THE UKRAINE HUMANITARIAN FUND THANKS ITS DONORS FOR THEIR GENEROUS SUPPORT IN 2021

Credits
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The latest version of this document is available on the Ukraine Humanitarian Fund (UHF) website at www.unocha.org/Ukraine/about-uhf

Full project details, financial updates, real-time allocation data and indicator achievements against targets are available at gms.unocha.org/bi

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Front Cover
Triokhibenka village, Luhanska oblast, Government-controlled area, Ukraine. Tetiana is hugging her daughter. She lost her leg and hearing as a result of shelling in 2014. Credit: OCHA/Yevhen Maloletka

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**FOREWORD**

I am pleased to share with you the 2021 Ukraine Humanitarian Fund (UHF) Annual Report. This report reviews UHF operations and shows how the Fund was used strategically to address the urgent humanitarian needs of the most vulnerable people in Ukraine in 2021. It provides an update on the management and accountability of the Fund and a brief overview of results.

Around 3.4 million people required humanitarian assistance and protection at the start of 2021. Seven years of armed conflict pushed affected areas of eastern Ukraine into a large-scale protection crisis. Among the affected people, over 50% were women, and one-third were older people, often frail and with disabilities. Last year, Ukraine experienced the worst wave of the COVID-19 pandemic, with the number of cases surpassing 3 million nationally. The actual incidence rate was likely even higher as the level of testing and vaccinations remained relatively low compared to other European countries. For the people in Donetska and Luhanska oblasts who have been living surrounded by violence for many years, the effects of COVID-19 came on top of the conflict-related hardships, causing additional suffering. The security situation started deteriorating by the year’s end, pointing at a potential return to more active fighting in the areas already exhausted by conflict.¹

In 2021, UHF raised US$12.2 million in new funding, a 29 per cent increase compared with 2020. We are enormously grateful to the Governments of Canada, Estonia, Germany, Republic of Korea, Lithuania, Luxembourg, Norway, Romania, Sweden and the United States, as well as to the European Commission and private donors for their contributions. The UHF funds enabled us to support the priorities highlighted in the 2021 Humanitarian Response Plan, targeting critical humanitarian access gaps in non-Government-controlled areas (NGCA) and supporting efforts to bridge humanitarian and development activities in Government-controlled areas (GCA). In GCA, allocations supported education, child protection and mine action-related activities and provided transportation services in isolated communities to facilitate access of affected people to basic services. Over 136,000 people, including older people and persons with disabilities, living on both sides of the “contact line” received multisectoral life-saving assistance ranging from access to essential health services, shelter, food, agricultural and cash assistance to the development of life skills.

I want to acknowledge the efforts of our partners, the recipients of UHF funding — national and international non-governmental organizations and UN agencies, funds and programmes — and staff for their dedication and tireless work.

Last year, the Fund yet again proved its added value and comparative advantages by supporting the response efforts differing in scale, nature and location. Combining flexibility and strategic focus with its robust accountability system, the UHF supported collective prioritization, helped ensure timely allocation of scarce resources, enabled humanitarian interventions and ultimately strengthened humanitarian coordination, leadership and efficiency of response.

As parts of Ukraine continued to face active fighting, we showed the Fund’s added value in 2021 by placing additional emphasis on direct implementation and integration of response. Finally, the UHF remains one of the most effective ways for the public to directly support life-saving humanitarian relief in Ukraine. We count on the increased support of donors, which will allow us to reach more people in need of life-saving assistance in the coming year.

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1 This report covers 2021 only and does not cover the humanitarian impact from or response to the dramatic deterioration of the security situation following the Russian Federation’s invasion at the end of February 2022.

Osnat Lubrani
Humanitarian Coordinator for Ukraine
Triokhizbenka village, Ukraine. Valentyna and Petro are sitting in their yard. They have not seen their children for a long time due to ongoing hostilities.

Credit: © OCHA/Yevhen Maloletka

"UHF is one of the most effective ways for the public to directly support life-saving humanitarian assistance in Ukraine"

OSNAT LUBRANI
HUMANITARIAN COORDINATOR FOR UKRAINE
2021 in Review

HUMANITARIAN CONTEXT

Humanitarian situation in 2021
After seven years of armed conflict, humanitarian needs remained critical on both sides of the “contact line” – the 427km-long stretch of land dividing eastern Ukraine into Government- and non-Government-controlled areas (GCA and NGCA). The COVID-19 pandemic further exacerbated people’s needs and led to the introduction of severe restrictions on movement, decreasing livelihood opportunities, and pushing the already fragile health system to a breaking point. While the GCA significantly eased movement restrictions during the second half of 2021, requirements for crossing the “contact line” applied in NGCA continued to prevent people from enjoying greater freedom of movement and pose obstacles to accessing basic services, and social benefits and entitlements in GCA. Of the 2.9 million people estimated to be in need, 1.1 million people lived in the GCA of Donetsk and Luhanska oblasts, including over 133,000 internally displaced persons (IDPs), while over 1.6 million people resided in NGCA. In addition, 160,000 IDPs resided in other oblasts across Ukraine.

Among the most affected were older people living in NGCA, who used to cross to GCA regularly to access pensions. Ukraine continued to be one of the “oldest” humanitarian crises globally, with one in three people in need of humanitarian assistance aged over 60. In the meantime, humanitarian access remained seriously constrained, undermining the provision of principled humanitarian assistance, while the humanitarian crisis continued to be at risk of further politicization.

Additional challenges in times of COVID-19
The COVID-19 crisis had devastating effects on Ukraine, pushing the country to its limits. In November 2021, Ukraine experienced its worst wave of the pandemic to date, with a spike in cases and deaths. In mid-November 2021, the number of COVID-19 infections in Ukraine surpassed 3 million, and by the end of the month, over 85,000 deaths had been recorded, yielding a fatality rate of 2.3 per cent. In the conflict-affected areas, the pandemic has driven an already fragile health system to a breaking point. In November 2021, the occupancy rate of oxygen-supplied and intensive care unit beds stood at almost 71 per cent for Donetsk oblast and 66 per cent for Luhanska oblast (GCA), representing the highest occupancy rates nationwide, with 208,000 infections recorded. The situation in NGCA was reported worse, with hospitals reporting to have exceeded their capacity with a case fatality rate estimated at 9 per cent.

Economic context
As in many other countries, the effects of the COVID-19 pandemic on Ukraine’s economic growth have been significant. The National Bank of Ukraine (NBU) reported a decline of 4 per cent in real GDP in 2020. In conflict-affected oblasts, the unemployment rates have consistently been the highest nationwide since 2015, with 15.7 per cent in Donetsk oblast (GCA) and 16.6 per cent in Luhanska oblast (GCA), compared with a national average of 10.3 per cent by the second quarter of 2021. Rural households in the areas close to the “contact line” were hard hit by the difficult economic conditions, with 24 per cent reporting spending their savings, compared with 16 per cent for the combined rural and urban areas in Donetsk and Luhanska oblast (GCA).

Geopolitical situation
The prevailing absence of a political solution continued to bring uncertainty to the future of millions of people on both sides of the “contact line.” The ‘Normandy Format’, including France, Germany, the Russian Federation and Ukraine, did not meet throughout 2021, with elections in Germany and the Russian Federation bringing further uncertainty over the future of the negotiation process. Prior to the State Duma elections held in September 2021, the Russian Federation expedited the issuance of the Russian Federation passports to residents of NGCA. Some former NGCA leaders ran in the elections, successfully becoming members of the Parliament of the Russian Federation. Most of the actions agreed by the ‘Normandy Format’ during their Paris Summit (9 December 2019) have remained pending, with the opening of new entry/exit crossing points (EECPs) along the “contact line” for civilian crossing, new areas of disengagement, de-mining, and the Minsk Agreement’s political provisions still under negotiation as of the end of the year.
The Government implemented decentralization reforms in January 2021, resulting in a reconfiguration of administrative boundaries. The empowerment of the hromadas administrative units at the community level through the decentralization of power, resources and responsibility has been viewed as a welcome development and an opportunity to strengthen communities and local development. In Donetsk and Luhanska oblasts, responsibilities for public services and administrative functions were transferred from the raion level to local authorities at the hromada level and to the 19 Civil-Military Administrations (CMAs) along the “contact line.” Of the 103 hromadas in Donetsk and Luhanska oblasts, 72 are in GCA. The decentralization process risked disrupting essential services in GCA during its transitional phase, with concerns over long-term prospects. Once past its current transitional stage, it is hoped to enable a solid functionality of new local governance structures and enhanced service provision at the local level.

A new whole-of-Government IDP integration strategy for 2021 through 2024 was adopted on 28 October 2021, when the Cabinet of Ministers issued Decree No. 1364-p, adopting the "IDP Integration and Medium-Term Solutions Strategy until 2024 and the Operational Plan (2021-2023)". The Strategy is centered around six strategic aims, which outline challenges, key tasks and implementation indicators. All interventions shall flow from the policy, as opposed to the previous system of ad hoc responses. The focus of IDP integration will lie in medium-term solutions aimed at solving challenges in IDP housing, employment, social protection, access to education, health care, documentation and IDP participation in local decision-making.

The security situation declined throughout 2021, with a steady increase in the number of ceasefire violations despite the endorsement of the July 2020 strengthened ceasefire agreement. By late 2021, the number of civilian casualties had returned to pre-ceasefire levels, coupled with a general increase in tensions along the ‘contact line’ and along Ukrainian borders. The number of ceasefire violations in the conflict-affected areas increased by nearly 370 per cent, resulting in increased civilian casualties and damage to civilian infrastructure.

Ukraine remained one of the world’s most landmine/explosive remnants of war (ERW) contaminated countries, putting people’s lives at risk and impeding recovery, access to livelihoods and basic services. Ukraine ranked fourth after Afghanistan, Mali and Yemen in mine/ERW casualties in 2020. Civilian infrastructure continued to be affected by the conflict in 2021, with damage to water and gas facilities, as well as to schools. In 2021, schools were attacked at least 12 times, which is a disturbing reminder of the effect of the conflict on children. Water infrastructure was less frequently damaged than in previous years, yet disruptions in the water supply have continued to affect hundreds of thousands of people.

VISION STATEMENT

After seven years of armed conflict, humanitarian needs remain critical on both sides of the “contact line.” The COVID-19 pandemic led to restrictions on movement, primarily applied in NGCA, decreasing livelihood opportunities and pushing fragile health systems to a breaking point. In 2021, the “contact line” remained substantially closed, preventing hundreds of thousands of people from accessing basic services, social entitlements and benefits, as well as leading to further erosion of social cohesion of the once-united region.

The UHF reinforces the leadership role of the Humanitarian Coordinator, serving as a tool to support an improved, coordinated humanitarian response in conflict-affected Ukraine to save lives and protect people caught up in a humanitarian crisis. The UHF helps strengthen effective and principled humanitarian action focusing primarily on priorities outlined in the Humanitarian Response Plan (HRP), targeting critical gaps in humanitarian access in NGCA and supporting efforts to bridge humanitarian and development activities in GCA. The UHF enables localization and inclusion of local actors, who are often the first responders to the crisis. The UHF prioritizes accountability to the affected people in its allocations. The UHF encourages the participation of different stakeholders in governance, programming and implementation of humanitarian activities. The UHF prioritizes the most vulnerable, focusing on the needs of various vulnerable groups and expanding humanitarian access in conflict-affected areas. Finally, the UHF supports the Government’s ownership of the humanitarian response in coordination with development actors and strengthens national/local response capacity, especially in GCA.

2 Hromada means “community” and refers to the lowest administrative unit, which is a grouping of settlements and towns.

3 The full text is available at: https://www.kmu.gov.ua/npas/pro-shvalenya-strategiv-integraciy-v-af1364t
Launch of HNO and HRP for Ukraine. According to protection monitoring findings published by UNHCR, over 90 settlements along the ‘contact line’ in Donetska and Luhanska oblasts (GCA) experience **limited or no access to essential services** because of disrupted or non-existent transportation networks.

**COVID-19 restrictions** and limited work of EECPs, together with the inability to access social benefits and pensions, had led to 230,000 people with unmet food and livelihoods needs in NGCA. The COVID-19 pandemic-related closures, aggravated by damaged schools, have seriously limited access to education and restricted access to child protection services.

Increase in the number of operational partners in Luhanska Oblast NGCA from 4 to 6.

**Humanitarian and Development Peace Nexus workshop** was held in June. Commitment from Stakeholders in enabling the sustainability of response in GCA.

**Reserve Allocation** $2.4 million to address the needs of conflict-affected children living in NGCA and to support the provision of critical transportation services in isolated communities in GCA.

**Standard Allocation** $9.2 million to address the humanitarian needs of conflict-affected people through the provision of multisectoral life-saving assistance.
This report uses the number of people targeted as a proxy for the number of people reached and henceforth the term people assisted will be used. This approach allows for more timely global reporting as the final data on people reached only becomes available over a year after the allocation of CBPF funds. The reported outcomes will be available on the https://cb-pf.data.unocha.org/ and the CBPFs will continuously monitor if targets are reached.
Donor contributions

Donors continued to show trust and support for the UHF, depositing US$12.2 million between January and December 2021, on top of $3.6 million carried over from 2020. This represents 81.1 per cent of the UHF funding target, and 9.5 per cent of the funding channeled to the 2021 HRP. The generous funding enabled UHF to support humanitarian partners in implementing urgent and life-saving humanitarian activities in eastern Ukraine.

Contributions to the Fund increased by 28 per cent in 2021, from $9.5 million in 2020. Twelve donors provided contributions, with 77 per cent of the amount received from the following four donors (in order of amount given in donations): Germany, Canada, the European Commission and the United States. About 64 per cent of funds deposited in 2021 ($7.8 million) were made available by the end of April. In June, some 5 per cent of the total 2021 contributions ($0.6 million) were donated, and 31 per cent of all 2021 deposits ($3.7 million) reached the Fund during the last quarter of the year. Early and predictable contributions are crucial as they give stakeholders enough time to prioritize funds strategically and in complementarity with other available funding.

Donors' commitments and contributions in February and April 2021 enabled the Fund to allocate resources strategically and early in the year, in alignment with the 2021 HRP objectives. This enabled the Fund to allocate $2.4 million to launch the First Reserve Allocation and address the humanitarian needs of conflict-affected children living in NGCA. While in GCA, the allocation supported the provision of critical transportation activities in isolated communities. In July 2021, the Fund disbursed $9.2 million under the First Standard Allocation, focusing on the humanitarian needs of conflict-affected people through the provision of multisectoral life-saving assistance.

The UHF proved to be an essential and effective tool in addressing critical humanitarian needs in eastern Ukraine for different humanitarian donors. The overall contributions to the Fund between 2019 and 2021 reached $28.7 million from $7.05 million in 2019, $9.5 million in 2020, to $12.2 million in 2021.
**CONTRIBUTIONS TIMELINE**

- **February**: €5.4M
- **April**: €2.1M
- **September**: €0.6M
- **November**: €0.03M

**DONOR TREND**

- **Germany**: €2.4M (2021), €5.9M (2020)
- **Canada**: €1M (2021), €2M (2020)
- **Estonia**: €0.6M (2021), €0.03M (2020)
- **European Commission**: €1.1M (2021), €1.2M (2020)
- **Norway**: €0.7M (2021), €0.002M (2020)
- **Sweden**: €0.4M (2021), €0.002M (2020)
- **United States**: €1.0M (2021), €1.0M (2020)
- **Korea, Rep. of**: €0.4M (2021), €0.002M (2020)
- **Luxembourg**: €0.4M (2021), €0.002M (2020)
- **Bulgaria**: €0.03M (2021), €0.002M (2020)
- **Poland**: €2K (2021), €0.002M (2020)
- **Private donations (through UNF)**: €0.002M (2021), €0.002M (2020)
Donor trend

Some 95 per cent of funding to the UHF between 2019 and 2021 was provided by donors that contributed at least two times. Six donors (Germany, Norway, Luxembourg, Republic of Korea, Sweden and Estonia) have steadily supported the UHF since its establishment. Four donors (Canada, the European Commission, the United States and Lithuania) made their contributions two times between 2019 and 2021. This trend highlights the trust of donor countries in the UHF and its ability to finance humanitarian response in eastern Ukraine.

Germany became the top donor to the UHF in 2021 and increased its contribution to $5.9 million (compared with $4.5 million in 2020) through its multi-year commitment. Norway, Luxembourg and the Republic of Korea provided constant support in 2019-2021. Despite the decrease in its annual contribution to the UHF, Sweden has remained a constant, reliable donor to the Fund since its establishment. Canada continued to support the UHF after 2020 and doubled its contributions. Romania was the only new donor to the Fund in 2021. Lithuania and the United States renewed their contributions to the UHF after a one-year pause and provided the same level of support as they did the first time in 2019. Bulgaria and Italy had contributed in 2020. However, they did not renew their support in 2021. The UN Foundation (UNF) was among the UHF donors in 2021. The UNF channeled private contributions received through donation platforms and public fundraising campaigns administered through social media accounts, including the first online fundraising campaign conducted by OCHA Ukraine.

In 2022, the UHF will aim to increase the size of the Fund, working towards a target set by the UHF’s Advisory Board of $15 million in contributions, which represents 11.7 per cent of the total funding received against the 2021 HRP. The UHF will work closely with governments in donor countries to achieve this goal and counts on the continued support of national and international partners to further optimize the reach and impact of the Fund.

<table>
<thead>
<tr>
<th>DONORS WITH MULTI-YEAR CONTRIBUTION AGREEMENTS</th>
<th>Germany</th>
<th>2.4M</th>
<th>2020 - 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sweden</td>
<td>345K</td>
<td>2021 - 2022</td>
</tr>
</tbody>
</table>
Ukraine. Nine-year-old Masha stands in the entryway of her home in eastern Ukraine. Together with her mother, four sisters and a brother, Masha lives in an apartment in a partially destroyed high-rise building on the outskirts of town, just a few kilometres from the 'contact line'. Credit: © UNICEF/Aleksey Filippov
Allocations overview

STRATEGIC STATEMENTS

First Reserve Allocation: Support to conflict-affected children, mine action and access to essential services
To address urgent humanitarian needs in eastern Ukraine in the first quarter of 2021, in April 2021, the UHF released over $2.4 million for projects in NGCA and GCA. In NGCA, the allocation addressed the humanitarian needs of conflict-affected children in the areas of education, child protection and mine action and mine risk education. In GCA, the allocation supported the provision of critical transportation services in isolated communities, both to support vulnerable people with access to essential services and health professionals and emergency services with reaching isolated communities.

First Standard Allocation: Addressing prioritized needs on both sides of the contact line
To support the humanitarian response in eastern Ukraine, in July 2021, the UHF released over US$9.2 million to fund activities identified in the HRP and prioritized as critically urgent to support the most vulnerable. Almost 141,000 people, including older people and persons with disabilities, living on both sides of the “contact line,” and about 100 social institutions were reached with the funding. The allocation provided multisectoral life-saving assistance.

In GCA, the Fund prioritized projects that addressed humanitarian needs through community empowerment and the development of durable solutions. In NGCA, the provision of access to essential healthcare services, response to shelter and winterization needs, as well as improvement of living conditions were prioritized. Funding ensured the provision of food kits, agricultural and cash assistance, and educational equipment, as well as the development of life skills and access to community-based medical services.

2021 ALLOCATIONS

<table>
<thead>
<tr>
<th>Amount</th>
<th>Category</th>
<th>Launch month</th>
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</thead>
<tbody>
<tr>
<td>$2.4M</td>
<td>Reserve allocation</td>
<td>April 2021</td>
</tr>
<tr>
<td>$9.2M</td>
<td>Standard allocation</td>
<td>July 2021</td>
</tr>
</tbody>
</table>
ANNUAL REPORT
UHF 2021

ALLOCATION BY TYPE

2.4M Reserve allocations
$11.6M TOTAL ALLOCATIONS
9.2M Standard allocations

ALLOCATION BY STRATEGIC FOCUS

S01 Provide emergency and time-critical assistance and ensure access to basic essential services for 1.9 million people affected by the conflict (including 189,000 IDPs), exacerbated by COVID-19
S02 Respond to the protection needs and strengthen protection of 1.5 million conflict-affected people, including 189,000 IDPs, with due regard to international norms and standards
S03 Ensure an implementation of humanitarian exit strategy in GCA from 2021-2023

$7.5M S01
$1.8M S02
$2.3M S03

PEOPLE ASSISTED BY TYPE

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Host Communities</td>
<td>108,000</td>
</tr>
<tr>
<td>Other</td>
<td>68,000</td>
</tr>
<tr>
<td>IDPs</td>
<td>10,000</td>
</tr>
<tr>
<td>Returnees</td>
<td>2,000</td>
</tr>
</tbody>
</table>

PEOPLE ASSISTED BY CLUSTER

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>50,000</td>
</tr>
<tr>
<td>Protection</td>
<td>49,000</td>
</tr>
<tr>
<td>WASH</td>
<td>42,000</td>
</tr>
<tr>
<td>Education</td>
<td>24,000</td>
</tr>
<tr>
<td>Shelter/NFI</td>
<td>12,000</td>
</tr>
<tr>
<td>FSL</td>
<td>9,000</td>
</tr>
</tbody>
</table>

ALLOCATION FLOW BY PARTNER TYPE

$5.4M NNGOs
$4.3M INGOs
$1.9M UN Agencies

$11.6M Total allocations

$10.2M Direct implementation

Sub-grants
$1.4M NNGOs
$30k INGOs
HIGHLIGHTED ACHIEVEMENTS

PROMOTING LOCALIZATION
In 2021, the UHF continued to empower and capacitate local humanitarian actors pursuing the agreed Grand Bargain commitment on localization: “making principled humanitarian action as local as possible and as international as necessary.”

During the year, the UHF allocated 47 per cent of funding directly to national non-governmental organizations (NNGOs), compared with 34 per cent last year. In 2020, the Fund allocated 51 per cent of funding to international non-governmental organizations (INGOs), while in 2021, the Fund disbursed some 37 per cent to INGOs, which allowed for the allocation of additional funds to national organizations. In addition, to strengthen the technical capacity of local partners, UHF encouraged partnerships between NNGOs and INGOs that resulted in the improvement of financial efficiency and administrative operations of the former. In addition to the increased ratio of funded NNGOs, the increased number of partners, especially in NGCA, provides evidence of the success of localization and its consistent enabling. The gradual increase in funding of a very respectable set of local best-placed actors year-on-year shows that UHF is a leader in localization in Ukraine.

Building on the previous year’s best practices, localization was fostered in 2021 through different means, e.g., provision of all materials, including allocation strategies, in local languages (Ukrainian and Russian), providing all training and educational support not only in English but in local languages as well.

EFFECTIVE PROGRAMMING

KEY PRINCIPLES FOR INCLUSIVE PROGRAMMING

Strengthening Accountability to Affected Populations (AAP)
Through the cluster leads/agencies, the UHF continued to integrate cross-cutting issues on the centrality of protection, the inclusion of persons with disabilities and community engagement/AAP based on agreed strategies and existing Inter-Agency Standing Committee (IASC) guidelines.

Improved planning on AAP mainstreaming was reflected in project proposals. Activities included one-on-one interviews and group consultations with affected people during monitoring. Several projects established complaint and feedback mechanisms, and some projects leveraged community-based systems.

Promoting the Centrality of Protection
The UHF partner eligibility process ensures potential partners meet the minimum requirements of the Country-based Pooled Fund (CBPF) Accountability Framework and the Risk Management Framework. The Fund emphasized the Prevention of Sexual Exploitation and Abuse (PSEA) by ensuring all implementing partners have and operationalize SEA-related policies in their organizations. The UHF contributed to the centrality of protection in 2021 through $3.4 million, or 35 per cent of total funding, to protection projects.

Improving humanitarian access
In 2021, the UHF proved to be a critical tool to stabilize and improve humanitarian access.

As a direct consequence of UHF funding, there were notable improvements in access to NGCA because of an increase in the number of partners in that area, as well as thanks to the timely support to continue ongoing humanitarian operations (mainly in the NGCA of Luhanska oblast, where humanitarian activities’ implementation depends on receiving the so-called permission to operate from NGCA entities). UHF shored up the projects directly implemented by INGOs and UN agencies, which were particularly important to sustaining humanitarian access.

The flexibility of UHF funding was crucial for affected people’s access to basic services during the COVID-19 pandemic, including health care. For example, UHF has quickly and efficiently revisited the distribution of funds to cover needs in antigen tests in NGCA, where they had previously been difficult to obtain.

Overall, in 2021, all projects submitted for implementation in NGCA were required to describe how they would improve access. The Fund also included this criterion in the scorecards for the strategic review.
### SECTOR ACHIEVEMENTS

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>35K</strong></td>
<td>Women and children provided with access to protection services under international and national standards.</td>
</tr>
<tr>
<td><strong>100</strong></td>
<td>Social institutions supported and capacitated to ensure access of affected people to basic public services.</td>
</tr>
<tr>
<td><strong>70K</strong></td>
<td>People provided with access to improved water supply and sanitation conditions.</td>
</tr>
<tr>
<td><strong>42K</strong></td>
<td>People provided with access to essential healthcare and social services with focus on school children, pregnant women, persons with disabilities, and the elderly.</td>
</tr>
<tr>
<td><strong>12K</strong></td>
<td>Boys and girls in Donetska and Luhanska oblasts including at least 700 boys and girls with disabilities provided with access to safe and inclusive education.</td>
</tr>
<tr>
<td><strong>16K</strong></td>
<td>People provided with transportation support.</td>
</tr>
<tr>
<td><strong>5K</strong></td>
<td>People receiving NFIs including clothing, bedding sets and other essential items.</td>
</tr>
</tbody>
</table>
Lessons learned and best practices

Standardizing virtual monitoring
The political context of the conflict and the restrictions put in place in NGCA due to the COVID-19 affected the physical presence of the Humanitarian Financing Unit (HFU) to conduct monitoring operations in NGCA. To address this, the UHF, together with the cluster coordinators agreed on Standard Operating Procedures (SOPs) to conduct virtual monitoring visits in case physical visits were not possible. The Virtual Monitoring Visit's SOPs were presented to the Advisory Board on 21 May 2021 and endorsed. The Fund used this modality on two occasions in 2021, for projects implemented in NGCA Luhansk.

As a result, UHF ensured the proper delivery of assistance, received direct feedback from the affected people and assessed the quality of the aid distributed using digital means of verification through contacting a sample of project beneficiaries to confirm the receipt of assistance and the quality of service delivery. The information collected from the projects' beneficiaries has been used by the UHF as a means of verification and as a tool to inform the future allocations similar to physically visiting the project sites and engaging with the beneficiaries. In 2022 UHF will continue adapting this tool in the monitoring process for hard-to-reach areas and modify it based on the feedback received from the first round in 2021. The main challenges for affected people and implementing partners in this process are accessibility, understanding of operational principles and the possibility of direct contact with the monitoring team.

Despite the volatile security situation in the eastern part of Ukraine, the Fund managed to ensure physical access and monitoring of projects implemented in remote areas. The constant presence of the UHF partners in the field allowed access to hard-to-reach areas to assess needs and deliver an effective response. An additional positive outcome is an acceptance from the local population based on the implementation of AAP principles in the operations.
UHF supports lonely older persons living in the conflict zone

Anna, 89 years old, lives in the village of Nyzhnioteple, Luhanska oblast (GCA). For 36 years, she taught Russian and Ukrainian languages to school children. After her retirement, she lived a peaceful life, growing vegetables in her garden and taking care of her grandchildren and great-grandchildren. In 2014, when the conflict started in eastern Ukraine, the peaceful life she lived was shattered. She is left alone, as her relatives can no longer visit her every day as hostilities continue unabated in the nearby communities.

“I do not leave the house. I could have moved to my son, but I do not want my house to be unattended. I am scared that the fighting will start again, and my children’s homes could be damaged. It is better that I stay here. Maybe my children will need this house to hide from shelling,” Anna says in a voice full of sadness, pointing at the basement where all of them used to hide.

Since August 2020, Mariia, a social worker, has visited Anna twice a week to help around the house and keep her company. “I work with older people and people with disabilities. They need someone to help around the house and listen,” explains Mariia. “The children and grandchildren of those people left seven or eight years ago. Now, most of them cannot come.”

Mariia works at the social services centre established and supported by the Norwegian Refugee Council with UHF funding. The centre provides home care services for about 140 people like Anna.

“We are in touch with Mariia all the time. Mariia goes shopping, helps me pay utility bills and keeps me company. She also helped me sign the declaration with the family doctor so I can receive health-care services now,” Anna explains.
Fund performance

The UHF measures its performance against a management tool that provides a set of indicators to assess how well a Fund performs in relation to the policy objectives and operational standards set out in the CBPF Global Guidelines. This common methodology enables management and stakeholders involved in the governance of the Funds to identify, analyze and address challenges in reaching and maintaining a well-performing CBPF.

CBPFs embody the fundamental humanitarian principles of humanity, impartiality, neutrality and independence and function according to a set of specific principles: Inclusiveness, Flexibility, Timeliness, Efficiency, Accountability and Risk Management.

Principle 1
INCLUSIVENESS
A broad range of humanitarian partner organizations (UN agencies and NGOs) participates in CBPF processes and receive funding to implement projects addressing identified priority needs.

Principle 2
FLEXIBILITY
The programmatic focus and funding priorities of CBPFs are set at the country level and may shift rapidly, especially in volatile humanitarian contexts. CBPFs are able to adapt rapidly to changing priorities and allow humanitarian partners to identify appropriate solutions to address humanitarian needs in the most effective way.

Principle 3
TIMELINESS
CBPFs allocate funds and save lives as humanitarian needs emerge or escalate.

Principle 4
EFFICIENCY
Management of all processes related to CBPFs enables timely and strategic responses to identified humanitarian needs. CBPFs seek to employ effective disbursement mechanisms, minimizing transaction costs while operating in a transparent and accountable manner.

Principle 5
RISK MANAGEMENT
CBPFs manage risk and effectively monitor partner capacity and performance. CBPFs utilize a full range of accountability tools and measures.
**PRINCIPLE 1**

**INCLUSIVENESS**

A broad range of humanitarian partner organizations (UN agencies and NGOs) participates in CBPF processes and receives funding to implement projects addressing identified priority needs.

**Target**

Six members, excluding the Humanitarian Coordinator (HC, Chair) and OCHA, with equal representation among UN, NGO (including INGOs and NNGOs) and donor constituencies.

**Results**

The target set in the UHF Common Performance Framework was reached. Each stakeholder’s type (donors, INGOs, NNGOs and UN agencies) had fair and proportional representation. A Gender with Age Marker (GAM) expert took part in the Advisory Board meetings. The current composition of the CBPF/UHF Advisory Board is HC, OCHA Head of Office, two donors (Sweden and EU Humanitarian Aid (ECHO)), two UN Agencies (International Organization for Migration (IOM) and the UN Refugee Agency (UNHCR), one INGO (Norwegian Refugee Council, NRC) and one NNGO (Donbas Development Centre, DDC). A non-contributing donor, the United States, serves as an observer on the Advisory Board, while the HFU serves as the Secretariat.

**Analysis and follow-up**

The members of the UHF Advisory Board 2021 were elected using a transparent, open call process that invited each stakeholder type to offer their candidates. The composition of the Advisory Board is determined based on consultations between the HC, the Humanitarian Country Team (HCT) and contributing donors. Board members serve as technical or strategic experts from their constituencies or stakeholder groups and do not represent their organizations’ interests or broader constituencies. There were four meetings in 2021. In view of COVID-19 restrictions, all constituencies used online tools to be actively involved in Advisory Board meetings. These meetings covered a range of tasks, including but not limited to endorsing budgets for the HFU, reviewing the Operational Manual, providing input on allocation priorities, and discussing changes to the humanitarian context.

The gender balance within the Advisory Board was preserved. Among six members in 2021, there were three women, representing a female-led NNGO, an INGO, and a UN Agency. In addition, there was a female representative of an observer state.

The AB agreed to adopt a staggered rotation on 22 January 2021. Since then, the rotation of the NNGO and a UN Agency has taken place as per the agreed schedule. The next rotation will take place according to the following tentative calendar:

- October – December 2021: rotation of one donor.
- January – March 2022: rotation of an INGO.
- April – June 2022: rotation of a UN Agency.
PRINCIPLE 1
INCLUSIVENESS

INCLUSIVE PROGRAMMING
The review committees of the Fund have the appropriate size and a balanced representation of different partner constituencies and cluster representatives.

Target
Inclusive programming is very high: each stakeholder type (INGOs, NNGOs, UN agencies, OCHA and cluster coordinators) has equal representation with two seats or more, and OCHA plays an active role.

Results
The target set in the UHF Common Performance Framework was reached. The Strategic Review Committee (SRC) comprises 12 members (six cluster leads or co-leads, and an additional member (+1) is appointed by each cluster). The +1 is a representative of an NNGO, INGO, or UN agency. The gender balance of SRC was kept. HFU participates by supporting and facilitating the work of SRC.

Analysis and follow-up
Cluster coordinators or co-leads chaired all project proposal reviews in 2021, which were preceded by an overall eligibility analysis and screening made by HFU to ensure they meet basic strategic requirements. A GAM expert was present and provided an evaluation for each project proposal. The representation in SRC in 2021 was in line with the target. Multi-cluster projects were reviewed by the representatives of all respective clusters.

INCLUSIVE IMPLEMENTATION
CBPF funding is allocated to the best-positioned actors, leveraging the diversity and comparative advantage of eligible organizations.

Target
Leveraging the comparative advantage of the best-placed actors by diversifying the allocations when possible and ensuring that clusters vet project proposals.

Results
47 per cent of funding was directly allocated to NNGOs, which are the best-positioned actors to deliver a frontline response in eastern Ukraine. The Fund allocated indirectly an additional 12 per cent to NNGOs, bringing the total funding to 59 per cent.

Analysis and follow-up
The UHF remains a key funding source for organizations assisting people on both sides of the “contact line” in eastern Ukraine. Similar to 2020, the UHF surpassed the targets set by the UHF Common Performance Framework. In 2021, with the focus on localization, the UHF increased funding to NNGOs to a significant 47 per cent compared with about 34 per cent in 2020.

While local partners do have a slight advantage in the review process, the allocations are always seeking to fund the best-placed actors based on their operational capacities, approaches used to ensure transparency, accountability, and effectiveness of the response, as well as their ability to operate in NGCA, and integrate Humanitarian-Development-Peace Nexus (HDPN) approach in projects implemented in GCA.
PRINCIPLE 1

INCLUSIVENESS

4

INCLUSIVE ENGAGEMENT

Resources are invested by OCHA’s Humanitarian Financing Unit (HFU) in supporting the capacity of local and national NGO partners within the scope of CBPF strategic objectives.

Target

Four training rounds and briefings (with multiple sessions and locations) for partners to ensure their understanding of the CBPF processes and procedures and to improve their management and implementation of UHF projects. Over 127 staff from partner organizations to be trained.

Results

In 2021, the UHF team conducted seven training sessions for 254 participants representing national and international NGOs and UN agencies. Among the trained organizations were 48 NNGOs. The training included specialized sessions for implementing partners on the flexibility guidelines and revised grant agreements, on how to submit projects in Grant Management System (GMS) and allocation induction training.

Analysis and follow-up

The UHF successfully strengthened the capacity and boosted the involvement of NNGOs in the humanitarian response in Ukraine. OCHA and the UHF worked with NNGOs to enhance their knowledge of the Fund’s operations and improve their project implementation. The Fund nearly doubled its planned training and quadrupled the planned partner staff trained. These included specialized training for partners on the UHF and eligibility process, flexibility guidelines and revised grant agreements, technical training on how to submit projects in GMS, and allocation induction training where the focus of a new allocation was explained. Aside from the training on the Fund’s programme cycle, thematic training sessions were conducted on gender and protection mainstreaming, GAM and protection from sexual exploitation and abuse (PSEA). Participants reported that the training sessions were useful and highlighted the effectiveness of UHF’s work to meet the partners’ training needs. Because of COVID-19, all training sessions were conducted online by OCHA/UHF staff via Teams and WEBEX platforms. In 2022, the UHF plans to conduct partner training on common mistakes during project submissions in GMS and to issue a set of recommendations to partners on gender equality programming, PSEA, visibility, and monitoring and evaluation, as well as tips on how to improve project proposals.
In 2021, the Strategic Review scorecards for all allocations launched in 2021 included a specific question about accountability mechanisms and evaluated their efficiency and transparency. This enabled funding only the projects that have clear, effective, and easily accessible feedback/complaint mechanisms to aid recipients.

Throughout the year, the HFU and clusters ensured that all UHF-funded projects incorporated AAP plans and mechanisms to ensure its unimpeded and easy review at the monitoring and reporting stages.

In 2021, the Strategic Review scorecards for all allocations launched in 2021 included a specific question about accountability mechanisms and evaluated their efficiency and transparency. This enabled funding only the projects that have clear, effective, and easily accessible feedback/complaint mechanisms to aid recipients.

Throughout the year, the HFU and clusters ensured that all UHF-funded projects incorporated AAP plans and mechanisms to ensure its unimpeded and easy review at the monitoring and reporting stages.

**Target**
All UHF-funded projects ensure AAP is part of the implementation. All monitoring instances include beneficiary consultations to assess community engagement in project implementation.

**Results**
At the Allocation Strategy launch stage, the Fund informed all partners planning to submit projects about the requirement to have a detailed AAP plan and means of reporting as part of the project proposal, which served as the prerequisite when making a funding decision. All 25 projects funded through the 2021 allocations (accounting for 100 per cent of the total $11.6 million disbursed) provided a detailed explanation of the transparent procedures to monitor feedback and/or complaint mechanisms available to aid recipients. All field monitoring visits included checking the functioning of complaint and feedback mechanisms, coupled with conducting consultations with aid recipients to assess their engagement and participation in the project implementation.

**Analysis and follow-up**
In 2021, the Strategic Review scorecards for all allocations launched in 2021 included a specific question about accountability mechanisms and evaluated their efficiency and transparency. This enabled funding only the projects that have clear, effective, and easily accessible feedback/complaint mechanisms to aid recipients.

Throughout the year, the HFU and clusters ensured that all UHF-funded projects incorporated AAP plans and mechanisms to ensure its unimpeded and easy review at the monitoring and reporting stages.
Analysis and follow-up
UHF continued its work to increase support for cash programming, which helped empower aid recipients in meeting their basic needs and support the functioning of local markets. During the year, cash transfers and multipurpose cash assistance continued to be workable in the GCA, where markets and other financial services were available. Because of the aforementioned challenges in NGCA, during the reporting period, the Fund did not consider cash a viable tool for humanitarian assistance. UHF will continue to explore this response modality as an efficient and empowering way to support people in need.

**Target**
Cash as a response modality is operationally considered and strategically prioritized by clusters and partners, where appropriate.

**Results**
In 2021, the UHF allocated $258,840 for cash programming, representing about 2 per cent of the total funding. The Food Security and Livelihoods, Protection, and WASH clusters provided support to aid recipients through cash-based transfers. In addition, the Fund supported multipurpose cash assistance. In NGCA, the lack of data on market functioning and restrictions on international transfers remained barriers to implementing cash programming.

**PRINCIPLE 2**

**FLEXIBILITY**

The programmatic focus and funding priorities of CBPFs are set at the country level and may shift rapidly, especially in volatile humanitarian contexts. CBPFs are able to adapt rapidly to changing priorities and allow humanitarian partners to identify appropriate solutions to address humanitarian needs in the most effective way.

**6**

**FLEXIBLE ASSISTANCE**

CBPF funding for in-kind and in-cash assistance is appropriate.

**Target**
Cash as a response modality is operationally considered and strategically prioritized by clusters and partners, where appropriate.

**Results**
In 2021, the UHF allocated $258,840 for cash programming, representing about 2 per cent of the total funding. The Food Security and Livelihoods, Protection, and WASH clusters provided support to aid recipients through cash-based transfers. In addition, the Fund supported multipurpose cash assistance. In NGCA, the lack of data on market functioning and restrictions on international transfers remained barriers to implementing cash programming.

**Analysis and follow-up**
UHF continued its work to increase support for cash programming, which helped empower aid recipients in meeting their basic needs and support the functioning of local markets. During the year, cash transfers and multipurpose cash assistance continued to be workable in the GCA, where markets and other financial services were available. Because of the aforementioned challenges in NGCA, during the reporting period, the Fund did not consider cash a viable tool for humanitarian assistance. UHF will continue to explore this response modality as an efficient and empowering way to support people in need.

$11.6M TOTAL ALLOCATIONS

259K Cash-programming

11.6M Total allocations

98%

**BY ORGANIZATION TYPE**

BY RESTRICTIONS

59K restricted

200K unrestricted

77%

**CASH TRANSFER PROGRAMMING**

**7**

**FLEXIBLE OPERATION**

CBPF funding supports projects that improve the common ability of actors to deliver a more effective response.

**Target**
CBPF funding supports an enabling operational environment through funding allocated to common services funding allocated to common services.

**Results**
In 2021, the UHF did not allocate any funding for common services. The Fund supported the response across six main areas, including education, food security and livelihoods, health, protection, WASH, and emergency shelter. The Fund allocates funding to common services based on existing needs.

**Analysis and follow-up**
In 2020, the UHF allocated 7 per cent of its funding towards common services to support assessments and the provision of coordination services. This funding was based on needs identified together with Clusters and approved by the Advisory Board. In 2021, there was no such need identified, which informed the funding decision. In 2022, the UHF will prioritize allocations to common services if such a need arises.
Insecurity
Recruitment Delays
Fund Disbursement Delays
Programmatic Delays
Inaccessibility

Reasons for No Cost Extension (NCE)
- Inaccessibility: 5
- Programmatic Delays: 2
- Fund Disbursement Delays: 2
- Recruitment Delays: 1
- Insecurity: 1

Analysis and follow-up
In 2021, the UHF launched one Standard Allocation (SA) and one Reserve Allocation (RA). The Fund allocated most of the funding in the second half of 2021 to address the humanitarian needs of conflict-affected people through the provision of multisectoral life-saving assistance. The Fund launched the RA in the first half of the year. The Fund disbursed some $2.4 million to address the needs of conflict-affected children living in NGCA and to support the provision of critical transportation services in isolated communities in GCA.

Target
At least 75 per cent of the total funds are allocated through Standard Allocation(s), and up to 25 per cent are kept in reserve to respond to changes in the humanitarian context, depending on what the funding situation allows. At least 60 per cent of allocated funds go to NGCA.

Results
The Fund disbursed nearly 80 per cent of funding through one Standard Allocation, and 20 per cent through one Reserve Allocation in line with the HRP.

Analysis and follow-up
In 2021, the UHF processed 19 revision requests for 14 projects (multiple requests were submitted for some projects). These included 29 different types of revisions (multiple types of revisions were included in some revision requests), of which changes to project duration (no-cost extension), budget and location were the most frequent. The most common reason for no-cost extension was access constraints, followed by programmatic and fund disbursement delays.

Target
Project revision requests are processed to respond to shifting/emerging operational needs.

Results
In 2021, the UHF processed 19 revision requests for 14 projects (multiple requests were submitted for some projects). These included 29 different types of revisions (multiple types of revisions were included in some revision requests), of which changes to project duration (no-cost extension), budget and location were the most frequent. The most common reason for no-cost extension was access constraints, followed by programmatic and fund disbursement delays.

Analysis and follow-up
The number and diversity of project revisions show the flexible nature of UHF funding and the Fund’s willingness to work collaboratively with partners to ensure the best possible outcomes. Sector leads provided technical guidance when revisions are processed to ensure that changes remain in line with both the original intention of the funding and sector guidelines.

### Allocation by Modality
- Standard allocations: $9.2M
- Reserve allocations: $2.4M

### Breakdown of Project Revisions in 2021
- Total Revisions: 29
- Change in Project Duration / NCE: 9
- Change in Budget: 7
- Change in Location: 5
- Change in Target Beneficiaries: 3
- Others: 5

### Reasons for No Cost Extension (NCE)
- Inaccessibility: 5
- Programmatic Delays: 2
- Fund Disbursement Delays: 2
- Recruitment Delays: 1
- Insecurity: 1
TIMELINESS

CBPFs allocate funds and save lives as humanitarian needs emerge or escalate.

TIMELY ALLOCATION

CBPFs allocation processes have an appropriate duration.

Target
Standard Allocation projects are processed (from the submission deadline to the HC signature) within 30 days on average. Reserve Allocation projects are processed (from the submission deadline to the HC signature) within 20 days on average.

Results
The high percentage of funding allocated through RAs is justified by the large-scale emergencies—displacement and COVID-19—taking place during 2021, which required a rapid response at scale.

Analysis and follow-up
In 2021, the UHF could not align with target timelines because of the complex nature of the conflict. The processing time for both SAs and RAs increased significantly.

The UHF plans to improve these figures in 2022. With increased engagements with stakeholders, the HFU will aim to facilitate timely reviews and approvals of projects. Dedicated workshops prior to new allocations are planned.

TIMELY DISBURSEMENTS

Payments are processed without delay.

Target
Ten days from the Executive Officer’s signature of a proposal to the first payment.

Results
The average number of days disbursements: 8 days.

Analysis and follow-up
This performance surpassed the set target and ensured that UHF’s implementing partners could promptly start their projects. The Fund achieved this thanks to the solid cooperation between the HFU in Kyiv and the CBPF finance team in OCHA Headquarters in New York. The UHF will continue to work closely with OCHA HQ to ensure quick disbursements and to follow up on initial payments and subsequent disbursements to partners.
PRINCIPLE 3
TIMELINESS

12

TIMELY CONTRIBUTIONS
Pledging and payment of contributions to CBPFs are timely and predictable.

Target
Two-thirds of annual contributions are committed and paid before the end of the first half of the year.

Results
In 2021, the Fund received 69 per cent of contributions between January and June 2021.

Analysis and follow-up
About 80 per cent of the total contributions were paid within one month after the initial pledge. In addition, donors paid 69 per cent of all contributions within the first half of the year, which allowed the HFU to better prepare for allocations. The UHF will sustain solid relationships with donors to ensure the timely arrival of funds following pledges. The Fund will continue advocacy with donors on multi-year funding agreements.
**PRINCIPLE 4**

**EFFICIENCY**

Management of all processes related to CBPFs enables timely and strategic responses to identified humanitarian needs. CBPFs seek to employ effective disbursement mechanisms, minimizing transaction costs while operating in a transparent and accountable manner.

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**13**

**EFFICIENT SCALE**

CBPFs have a significant funding level to support the delivery of the HRPs.

**Target**

15 per cent of HRP funding received.

**Results**

The UHF secured more than half of the global target, securing 9.2 per cent of the total 2021 HRP funding received.

**Analysis and follow-up**

UHF allocations amounted between 7 and 10 per cent of the received HRP funding. In 2021, the Fund channeled 9.2 per cent of the HRP funding. The UHF aims to reach the global 15 per cent target by 2023.

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**14**

**EFFICIENT PRIORITIZATION**

CBPF funding is prioritized in alignment with the HRP.

**Target**

All funded projects address HRP strategic priorities.

**Results**

All projects contributed to the HRP Strategic Objectives.

**Analysis and follow-up**

All 25 UHF-supported projects (100 per cent of the funding allocated in 2021) corresponded with the HRP priorities and contributed to the Strategic Objectives of the 2021 Ukraine HRP.

**Allocation by HRP Strategic Objectives**

- **S01**: 74%
- **S02**: 1%
- **S03**: 25%

**S01** Provide emergency and time-critical assistance and ensure access to basic essential services for 1.9 million people affected by the conflict (including 189,000 IDPs), exacerbated by COVID-19

**S02** Respond to the protection needs and strengthen protection of 1.5 million conflict-affected people, including 189,000 IDPs, with due regards to international norms and standards

**S03** Ensure an implementation of humanitarian exit strategy for GCA for 2021-2023

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**15**

**EFFICIENT COVERAGE**

CBPF funding effectively assisted people in need.

**Target**

UHF collectively prioritized life-saving humanitarian needs and assisted those identified as most vulnerable and at risk.

**Results**

The UHF assisted over 187,381 people in need in 2021, mainly in eastern Ukraine.

**Analysis and follow-up**

The UHF assisted people under two allocation modalities. The report results reflect the maximum number of people assisted per community in efforts to avoid double-counting of aid recipients to the extent possible.

---

**People Assisted**

- **33K** Boys
- **38K** Girls
- **72K** Women
- **44K** Men

In thousands of persons
**PRINCIPLE 4**

**EFFICIENCY**

**16**

**EFFICIENT MANAGEMENT**

CBPF management is cost-efficient and context-appropriate.

**Target**

HFU operations cost (cost-plan) accounts for less than 5 per cent of the overall utilization of funds (allocations and operational costs).

**Results**

In 2021, the HFU operations cost was $593,000 and the total allocation stood at $11.6 million. The HFU cost made up 5.1 per cent of the total funds used, slightly surpassing the target.

**Analysis and follow-up**

The overall percentage equals the result reported in 2021 and testifies to the efficient and cost-efficient management of UHF resources. With record levels of contributions and funding allocated in 2021, the UHF went slightly above the target of 5 per cent expenditure against the total use of funds.

**17**

**EFFICIENT MANAGEMENT**

CBPF management is compliant with management and operational standards required by the CBPF Global Guidelines.

**Target**

The operational manual is updated based on the latest version of CBPF Global Guidelines by the end of the first quarter (Q1). The Annual Report and allocation papers fully comply with global guidance documents.

**Results**

The Operational Manual was last updated in 2019, and the Annual Report and allocation Strategy papers were prepared in line with the CBPF Global Guidelines.

**Analysis and follow-up**

In 2022, the UHF will revise its Operational Manual once the revised CBPF Global Guidelines are endorsed to ensure it is up to date and can properly guide the Fund’s partners in implementing projects. Forthcoming updates will ensure the relevance of the Fund guidelines to a changing operational environment.
PRINCIPLE 5
RISK MANAGEMENT

CBPFs manage risk and effectively monitor partner capacity and performance. CBPFs utilize a full range of accountability tools and measures.

PROGRESS ON RISK MANAGEMENT ACTIVITIES

**Target**
100 per cent compliance with operational modalities on five categories of risk management pillars.

**Results**
The compliance ranged from 91 per cent for financial spot checks to 96 per cent for final financial reports. The average compliance rate was 93 per cent.

**Analysis and follow-up**
In 2021, the UHF saw a significant increase in the monitoring, reporting and audit caseload compared with 2020. The number of financial spot checks conducted increased by 150 per cent, from two in 2020 to five in 2021, and monitoring activities increased by 166 per cent, from three in 2020 to eight in 2021. Despite the large caseload, the UHF reports result in the eightieth percentile across all assurance categories. With improved performance in monitoring and financial spot checks, compliance in relation to reporting and audits saw a slight decline compared with 2020.

**Target**
Full compliance with global CBPFs and UHF SOPs on fraud management.

**Results**
All potential aid diversions or fraud cases are addressed according to CBPF SOPs on fraud management.

**Analysis and follow-up**
No incident was reported in 2021, while the UHF ensured appropriate oversight and assurances. There are no ongoing cases reported to OCHA’s Oversight and Compliance Unit. The HFU will continue to apply risk mitigation measures.
Target
Maintaining the same number of eligible partners – 54 – compared to last year.

Results
The number of eligible partners increased compared with the previous year. During the reporting period, six partners went through and passed the due diligence and capacity assessment, bringing the total number of eligible partners of the UHF to 54.

Analysis and follow-up
The UHF prioritized funding to the best-positioned partners in 2021 while considering the risks associated with the modalities selected and the targeted locations. The Fund strengthened its Partners Performance Index (PPI) system to update partners’ risk levels on a real-time basis. The risk level for well-performing partners was upgraded. In 2021, the Fund upgraded the risk level of five partners from medium to low. The Fund channeled over three-quarters of the funding allocated in 2021 through low-risk partners, who make up 80 per cent of the total 54 partners funded. The Fund will aim to increase the frequency of updating the partners’ performance index to ensure that their risk levels match the reality on the ground and the quality of delivery.
MITIGATING THE SPREAD OF COVID-19 NEAR THE “CONTACT LINE” IN EASTERN UKRAINE

Tetiana*, 75 years old, lives in Blahodatne village, Doneztska oblast, just 15 kilometres away from the “contact line”. The hostilities have been a daily reality in the settlement where she lives since the conflict began in 2014. Shelling often disrupts the water supply, leaving Tetiana without clean water and sanitation. It makes it difficult to maintain the proper level of hygiene, which is particularly important amid the raging pandemic.


“To protect from COVID-19, I had to spend a big portion of my pension on hygiene products. It is now a matter of life or death. That’s why sometimes I do not eat enough food or buy all medications I need. I simply cannot cover all of my needs.”

With UHF funding, INGO ACTED provided 1,600 vulnerable people living near the “contact line,” including Tetiana, with hygiene kits to help them mitigate the risks of COVID-19.

“Thanks to this support, I can protect myself from COVID-19, which helps with my anxiety. It is not just a matter of me saving some money to afford other necessities. I feel supported, taken care of and not forgotten,” Tetiana adds.

* Name changed for privacy reasons.
Avdiivka, Ukraine. A man pushes his bike down a road in Avdiivka, Donetsk Oblast, Ukraine. Credit: © UNICEF/Gilbertson VII
Almost eight years of fighting have had profound consequences on the lives of over five million people in the conflict-affected Donetska and Luhanska oblasts in eastern Ukraine. The once-united region is now divided by the 427km-long “contact line.” Hundreds of thousands live in settlements isolated by the conflict, with no reliable mobile communications and the limited presence of social institutions, banks and ATMs. Eighty settlements along the “contact line” do not have access to public transportation.

Liubov, 61 years old, lives in one of such settlements – Sievierne, Donetska oblast (GCA). She takes care of her bedridden mother, who is 85 years old. For her, reaching the nearby settlements is complicated because of the lack of public transportation. But this is the only way she and others can access essential services and get to a hospital and a pharmacy. Even a grocery store is not available in the settlement where she lives.

“We have nothing here, nothing. We have to go to Avdiivka to get bread, salt and even matches. There is no public transport here. Nothing at all. We used to have a bus that went to Donetsk five times a day. We did not have any troubles then,” says another passenger.

The only alternative—to rent a car—is not affordable for most people living at the “contact line”. “To get to Avdiivka by car, I have to pay UAH250 ($9) out of my UAH2,200 ($82) pension. It is costly. If not for this bus, I am not sure how we would have survived. Before, we had no transport connection at all.”

To support Liubov and 20,000 people in isolated communities, the UHF funded a social transportation project implemented by the national NGO Prolinkska. Now people can use this bus to receive essential services and purchase food and other basics.
Annexes

Annex A  Accronyms & abbreviations
Annex B  Reference Map
Annex C  UHF Advisory Board
Annex D  Allocations by recipient organizations
### ANNEX A

#### ACRONYMS & ABBREVIATIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AAP</td>
<td>Accountability to Affected Populations</td>
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<tr>
<td>AB</td>
<td>Advisory Board</td>
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<tr>
<td>ACTED</td>
<td>Agency for Technical Cooperation and Development</td>
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<tr>
<td>AICM</td>
<td>Fondation Humanitaire Internationale AICM Ukraine</td>
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<tr>
<td>BHA</td>
<td>Bureau for Humanitarian Affairs</td>
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<td>CBPF</td>
<td>Country-based Pooled Fund</td>
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<tr>
<td>CERF</td>
<td>Central Emergency Response Fund</td>
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<td>CO</td>
<td>Charitable organization</td>
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<tr>
<td>CPF</td>
<td>Common Performance Framework</td>
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<tr>
<td>CUA</td>
<td>International charitable foundation Caritas Ukraine</td>
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<tr>
<td>DORCAS</td>
<td>Charitable Organization &quot;Dorcas Aid International Transcarpathia&quot;</td>
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<tr>
<td>DDC</td>
<td>Donbas Development Centre</td>
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<tr>
<td>ECHO</td>
<td>European Civil Protection and Humanitarian Aid Operations</td>
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<tr>
<td>EECP</td>
<td>Entry/Exit Crossing Point</td>
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<tr>
<td>EO</td>
<td>Executive Officer</td>
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<tr>
<td>EMMANUEL</td>
<td>International Public Organization Charity Association &quot;Emmanuel&quot;</td>
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<tr>
<td>ERW</td>
<td>Explosive Remnants of War</td>
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<tr>
<td>ERC</td>
<td>Emergency Relief Coordinator</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
</tr>
<tr>
<td>FSL</td>
<td>Food Security and Livelihoods</td>
</tr>
<tr>
<td>GBV</td>
<td>Gender-based violence</td>
</tr>
<tr>
<td>GAM</td>
<td>Gender and Age Marker</td>
</tr>
<tr>
<td>GCA</td>
<td>Government-Controlled Areas</td>
</tr>
<tr>
<td>GMS</td>
<td>Grant Management System</td>
</tr>
<tr>
<td>HC</td>
<td>Humanitarian Coordinator</td>
</tr>
<tr>
<td>HCT</td>
<td>Humanitarian Country Team</td>
</tr>
<tr>
<td>HAJ</td>
<td>HelpAge International UK</td>
</tr>
<tr>
<td>HFU</td>
<td>Humanitarian Financing Unit</td>
</tr>
<tr>
<td>HNO</td>
<td>Humanitarian Needs Overview</td>
</tr>
<tr>
<td>HQ</td>
<td>Headquarters</td>
</tr>
<tr>
<td>HRP</td>
<td>Humanitarian Response Plan</td>
</tr>
<tr>
<td>IASC</td>
<td>Inter-Agency Standing Committee</td>
</tr>
<tr>
<td>ICCG</td>
<td>Inter-Cluster Coordination Group</td>
</tr>
<tr>
<td>IDP</td>
<td>Internally Displaced Person</td>
</tr>
<tr>
<td>INGO</td>
<td>International Non-Governmental Organization</td>
</tr>
<tr>
<td>IOM</td>
<td>International Organization for Migration</td>
</tr>
<tr>
<td>IP</td>
<td>Implementing Partner</td>
</tr>
<tr>
<td>MAXIMAL</td>
<td>Youth Organization MAXIMAL</td>
</tr>
<tr>
<td>MDM</td>
<td>Medicos del Mundo Spain</td>
</tr>
<tr>
<td>MIRA</td>
<td>Charitable Organization International Children's Fund &quot;MIRA&quot;</td>
</tr>
<tr>
<td>NFI</td>
<td>Non-food item</td>
</tr>
<tr>
<td>NGCA</td>
<td>Non-Government Controlled Areas</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>NNGO</td>
<td>National Non-Governmental Organization</td>
</tr>
<tr>
<td>NRC</td>
<td>Norwegian Refugee Council</td>
</tr>
<tr>
<td>NW</td>
<td>Charity Foundation &quot;NEW WAY&quot;</td>
</tr>
<tr>
<td>OCHA</td>
<td>Office for the Coordination of Humanitarian Affairs</td>
</tr>
<tr>
<td>PAH</td>
<td>Polish Humanitarian Action</td>
</tr>
<tr>
<td>PIN</td>
<td>People in Need</td>
</tr>
<tr>
<td>PSEA</td>
<td>Prevention of sexual exploitation and abuse</td>
</tr>
<tr>
<td>PUI</td>
<td>Première Urgence Internationale</td>
</tr>
<tr>
<td>PWD</td>
<td>Persons with disabilities</td>
</tr>
<tr>
<td>R2P</td>
<td>Right to Protection</td>
</tr>
<tr>
<td>RA</td>
<td>Reserve Allocation</td>
</tr>
<tr>
<td>RC</td>
<td>Review Committee</td>
</tr>
<tr>
<td>SA</td>
<td>Standard Allocation</td>
</tr>
<tr>
<td>SCI</td>
<td>Save the Children International</td>
</tr>
<tr>
<td>TGH</td>
<td>Triangle Generation Humanitaire</td>
</tr>
<tr>
<td>TOR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>UAH</td>
<td>Ukrainian Hryvnia (national currency of Ukraine)</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UHF</td>
<td>Ukraine Humanitarian Fund</td>
</tr>
<tr>
<td>UNFPA</td>
<td>United Nations Population Fund</td>
</tr>
<tr>
<td>UNHCR</td>
<td>United Nations Refugee Agency</td>
</tr>
<tr>
<td>UNICEF</td>
<td>United Nations Children's Fund</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>VMV</td>
<td>Virtual monitoring visit</td>
</tr>
<tr>
<td>WASH</td>
<td>Water, Sanitation, and Hygiene</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
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</table>
## ANNEX B

### UHF ADVISORY BOARD

<table>
<thead>
<tr>
<th>STAKEHOLDER</th>
<th>ORGANIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson</td>
<td>Humanitarian Coordinator</td>
</tr>
<tr>
<td>NGO</td>
<td>Norwegian Refugee Council</td>
</tr>
<tr>
<td>NGO</td>
<td>Donbas Development Centre (NNGO)</td>
</tr>
<tr>
<td>UN</td>
<td>International Organization for Migration (IOM)</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations High Commissioner for Refugees (UNHCR)</td>
</tr>
<tr>
<td>Donor</td>
<td>European Civil Protection and Humanitarian Aid Operations (ECHO)</td>
</tr>
<tr>
<td>Donor</td>
<td>The Government of Sweden</td>
</tr>
<tr>
<td>Observer</td>
<td>United States Agency for International Development (USAID)</td>
</tr>
<tr>
<td>UHF/OCHA</td>
<td>United Nations Office for the Coordination of Humanitarian Affairs (OCHA)</td>
</tr>
</tbody>
</table>
Map Sources: UNGIS, ESRI, OCHA.
The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.
## ANNEX D

### ALLOCATIONS BY RECIPIENT ORGANIZATION

In US$ million

<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount (US$ million)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>United Nations</strong></td>
<td>1.9</td>
<td>76%</td>
</tr>
<tr>
<td>UNICEF</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>WHO</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>UNHCR</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>IOM</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td><strong>International NGO</strong></td>
<td>4.3</td>
<td>38%</td>
</tr>
<tr>
<td>SCI</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>PAH</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>PIN</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>MDM</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>NRC</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td><strong>National NGO</strong></td>
<td>5.4</td>
<td>57%</td>
</tr>
<tr>
<td>UDA</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>DDC</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Proliska</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>ADRA Ukraine</td>
<td>0.7</td>
<td></td>
</tr>
<tr>
<td>NW</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>CUA</td>
<td>0.3</td>
<td></td>
</tr>
<tr>
<td>YO MAXIMAL</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>R2P</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Dorcas</td>
<td>0.1</td>
<td></td>
</tr>
</tbody>
</table>

See Annex A for acronyms.
#InvestInHumanity