be evaluated according to the following main criteria:

- Proposal is viable and realistic
- Proposal is built on a clear analysis of the organization's current development needs
- A realistic technical support plan with appropriate partner support is in place.
- Realistic budget and cost-effective activities
- Proposed process likely to lead to a good quality investment plan and readiness for future investment from NSIA Accelerator or other sources of funding.

Decisions will be guided by the scoring and associated information related to the criteria above.

7. Implementation

The National Society will be responsible for planning, implementation, monitoring, reporting and learning related to the development process supported through the NSIA. Each National Society receiving funding should identify a senior staff member to oversee implementation and provide an ongoing communication channel to IFRC, ICRC and the NSIA Office. In addition, each investment will be linked to designated ICRC and IFRC field staff acting as a link between the National Society and the NSIA Office. The staff member will provide support for the agreement, monitoring and reporting, and be the first point of contact for National Society questions. Terms of Reference for this role are available on the NSIA website and will be shared with relevant stakeholders.

Technical support

Each National Society will manage the technical support it identified and budgeted for in its approved proposal. The NSIA Office, working with IFRC and ICRC field structures, can help to identify support.

Monitoring and learning

National Societies will monitor, review and learn from implementation and adjust their plans and activities accordingly. Planned learning activities will include an annual learning event at national level. National Societies may also be invited to attend a global learning meeting to share experiences and lessons on implementation and on working with NSIA funding. The NSIA Office will work with successful National Societies on efforts to create a culture of learning and reflection.

Adapting investments to changing conditions

Under NSIA funding there will be flexibility to amend plans in accordance with learning from implementation or when necessary because of changes in external circumstances. Amendments will need to remain within the broad goals of the investment plan and be agreed with the NSIA office. They should be discussed with ICRC and IFRC liaisons, and the NSIA Office at the earliest opportunity.

Reporting

The National Society will be responsible for providing timely project financial and narrative reports. Narrative reporting will focus on the results and outcomes of the investment and on learning from the process.

Renewing Accelerator funding for subsequent years

The NSIA will organize a review of progress three months before the end of the funding year. Once the National Society has submitted a plan and budget for the next year, the NSIA Fund Manager will make a recommendation to the NSIA Steering Committee on whether to renew the investment. In its decision, the Steering Committee will consider the results from the initial investment, the quality of future plans, and adherence to NSIA conditions.

Transitioning from Bridge to Accelerator funding

The NSIA cannot guarantee that it will be able to support well-prepared investment plans developed through the Bridge grant. National Societies will be encouraged to use their investment plan to attract other sources of funding.

Evaluation

The NSIA may commission an independent external evaluation to assess the organisational and, if possible, humanitarian impact of each Accelerator investment. This will be carried out at the end of the investment plan in conjunction with the National Society, and made publicly available.

8. Further information

For further information please contact:

NSIA office

- **Online:** www.nsia.fund
- **Email:** NSIA.Office@IFRC.org
- **Tel:** +41 22 730 4424

IFRC and ICRC field structures

At country level:

- IFRC: Country Cluster Coordinator / National Society Development (NSD) delegate
- ICRC: Cooperation Coordinator / Delegate

At regional level:

- IFRC: National Society Development (NSD) Coordinator / Head of PSK
- ICRC: Supra Coordinator / Cooperation Advisor

9. Country risk environment

The tables below show the level of risk for different countries according to INFORM risk index for 2022 (mid-year). For more information on the index, please visit: <http://www.inform-index.org>

VERY HIGH RISK ENVIRONMENT			
Afghanistan	Central African Republic	Chad	Congo DR
Ethiopia	Iraq	Mali	Mozambique
Niger	Nigeria	Somalia	South Sudan
Syria	Yemen		

HIGH RISK ENVIRONMENT			
Armenia	Azerbaijan	Burundi	Burkina Faso
Bangladesh	Côte d'Ivoire	Cameroon	Congo
Colombia	Djibouti	Eritrea	Guinea
Guatemala	Honduras	Haiti	India
Kenya	Lebanon	Liberia	Libya
Madagascar	Myanmar	Mauritania	Pakistan
Philippines	Papua New Guinea	Korea DPR	Sudan
Sierra Leone	Turkey	Tanzania	Uganda
Ukraine	South Africa	Zimbabwe	

MEDIUM RISK ENVIRONMENT			
Angola	Algeria	Belize	Benin
Bolivia	Bosnia and Herzegovina	Brazil	Cambodia
Chile	China	Comoros	Dominican Republic
Ecuador	Egypt	El Salvador	Equatorial Guinea
Eswatini	Gabon	Gambia	Georgia
Ghana	Guinea-Bissau	Guyana	Indonesia
Iran	Jordan	Kiribati	Kyrgyzstan
Lao PDR	Lesotho	Malawi	Marshall Islands
Mexico	Micronesia	Moldova Republic of	Morocco
Namibia	Nepal	Nicaragua	Palestine
Panama	Peru	Russian Federation	Rwanda
Senegal	Solomon Islands	Sri Lanka	Tajikistan
Thailand	Timor-Leste	Togo	Tonga
Tuvalu	Vanuatu	Venezuela	Viet Nam
Zambia			

