U.S.–OCHA Reserve Allocation:

Operational Impact, Funding Quality, and Emerging Lessons

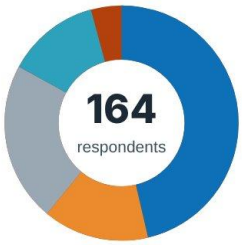
Findings from the Second ICVA–InterAction Survey, September–October 2026

PURPOSE AND METHODOLOGY

This summary provides key findings from the second ICVA–InterAction survey on the U.S.–OCHA Reserve Allocation.[1] The survey was designed to inform four objectives: 1) Assess the operational impacts of the first tranche of funding; 2) Examine partners' experience with OCHA's management of the funding; 3) Assess how OCHA's commitments to procedural changes for Tranche 2 were reflected in country-level practice; and 4) Explore potential broader implications of this funding model.

This second survey, building on one conducted in April, was distributed in English, French, and Spanish. International, national, and local NGOs and their networks were encouraged to respond, from country operations as well as headquarters. The survey was divided into two sections, with the first covering implementation by recipients of Tranche 1 funding, and the second seeking response for any organisations engaging in Tranche 2. Organisations which did not receive Tranche 1 funding nor engaged directly with Tranche 2 funding were invited to provide qualitative feedback on broader impacts of this funding model.

164 Respondents	**107** Organisations	**21** Countries



International NGO country office	46% (76)
International NGO headquarters office	15% (24)
National NGO (working in multiple sub-national regions of a single country)	22% (36)
Local NGO (working in one sub-region of a country)	13% (21)
NGO network or forum	4% (7)

OVERALL FINDINGS

- The funding delivered substantial operational value: Recipients reported that it maintained critical assistance and reduced needs among high-risk populations.
- OCHA acted on several Tranche 1 lessons, with respondents citing improvements such as longer implementation periods, incremental progress in localization and consultation, and better alignment with sectoral priorities.

[1] A full report will be available in November 2026.

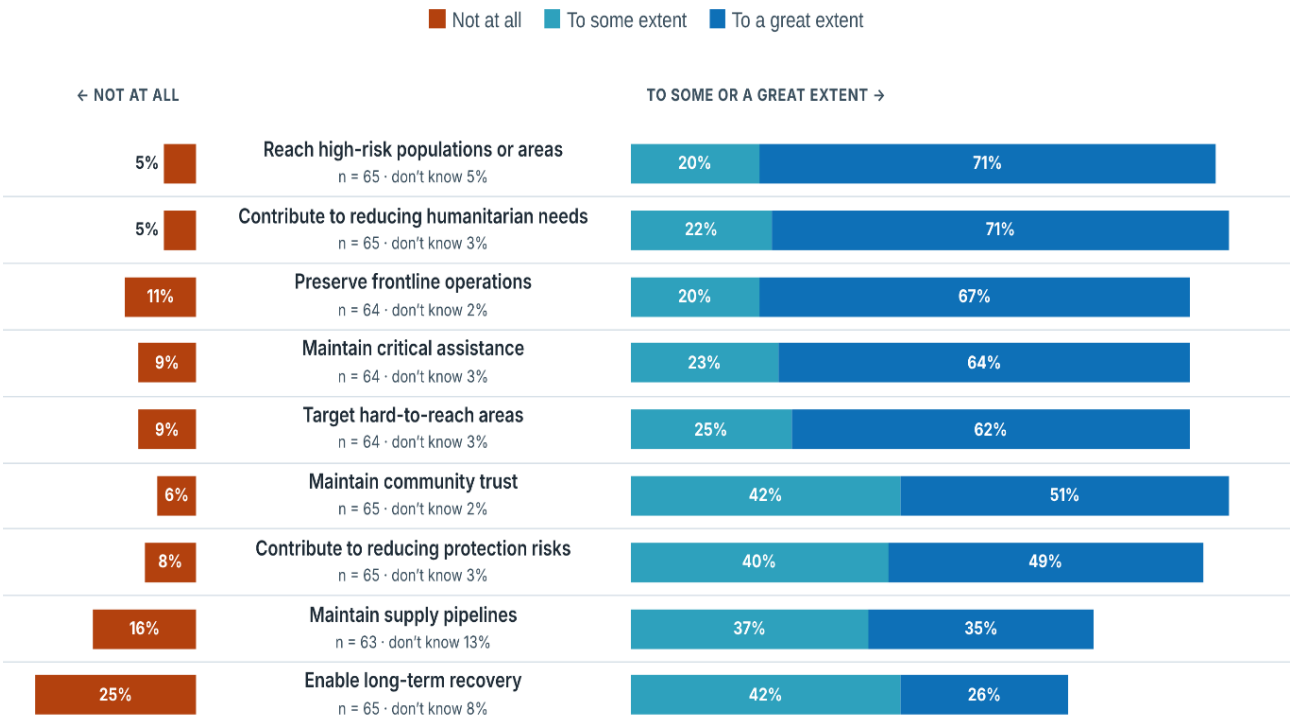
- Despite progress, key quality funding challenges persist, with short proposal and implementation timelines, gaps in cost coverage, heavy reporting requirements, and the absence of no-cost extensions shifting disproportionate financial and operational risks onto partners.
- Concerns also remained about the limits of localisation and the fairness and transparency of allocation decisions, reflected in perceptions of predetermined outcomes, perceived advantages for U.N. agencies, and inconsistent and unclear criteria for determinations of "best-placed actor."

TRANCHE 1 FINDINGS: STRONG OPERATIONAL RESULTS, BUT GAPS PERSIST

Operational Results and OCHA Management

Tranche 1 demonstrated the capacity of this mechanism to move substantial resources quickly to areas of greatest need, with strong operational results reported by recipients. Among Tranche 1 recipients, significant majorities reported that the funding contributed "to a great extent" to key operational outcomes: reaching high-risk populations (71%), reducing humanitarian needs (71%), maintaining critical assistance (64%), and reaching hard-to-access areas (62%).

***Survey Question**: To what extent has this funding enabled your organization to…?*

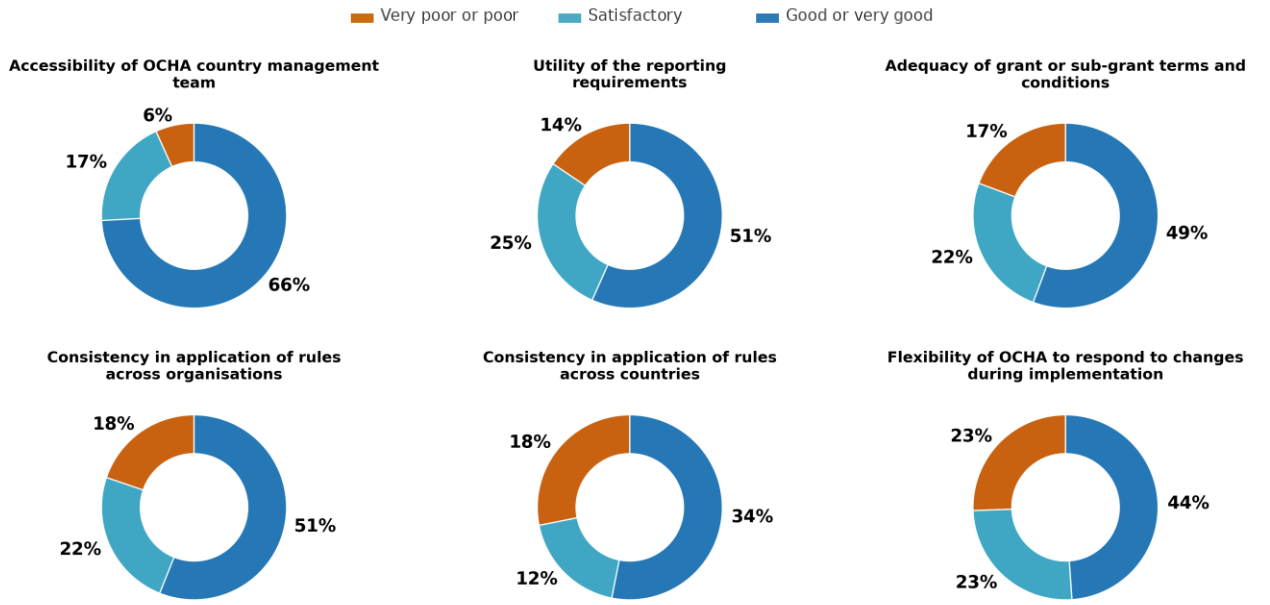


In addition to these operational results, NGOs reported a favorable experience with key aspects of OCHA's management of Tranche 1.

- **83%** of Tranche 1 respondents rated the accessibility of OCHA country teams as satisfactory or better.
- **76%** of Tranche 1 respondents rated the utility of reporting requirements and AIT teams as satisfactory or better.

Respondents receiving funding described OCHA staff as responsive, available, proactive, and willing to provide hands-on support when problems arose. They also noted clear guidance, timely feedback, rapid disbursement, practical support with revisions and amendments, and regular opportunities through AITs (Accountability and Impact Teams) and coordination meetings to identify bottlenecks and resolve implementation issues.

Survey Question: *How would you rate your experience implementing Tranche 1 of the U.S.–OCHA Reserve Allocation with regard to…?*



Ongoing Concerns on Funding Quality

Analysis of implementation of Tranche 1 identified a recurring set of funding-quality concerns, consistent with findings of the first survey.[2] Respondents highlighted inconsistencies in how rules were applied across funds and organisations, as well as limited flexibility from OCHA in responding to modifications or amendments due to operating conditions. Recipients also cited short implementation periods, incomplete cost coverage, heavy reporting requirements, and limited flexibility as persistent challenges limiting effectiveness.

- **Implementation timelines:** Most recipients considered six months too short for full implementation, particularly for larger grants, and sub-granting recipients. Activities requiring recruitment, community engagement, or operational set up noted this timeline as limiting. Almost half also cited the prohibition on no-cost extensions as a constraint in adapting to highly volatile operating contexts, noting this as a source of additional implementation risk.
- **Cost coverage:** 79% of INGO country office respondents who received Tranche 1 funding reported that implementation costs were not fully covered. Gaps in administrative cost coverage were cited most frequently, followed by staffing costs, support or indirect costs, and logistics and security costs. Respondents noted that their organizations covered these gaps through other donor funding, operational reserves, unrestricted resources, or making cuts to other programs.
- **Operational flexibility:** Flexibility during implementation was uneven. Some partners reported being able to adjust when conditions changed, while others described amendment and budget realignment processes as slow or cumbersome, limiting their ability to respond quickly to new operating conditions or emergencies.

[2] Tranche 1 analysis is informed by responses only from organizations that received Tranche 1 funding.

- **Risk:** A large majority of respondents (74% including NGO country and headquarters) reported risks associated with Tranche 1 grant conditions. The most common concerns were delivery timelines and staff well-being, followed by programme quality, compliance and audit risks, financial exposure, and security risks. These risks appear to be cumulative rather than isolated, with compressed timelines, uncovered costs, and intensive compliance demands compounding one another.

TRANCHE 2 FINDINGS: PROGRESS ON OCHA'S COMMITMENTS

Following feedback on Tranche 1, OCHA stated their intent to introduce procedural changes across 6 areas. These commitments served as the benchmark for assessing whether the announced changes were reflected in the design and implementation of Tranche 2 allocations at the country level.

Area	OCHA commitment	What respondents experienced[3]
1. Timeframe	Allow differentiated project durations, up to 12 months, based on urgency, activity type, and localisation objectives.	Longer timelines were welcomed, although some INGOs were still required to use six-month periods as a default planning period. The absence of NCEs remained a recurring operational risk.
2. Localisation	Increase L/NNGO voice, access to funding and funding quality through stronger governance representation, consultation, eligibility measures, and consortium approaches.	Respondents identified clear, if incremental progress: greater consultation, capacity development, and access to funding, especially through consortia. However, inclusion did not consistently translate into influence over final decisions; eligibility, capacity, access to information remained persistent barriers to access, and consortia opportunities were constrained by short time frames, among other factors.
3. Cost of delivery	Apply fair PSC sharing and ensure frontline partners receive full, reasonable direct costs.	The dominant concern was restrictions on key staff and management costs. Respondents said these rules shifted costs to other grants, forced staffing trade-offs and, in some cases, threatened consortium viability.
4. Allocation process	Preserve speed while allowing more time for consultation and proposals; improve transparency around partner selection and "best-placed actor" criteria.	OCHA staff accessibility and engagement were appreciated, but respondents noted concerns with limited access to information during the rollout of the second allocation, as well as very short proposal windows. Respondent questioned the transparency and fairness of the selection processes, citing perceptions of predetermined decisions and advantages to U.N. agencies that raised questions about the application of the "best-placed actor" criteria. Passporting of eligibility did not always function effectively. Sectoral and geographic targeting was viewed more positively overall.
5. Enabling services	Consider funding a wider range of enabling and coordination functions while keeping support proportionate.	Respondents provide little substantive feedback in this area.
6. Accountability	Maintain enhanced reporting and accountability requirements while streamlining reporting, reducing duplication, and adapting AIT arrangements where needed.	Reporting and compliance requirements were cited as burdensome for field teams. Respondents identified benefits, including stronger internal controls and useful information sharing through AIT processes.

[3] Tranche 2 analysis reflects respondents who engaged in the Tranche 2 allocation process, including the allocation strategy, application, and/or receipt of funding.

OVERALL ASSESSMENT AND IMPLICATIONS

Strong Operational Value and Progress in Funding Quality

The survey findings suggest that the OCHA-managed US contribution delivered substantial operational value and demonstrated some progress against stated commitments from Tranche 1 and 2. Recipients reported that the funding helped sustain critical assistance, reach high-risk populations, and address urgent needs. Respondents also pointed to meaningful progress since Tranche 1, particularly in localization, consultation, and the ability to request project timelines beyond 6 months.

Persistent Pressures on Partners

At the same time, however, the benefits of rapid, large-scale financing were often accompanied by significant quality funding concerns, including short timelines, incomplete cost coverage, intensive reporting requirements, and limited flexibility, leading to potential compromises in programmatic quality. Several concerns identified in the first ICVA-InterAction survey in May 2026 reemerged in the second survey, including limited transparency and inclusiveness in allocation decisions, high compliance demands without adequate resources to meet them, and continued gaps between stated localization goals and practice.

Broader Implications for the Humanitarian System

Respondents also raised broader questions about the system-wide implications of the model and how OCHA's growing role as a major fund manager could affect its neutrality and capacity as a convener at country level. There was also concern whether the approach is creating two tiers of attention across CBPF contexts, and whether it is narrowing the scope and ambition of humanitarian action.

Balancing Speed and Scale with Funding Quality

For the majority of respondents, the grant conditions of the U.S.–OCHA Reserve Allocation were not preferrable to standard CBPF grant modalities. After two allocations, the results of these two surveys indicate that if this funding mechanism is to continue, its long-term credibility will depend on whether speed and scale can be combined with improved funding quality, transparent and inclusive decision-making, a more equitable distribution of costs and risks, and continued investment in the approaches best suited to reducing long-term needs and the protection risks which drive humanitarian needs, including funding for local and national frontline respondents.