In Brief

DRC Humanitarian Fund

November 2020
On-going projects
(as of November 23, 2020)

110 projects currently under implementation
14 funded before 2020
96 funded in 2020

65 implementing partners
30 International NGOs
28 National NGOs
1 Red Cross (national)
6 UN Agencies

2020 Advisory Board composition

• Chairman: HC
• Permanent member: OCHA HoO
• 3 Donors, contributors to the HF
• 3 UN Agencies, members of HCT
• 3 INGOs, elected among the INGOs eligible for DRC HF funding
• 3 NNGOs, elected among the NNGOs eligible for DRC HF funding
• Observers: UN Women, in addition to other observers designated by the HC

Background
Officially launched in 2006, the Humanitarian Fund in the Democratic Republic of the Congo (DRC HF) is one of the 18 existing Country Based Pooled Funds (CBPFs) active in the world. Donor contributions to the DRC HF are un-earmarked. Since its inception, the Fund received more than US$ 1.2 billion from 13 country donors.
Throughout the years, the Fund has been a key funding mechanism addressing critical humanitarian needs aligned with the country Humanitarian Response Plan (HRP).
It has been used to sudden onset emergencies in a timely and efficient manner to (1) improve the humanitarian response by ensuring that funding is allocated to priority humanitarian needs through an inclusive and coordinated process; (2) strengthen the leadership of the Humanitarian Coordinator (HC) and support his coordinating role; (3) mobilize resources and support coordination in support of the HRP.

Governance & management
The DRC HF is a multi-donor humanitarian funding mechanism established by the Emergency Relief Coordinator (ERC) and managed by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) under the leadership of the HC. The governance of the Fund, its rules and regulations are developed in the Operational Manual in line with the CBPF global handbook. The DRC HF activities are carried out under the overall leadership of the HC, supported by the Advisory Board (AB) and the Humanitarian Financing Unit (HFU).

The AB is chaired by the HC and is comprised of UN agencies, INGOs, NNGOs and donors representatives. As the OCHA Head of Office is a permanent member of the Board, the HFU serves as the technical secretariat. The role of the board is essential in advising the HC on the fund’s strategic orientations, the allocation processes and the operational modalities applicable to implementing partners.
Since January 2020, the role and function of the Fund managing agent has been transferred from UNDP to OCHA. This implied major changes in the operational modalities of the Fund in terms of governance, eligibility, allocation process, contractualization, financial rules, monitoring, communication, and risk management.

To help prepare for the transfer of management responsibilities, OCHA has reviewed and updated the DRC HF Operational Manual to ensure its full compliance with Country Based Pooled Fund global regulations, including allocation processes and workflows, the composition of project review committees, and operational modalities and eligibility criteria applicable to partners. The revised version of the Operational Manual was rolled-out in April 2020.

Note: All projects funded before 2019 are still co-managed by UNDP and OCHA.

Eligibility & partnership
Funding is accessible to partners eligible to the Fund, including national and international NGOs, Red Cross movement organizations and UN Agencies.
To be eligible to receive HF funding, new potential partners must undergo a rigorous capacity assessment conducted by OCHA, to ensure they have the necessary administrative, financial and technical capacities to meet the Fund accountability standards and efficiently implement humanitarian activities. Those modalities are currently under review and will be rolled-out once approved by the AB.
Funding is channeled through partners that are best placed to implement priority activities in line with the agreed strategy and humanitarian principles in a timely and effective manner.

Allocation modalities
The Fund mechanisms must ensure accountable, flexible, effective inclusive, and timely allocations.
The HC allocates funding through consultative processes with Inter-Agency Standing Committee (IASC) country Clusters based on prioritized humanitarian needs. There are two types of allocation modalities:

1. Standard allocations: launched twice a year (if funding available) to support sectoral and inter-sectoral priorities aligned with the HRP;
2. Reserve allocations: launched on an ad-hoc basis to respond to unforeseen emergencies in the HRP.
2020 Allocations

The DRC HF continues to assist the most vulnerable populations by working together with its partners to address priority needs in an effective and targeted manner. In 2020, the HC launched five allocations amounting to $67.8 million:

- **April 2020** – the DRC HF allocated $10.2 million under the first Reserve Allocation to 18 partners, in response to the expansion of the COVID-19 epidemic in the country.
- **July 2020** – the HC launched a Standard Allocation of $49 million. While it was expected for the first quarter of the year, the timeline was delayed to ensure that the strategy is fully aligned with the revised HRP due to the COVID-19 pandemic and that restrictive measures do not disrupt potential interventions.
- **Between July and September 2020** – the process of three Reserve Allocations was triggered to respond to onset emergencies:
  - Two Reserve Allocations to meet emergency needs in Ituri ($4.4 million) and Nyunzu ($2 million) due to the deterioration of the humanitarian situations in recent months;
  - One Reserve Allocation ($2 million) to ensure an enabling environment for humanitarian interventions in Mbandaka, in complementarity to the declared response to the Ebola virus disease epidemic.

Due to exceptional circumstances in Nyunzu and Mbandaka, the HC decided to launch the reserve allocations processes and notified the AB post factum. The DRC HF, in consultation with the AB members and with the support of OCHA, does its utmost to ensure a strategic use of the Fund in order to maximize the impact of the resources.

**Supporting HF partners to stay and deliver in 2020**

Due to the COVID-19 pandemic and security unrest in several areas, HF partners encountered new obstacles impacting their project implementation, such as movement restrictions reducing community participation. Therefore, flexible arrangements were made available by the Country-based Pooled Funds, to enable partners to adapt their project duration as well as their activities to these exceptional circumstances.

Consequently, the HFU processed more than 70 projects revision requests of projects between March and September 2020. In addition, it is important to mention that the COVID 19 exceptional operational circumstances also impacted the timeframe of the HF allocation process.

**DRC HF - Accountability Framework**

An accountability framework is used to ensure transparent and accountable use of the DRC HF resources, which enables the HC to guarantee that: 1) partners are delivering intended programmatic results; 2) the DRC HF is managed with responsibility according to established policies and is achieving their main objectives.

The components of the accountability framework are:

1. **Risk management**: The DRC HF is guided by a risk management framework, currently under review.
2. **Partners capacity assessment and risk rating**: The Fund has a risk-based approach to grant management, which determines a partner eligibility and establishes its risk level fixing funding ceilings, monitoring and other risk mitigating measures. 
   *Note: The risk level and eligibility are subject to continuous tracking of the Partner performance (PP). The PP Index was updated for the 1st time in 2020.*
3. **Partners reporting and projects monitoring (financial and programmatic)**: The assurance activities are determined as per the risk rating of the partner. They aim to ensure that activities are taking place according to schedule and that resources are used according to the allocated budget.
4. **Audits (projects & HF)**:
   - All HF-funded projects are audited by an independent audit firm.
   - The HF is subject to the oversight and evaluation of the UN Board of Auditors (BoA) and the Office of Internal Oversight Services (OIOS).
5. **Evaluations of the HF**: an external evaluation of the Fund is conducted by an independent entity. It focuses on the performance and the efficiency of the Fund as a humanitarian funding mechanism along with its objectives.
Strengthening the accountability framework of the DRC HF

Since 2019, several measures were taken by the DRC HF to strengthen internal prevention, control and oversight systems. While some measures were taken in anticipation and following the Managing Agent transfer from UNDP to OCHA, others were undertaken as part of on-going efforts to ensure that the Fund continues to adapt to operating environments, such as:

- A qualitative reexamination of eligible partners to the Fund was undertaken by the HFU and the PP index was updated. Consequently, the list of eligible partners was reduced from 228 to 126 organizations. Under the new managing arrangements, all partners completed their due diligence, their capacity assessments were examined and the risk level of 27 partners was updated.

- The HFU launched a financial survey focusing on the financial controlling mechanisms and tools of the eligible partners. The outcomes will be used to develop performance action plans per partner when relevant and to support the partners during their project implementation when needed.

- The role of the different stakeholders of the Fund has been reinforced, for the clusters and national partners.

- The Grant Management System (GMS) has been maximized to ensure transparency and tracking of the HF processes.

- The HFU has also ensured that assurance activities are performed according to the Operational Manual, with a regular follow-up. The HFU is working with the cluster coordinators to strengthen monitoring tools, guidance and capacity.

- The HFU has undertaken many actions to strengthen the capacity of partners. In 2020, the Fund organized an Induction training on Proposal writing (Programme and Finance), an exercise that benefited a total of 220 humanitarian workers from 116 partners (81 NNGOs). A series of targeted meetings were organized to ease communication and increase awareness on the operating procedures of the Fund.

- A free hotline has been set up in June 2020 to receive all types of complaints related to the HF processes and funded projects.

Going forward, the HF will review its accountability framework to include relevant recommendations resulting from the Operational Review report.

Reinforcement of the Fund’s approach to prevent PSEA

On 12 June 2020, the HFU launched a partner survey on Protection from sexual exploitation and abuse (PSEA), aiming at providing a detailed overview of partners readiness and capacity on PSEA. Jointly with the PSEA network coordinator, the HFU is analyzing the outcome of the survey and will formulate tailored recommendations for partners.

It is worth noting that since 2018, the DRC HF has contributed to reinforce the coordination and actions related to PSEA in DRC:

- In December 2018, the HC allocated $1.45 million to two projects implemented by UNFPA and Save the children, in order to reinforce the coordination mechanism and raise awareness among partners through workshops held across the country.

- In 2020, the Reserve Allocation for Mbandaka included $0.4 million to set up a PSEA coordination mechanism to support the EVD response in Equateur.

- Based on the current challenges identified and in order to strengthen the system in place, a new allocation on PSEA is under discussion and will be shared with the AB for feedback.

Challenges related to PSEA:

- Weak commitment from stakeholders and community engagement;
- Underfunding of awareness-raising and AAP activities;
- Weak response to EAS incidents in some provinces.

The HFU has improved its communication with partners regarding fraud allegations and PSEA. Partners have ensured a systematic reporting of incidents and allegations to the Fund management in 2020.