Evaluation of the Common Humanitarian Fund

Country Report: Somalia

May 2015
Acknowledgements

The Evaluation Team members would like to thank the numerous stakeholders who found time to talk with them during a very busy period at the end of 2014. Their time and openness is greatly appreciated. There were others who indicated their desire to meet with the team, but it proved impossible to coordinate schedules, and our apologies to those with whom we did not manage to talk.

Thanks are due in particular to the OCHA CHF Somalia team in Mogadishu and Nairobi for the time and support provided during the mission, and for their assistance (and perseverance) in securing the various meetings and helping with other logistics.

Disclaimer

The contents and conclusions of this evaluation report reflect strictly the opinion of the authors, and in no way those of the United Nations, OCHA, donors or other stakeholders.

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Executive Summary

1. This country level report for the Common Humanitarian Fund (CHF) for Somalia has been prepared within the broader global evaluation of the CHF undertaken at the end of 2014. It is one of five country-level papers prepared as part of the overall review, and forms part of the evaluation package.

2. The CHF in Somalia has been in place since mid-2010 and has made important contributions toward the responses to the humanitarian crisis in the country during the last five years, particularly during the latest famine period and its aftermath in 2011-2012. The CHF was able to attract significant donor support and channel these funds to a range of projects across the country implemented by United Nations agencies and non-governmental organizations (NGOs). A particular attraction for many donors is the CHF’s ability to work with many of the smaller indigenous NGOs, which are able to gain access to some of the areas of the country that international organizations cannot reach. The CHF is seen as complementary to the Central Emergency Response Fund (CERF), which supports emergency interventions by the United Nations agencies alone, as well as other bilateral funding available for Somalia.

3. The CHF in Somalia has been confirmed as a valuable tool and has enabled some good interventions to be undertaken across many parts of the country, but most also agree that it is less than strategic in terms of its year-on-year funding, and is not as swift and flexible as it was intended to be. While its link to the project planning of the overall Humanitarian Response Plan (HRP) is valid, and only projects within the HRP are eligible to receive CHF support, it still takes from three to six months for some partners to receive funding once the allocation announcement is issued. The steps and processes involved in project design, submission, selection, analysis and ultimately contracting and funding are seen as open, inclusive and transparent, but bureaucratic and slow. The fact that in this CHF OCHA is also the Managing Agent without a sufficient degree of decentralized authority adds to the time taken for projects to be funded, and in turn these delays often result in projects out of sync with the seasonal needs and frequently requiring amendments and no-cost extensions to allow them to be completed.

4. More recently, funding into the CHF has decreased as it has overall toward the Humanitarian Response Plan (HRP), and this has limited the Fund’s ability to support the scale and range of projects seen in the earlier years (half of the 2011 levels, although that was high due to the famine situation). This is partly due to other global priorities for humanitarian funding, and an increasing focus for donors to work on more recovery and rehabilitation projects in Somalia as the security improves. Recent accountability issues experienced with a number of partners in Somalia, and a broader concern expressed about levels of capacity within OCHA, have also made certain donors more wary.

5. While the needs across the country remain considerable, the income to the Fund remains less predictable and slow to be committed by donors, resulting in fewer and later standard allocations in 2013 and 2014. The transaction costs of running the Fund with the necessary levels of engagement from the clusters and partners, the limited and delayed funding available, its relatively slow response times and lack of evidence of real impact over time, all present challenges to the Fund’s operations. The Humanitarian Coordinator (HC) has opened a debate on whether the CHF in Somalia, as it stands and with its current levels of income, is the most relevant mechanism for channelling support to the humanitarian response organizations in the country.

6. Funding into the CHF is split between two modalities available for funding partners’ projects. The majority of the funds would generally be allocated for standard allocations, with a smaller percentage for the reserve allocations. These splits are decided by the HC and the Advisory Board (AB), based on the level of funding available. In 2014, delayed and unconfirmed funding in the early part of the year meant the Somalia CHF passed 13 percent of the funding through the reserve allocation, 39 percent through a reserve strategic allocation and 48 percent through a single standard allocation. From February 2015, the CHF has now adopted funding tranches in accordance with the new CBPF Guidelines.

7. Given the lengthy project approval process, the flexibility and relative speed offered by the reserve allocation process is significant, as well as its ability to respond once certain trigger points are identified for natural disasters such as drought. It may be more appropriate to have a larger and therefore more responsive capacity via the reserve to address emerging life-saving needs quickly, though this would mean a reduction in more programmed funding via the standard allocation (which would not be welcomed by many implementing partners). The current

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1. For Somalia, the humanitarian community’s CAP (or Consolidated Appeal Process) is known as the HRP (Humanitarian Response Plan).

2. Definitions: **Standard Allocation**: the process through which most of the funds will be allocated to ensure funding for priority projects is disbursed in line with the HRP. Twice a year standard allocation processes will be facilitated based on Allocation Strategy papers formulated under the leadership of the Humanitarian Coordinator; **Reserve Allocation**: (also referred to as the CHF Reserve) – process used for the rapid and flexible allocation of funds in the event of unforeseen emergencies or to address strategic humanitarian needs. It accommodates so-called “special allocations” that are responses to specific humanitarian situations or strategic needs necessitating a coordinated response, albeit outside the Standard Allocations (source: UN OCHA).

3. Available at: https://docs.unocha.org/sites/dms/Documents/OperationalHandbook.pdf
approach of allocating the available funds broadly across all sectors through the standard allocation(s) is neither strategic nor delivering much lasting impact, but improving the CHF’s ability to plan ahead relies heavily on having early and secured funding by the first weeks of the year.

8. There is broad consensus on the frustration caused by the extended processes, although no stakeholder could directly identify which steps could be significantly shortened. Stakeholders would like faster processing though not at the expense of the current transparency and openness and the inclusion of the range of partners via the cluster approach. Nevertheless the level of micro-detail required in project budgets is highly frustrating for the partners, time-consuming to finalize and directly impacts on the time taken to issue the first tranche of funding. As OCHA has increasingly invested in training and support to partners on guidelines and templates, better compliance to the expected quality standards of applications has had positive effects in terms of quicker processing and approval. Continuing delays are more frequently with those partners not complying with guidelines. Still, in some cases the delays affect the ability to start season-critical projects in time, particularly agricultural projects, and some form of “fast-tracking” or “funding guarantees” could be considered to allow priority projects to get started before the actual funds are transferred.

9. Following the discovery of several fraud cases in 2012 involving local partners, considerable risk mitigation work has been done and procedures within the Humanitarian Funding Unit (HFU) have been tightened to try to prevent recurrences in the future. A recent external audit was positive about the progress made in this regard, and donor confidence has slowly recovered. Nevertheless, working remotely in the Somali context incurs significant risks that can never be eliminated entirely. OCHA needs to consider all options to mitigate these risks – reducing the amounts of the funding advanced to certain partners would contribute toward this. While acknowledging the necessary accountability and responsibility incumbent upon OCHA as custodian of the funds, donors also need to accept some sharing of the risks of doing business in this complex setting and not simply transfer the risks to OCHA, or withhold funding based on occasional emerging cases with which OCHA is dealing.

10. The presence of a Joint Risk Management Unit (JRMU) in Nairobi (for the Somalia operation) enhances the ability of OCHA and others to verify partners and sub-contractors based on broad United Nations agency experience, and donors welcome its presence. OCHA has contributed significantly to the partner database with findings from its NGO capacity assessment work, though a more engaged working relationship and more open sharing of available information between the CHF and the JRMU would be encouraged.

11. To address some of these issues, the CHF in Somalia has already worked on and introduced an Accountability Framework (AF) covering four key areas of project oversight. As one part of this Framework, the CHF team needs to focus its direct monitoring activities of projects at field level and use this information to inform the viability of projects and of the capacity of individual organizations. Although field visits by CHF staff have been severely limited due to security and access difficulties, as parts of the country slowly open up the M&R team needs to be proactive and supported to visit CHF-financed projects on a regular basis. Current third-party monitoring arrangements and other verification methods in use should continue, but visits and direct verification must become more systematic and robust, particularly in those areas where access is now possible. Another part of the AF refers to reporting, and while compliance to the reporting requirements has improved in recent years (on-time reporting rates have improved significantly between 2013 and 2014, for example), some recipient organizations still need to ensure that their reporting is submitted accurately and on time and failure to deliver should inform future requests for funding.

12. The CHF’s stated intent is to work with national and international NGOs as well as the United Nations agencies, but in particular giving the national organizations access to important funding and by doing so bringing them more into the national humanitarian debate. In Somalia over recent years the percentage of funding to national NGOs has dropped significantly and that to the United Nations has gone up: while there have been known issues around some organizations’ accountability and capacity to justify this, clearly the trend is at odds with the stated aims of the CHF globally and against the donors’ preferences. The evaluation was made aware of perceived double standards, of the UN agencies considering they had “a right” to access CHF funding and of being given preferential treatment for their projects over those of the NGOs. It has not been possible to verify many of these claims, though it was noted that obligations around reporting or project quality from some of the UN partners have been overlooked on numerous occasions, despite the broad consensus on the levels of openness and transparency of the process in general.

13. Keeping all parties updated on a dynamic process is not easy, but there were regular examples offered to the evaluation where additional information from the HFU would be welcomed. The list includes many areas of information flow: issues around how the allocation envelopes are decided, monitoring results, risk sharing, feedback to partners believing they have been barred, delayed annual reporting, or information to donors wanting to understand the daily challenges and operating contexts are just some examples. Nevertheless it is a broad area the HFU Somalia would do well to improve upon to enhance the clarity of its processes and improve its overall reputation, as well as to inform future decision-making.
14. CHF funding has supported resilience projects in the past (despite the lack of consensus on what this constitutes), but because of the planning challenges faced without confirmed or multi-year funding, partners – with OCHA’s assistance – need to increasingly search for such funding from other sources. At the same time, many projects have components of resilience already built in, and there needs to be a clear criterion for project approval.

15. Support for the Somalia operation from OCHA headquarters was reported to be adequate and responsive, within the constraints and given the limited levels of financial authority in place, although turnaround time by the Administrative Services Branch (ASB) still needs to be faster in processing project and budget comments. OCHA’s role as Managing Agent for the Fund in Somalia gives additional responsibilities to the HFU team to manage, sometimes outside the traditional OCHA role of humanitarian coordination. It is thus important that the right skillsets and staff numbers are in place to support the work, and in Somalia (as elsewhere) the failure by OCHA HQ to plan for appropriate senior staff rotations has had a negative impact and needs to improve significantly.

16. To conclude, the CHF Somalia is an important and appreciated funding mechanism despite the frustrations caused by the drop in income in recent years and the extended time periods taken to release the funding and allow the projects to begin. The current HC-led debate on the future of the CHF in Somalia is topical and welcomed, but in the meantime the following recommendations can be identified from the evaluation’s analysis.

RECOMMENDATIONS

Urgent recommendations

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<th>Responsibility</th>
<th>Timeliness</th>
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<tr>
<td>1. To avoid lengthy delays during the project budget review process, which is acknowledged to hold up the release of funds to the NGOs, it is recommended that a “letter of intent” or similar undertaking be issued to partners allowing them to begin implementation prior to actual transfer of the funds to their account. This should be a priority for season-critical projects, and could be piloted with experienced partners to test its viability ahead of an incremental rollout.</td>
<td>131</td>
<td>OCHA HQ approval for HFU implementation</td>
<td>&lt; 3 months (from current 2015 allocation)</td>
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<td>2. Linked to the above, OCHA needs to continue its budget guideline compliance training to all partners, including those in Somalia, which has been shown to speed up the approval process. It should also consider reducing the level of budgetary detail it is reasonable and necessary to collect for each of the proposals, given the delay such detailed enquiry often causes, while still maintaining close scrutiny of the project budgets.</td>
<td>68, 89 and footnote 31</td>
<td>OCHA HQ approval for HFU implementation</td>
<td>&lt; 3 months</td>
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<td>3. OCHA (in discussion with its partners) should challenge the assumption of eligibility “by right” of the United Nations agencies to the CHF funds, and increase the proportion of the funds directed through NGOs on common eligibility criteria. Project selection should be based on merit, cost-effectiveness, quality, satisfactory reporting and enhancing partnerships, as well as ensuring the most vulnerable targeted areas and communities are reached. Measures to help increase national NGO capacity should be explored.</td>
<td>58, 85</td>
<td>HFU Somalia to work with cluster review committees &amp; Advisory Board</td>
<td>&lt; 3 months</td>
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<td>4. To improve the strategic impact of the CHF inputs, the HFU should reduce the spread of funding across all sectors with the focus on the most critical ones (as confirmed by the HCT) into those sectors where a complementary and concerted approach would make a greater overall difference.</td>
<td>61, 82, 84</td>
<td>HFU Somalia</td>
<td>&lt; 3 months</td>
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### Recommendation

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| 5. OCHA needs to reconsider its strategy regarding the financial advances made to NGO partners, in response to the proposals made in the 2013 Audit. To reduce exposure, the current 80% advance and 20% follow-up funding should be amended to 40% + 40% + 20% instalments, particularly for the higher risk partners.  
[NB: This is now being implemented from 2015 allocations in accordance with new global guidelines.] | 89 | HFU Somalia | < 3 months |

### Important recommendations

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<th>Para in Main Report</th>
<th>Responsibility</th>
<th>Timeliness</th>
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<td>6. A clear explanation needs to be drawn up and disseminated on the procedure used to decide on funding envelopes for standard allocations. This would avoid the current frustration about how these decisions are made and whether or not they are fair.</td>
<td>83-84, 116</td>
<td>HFU Somalia</td>
<td>&lt; 9 months</td>
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<td>7. The general approach to more open, engaged and timely external communication with partners and donors needs to be strengthened via regular formal and informal updates, timely annual and interim reporting and open explanations of the challenging (and changing) operating contexts, even when problems occur.</td>
<td>114</td>
<td>HFU Somalia</td>
<td>Ongoing</td>
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<td>8. While continuing with the current TPM and call centre arrangements for project monitoring, the CHF M&amp;R team should increase their own project site visits as security and access permit. Focus should clearly remain on the higher-risk projects and partners where possible, but direct verification must complement the other methods in use, and the findings of the visits must inform future project funding decisions in terms of capacity and reliability of the partners as well as the veracity of their implementation and reporting.</td>
<td>99-106, 130</td>
<td>HFU Somalia</td>
<td>&lt; 6 months</td>
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<td>9. OCHA must determine whether maintaining a larger reserve envelope would be more appropriate, given the challenges around timing and predictability of annual income. This would allow more responsiveness, particularly early in the year, but could be used more strategically and could include targeting for recurrent emergency responses and closer complementarity with the CERF.</td>
<td>73, 125</td>
<td>HFU Somalia</td>
<td>&lt; 3 months</td>
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<td>10. Human resource planning must become more responsive, reliable and timely to ensure that critical management and key international and national support posts are not left unfilled for extended periods.</td>
<td>97-98</td>
<td>OCHA HQ</td>
<td>&lt; 3 months</td>
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<td>11. The CHF (and OCHA Somalia) should continue to engage robustly with the United Nations Joint Risk Management Unit, both providing information based on experience but also drawing on the database to inform their decision-making. This should also address the concerns about the use of non-verified subcontractors of CHF partners.</td>
<td>117</td>
<td>OCHA Somalia (with approval as necessary from OCHA HQ)</td>
<td>&lt; 6 months</td>
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Desirable improvements

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<th>Recommendation</th>
<th>Para in Main Report</th>
<th>Responsibility</th>
<th>Timeliness</th>
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<td>12. Reporting obligations for partners receiving CHF funding exist but are not consistently followed by all partners, and their commitments to do so must be stressed. Failures to submit adequate or timely project reports should determine eligibility for all applicants for future funding agreements.</td>
<td>100</td>
<td>HFU Somalia to reinforce message to partners</td>
<td>&lt; 3 months</td>
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<td>13. Identify early warning “trigger points” and thresholds for CHF interventions in future drought or natural disaster scenarios.</td>
<td>81</td>
<td>HFU Somalia</td>
<td>Ongoing</td>
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## Abbreviations

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<tr>
<td>AAP</td>
<td>Accountability to the Affected People</td>
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<td>AO</td>
<td>Administrative Office</td>
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<td>ASB</td>
<td>Administrative Services Branch (UN OCHA)</td>
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<td>CAP</td>
<td>Consolidated Appeal Process</td>
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<td>CERF</td>
<td>Central Emergency Response Fund</td>
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<td>CHF</td>
<td>Common Humanitarian Fund</td>
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<td>CLTS</td>
<td>Community-led total sanitation</td>
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<td>DFID</td>
<td>Department for International Development (British Government)</td>
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<td>DRR</td>
<td>Disaster Risk Reduction</td>
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<td>EQ</td>
<td>Evaluation question</td>
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<td>ERF</td>
<td>Emergency Response Fund</td>
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<td>FCS</td>
<td>Funding and Coordination Section</td>
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<td>FEWSNET</td>
<td>Famine Early Warning System Network</td>
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<td>FGS</td>
<td>Federal Government of Somalia</td>
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<td>FSNAU</td>
<td>Food Security and Nutrition Analysis Unit</td>
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<td>FTS</td>
<td>Financial Tracking System</td>
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<td>GM</td>
<td>Gender Marker (IASC)</td>
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<td>HC</td>
<td>Humanitarian Coordinator</td>
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<td>HCT</td>
<td>Humanitarian Country Team</td>
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<td>HFU</td>
<td>Humanitarian Finance Unit (of OCHA)</td>
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<td>HPC</td>
<td>Humanitarian Programme Cycle</td>
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<td>Humanitarian Response Plan</td>
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<td>IASC</td>
<td>Inter-Agency Standing Committee</td>
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<td>IDP</td>
<td>Internally Displaced Person</td>
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<td>INGO</td>
<td>International Non-Governmental Organization</td>
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<td>JRMU</td>
<td>Joint Risk Management Unit (United Nations)</td>
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<td>MPTF</td>
<td>Multi-Partner Trust Fund</td>
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<td>M&amp;R</td>
<td>Monitoring and Reporting</td>
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<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>NNGO</td>
<td>National Non-Governmental Organization</td>
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<td>OCHA</td>
<td>Office for the Coordination of Humanitarian Affairs (United Nations)</td>
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<td>OIOS</td>
<td>Office of Internal Oversight Services (United Nations)</td>
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<tr>
<td>TOR</td>
<td>Terms of Reference</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>WASH</td>
<td>Water, Sanitation and Health</td>
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Introduction

PURPOSE, SCOPE AND OBJECTIVE

1. This country level report for the Common Humanitarian Fund (CHF) for Somalia has been prepared within the broader global evaluation of the CHF undertaken at the end of 2014, and is one of five country-level papers prepared as part of the overall review. As such it is designed to identify specific issues and successes of the CHF in Somalia and to provide the basis for sharing experiences and lessons learned across the five other countries where the CHF currently operates. [Afghanistan, where the CHF was established in early 2014, was not part of this review.] 

2. The evaluation is an external and independent assessment of the CHF mechanism contributing toward the requirements of the CHF Monitoring and Reporting Framework. It will support further progress of the CHF mechanism, particularly in the areas of resilience programming and risk management in fragile contexts.

3. The scope of the evaluation considers three main themes:
   - **Thematic**: The CHF mechanism, its contribution to the humanitarian response, and its role among the funding instruments
   - **Geographic**: Global (covers five CHFs in detail: Central African Republic, Democratic Republic of the Congo, Somalia, South Sudan, Sudan);
   - **Temporal**: This review covers the period since the last CHF evaluation in 2011 through 2014.

4. The evaluation set out to address a number of areas:
   - to evaluate the CHF mechanism relative to its objectives, and to identify its stronger and weaker points, including at individual country level;
   - to examine the practices and approaches in terms of the management of risk, to resilience programming in fragile contexts, and their application in relation to the CHFs;
   - to determine progress made since the last evaluation in 2011;
   - to identify good practices that can be replicated elsewhere and recommend adjustments to strengthen the overall CHF mechanism.

5. After presenting a brief summary of the CHF in Somalia, this report addresses the series of questions presented in the evaluation’s Terms of Reference with a specific focus on Somalia. Some of the evaluation questions (EQs) are more relevant at a consolidated or global level, and have only been addressed here as relevant. The individual EQs are referenced at the start of each section, and are also listed in full as Annex 3. Conclusions drawn from the findings, and a number of recommendations for the Somalia CHF team to consider, follow.

METHODOLOGY AND LIMITATIONS

6. The evaluation was conducted via a desk review of related documents, briefings with OCHA in New York, Mogadishu and Nairobi, and a total of 27 other interviews and discussions with a broad selection of major stakeholders of the CHF in Somalia. A one-day field visit to Mogadishu enabled direct interviews with representatives of six national non-governmental organizations (NGOs) and the OCHA team.

7. All further interviews were held in Nairobi (Kenya) over five days in late November 2014. During the meetings, 48 stakeholders were interviewed, including OCHA staff, donor representatives, members of the Advisory Board, cluster representatives and key informants from a number of United Nations agencies and NGOs. These sessions produced much of the qualitative data reported later.

8. Due to time limitations and security issues, no project visits were possible and no beneficiaries were interviewed. The evaluation team attempted to arrange further meetings with other stakeholders, but due to the very limited time in Mogadishu and the travel schedules of some key individuals between Nairobi and Mogadishu in the week available, this proved impossible.

9. A final feedback session, to which the Kenya-based interviewees were invited, was held in Nairobi on 28 November 2014.

10. A further desk review was done following the field visit with documents and web links collected during that week, where reported quantitative data was researched. A full list of the stakeholders interviewed is given as Annex 1 and a list of resources reviewed appears as Annex 2.

11. Feedback to a detailed questionnaire addressed to the Head of the HFU and the provision of numerous documents requested was only completed as this report was being finalized. Relevant points have been taken into account wherever possible.
12. Somalia is the most enduring case of modern state collapse. Internal conflict has prevailed across most areas of southern and central Somalia for more than 20 years, exacerbated by both regional and global political agendas although in more recent years there have been signs of improving security in many areas. The Federal Government of Somalia (FGS) replaced a transitional authority in 2012, with the explicit support of neighbouring Ethiopia and the broader international community. Nevertheless, many parts of southern Somalia still remain under the control of al-Shabaab, a militant Islamic movement. In contrast, Somaliland to the north is a self-declared independent entity and Puntland, in the north-east, is a semi-autonomous region, both of which have established governance and administrative structures which ensure relative peace and security, although the border areas between the two remain contested.

13. The long-running conflict in southern and central Somalia is the main factor for the country being one of the poorest and most food insecure in the world. Many of the estimated 12.3 million population have insecure access to sufficient food, although recent years have seen an improvement in the overall situation with the number of people classified as being “in crisis and emergency” dropping by 15 percent between early 2014 and early 2015.

14. The collapse of most basic services, in particular health and education, has heavily affected women and children. The situation is exacerbated through frequent and severe droughts, rising global prices of food and fuel in the past three years and continuing limitations on humanitarian space.

15. Even in August 2014, OCHA reported that conditions in Somalia remained disturbingly similar to earlier pre-famine periods (2010) when the combination of reduced humanitarian access, insecurity, increases in commodity prices and two consecutive failed rainy seasons were still heavily affecting the country. While there has been some positive improvement over recent years (see footnote 5) more than 730,000 people were still estimated (early 2015) to be in need of urgent life-saving assistance, with another two million people struggling to meet their minimal food requirements and in need of livelihood assistance to withstand shocks. The highest

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5 An estimated 9% of this population are internally displaced people (IDPs) with disrupted livelihoods who are reliant upon external assistance
6 An estimated 731,000 people (IDPs representing 76% of this total) will be in Crisis and Emergency (IPC Phases 3 and 4) from February to June 2015; this figure represents a 29% decrease from the estimates for July to December 2014 (1,025,000 people in Crisis and Emergency) and a 15% decline from the estimates for February to June 2014 (857,000 people in Crisis and Emergency). Source: 2014 Deyr season (Oct-Dec) assessment led by the Food Security & Nutrition Analysis Unit (FSNAU) of FAO Somalia, FEWS NET and other partners.
7 2009 and 2011 were the most recent droughts in Somalia
8 Source: https://docs.unocha.org/sites/dms/Somalia/CHF%20Reserve%20Strategy%2029%20August%202014%20revised_v.2.pdf
malnutrition rates were to be found in the urban areas, compounded by weaknesses in the health and WASH sectors. Internally displaced people (IDPs) constituted the largest group of those in crisis (over nine percent of the national population, according to UNFPA), often continuing to face serious violations including loss of property and livelihoods, family separation and gender based violence as well as forced recruitment and child abductions.

16. The conflict has made Somalia a particularly dangerous environment for aid workers; several have been killed and kidnapped and threats made against aid agencies themselves. Some organizations opted to leave, others have been banned by al-Shabaab, which remains suspicious of their intentions, but many of the on-the-ground activities have continued, undertaken by small indigenous organizations.

OVERVIEW OF THE CHF

17. The Common Humanitarian Fund (CHF) is a multi-donor pooled fund managed under the direction of the Humanitarian Coordinator (HC), to allow quick, predictable and strategic emergency funding for humanitarian interventions run by United Nations agencies and international and national NGOs working in the country. The Somalia fund has been in operation since June 2010 when the HC established it as an upgrade to the existing Humanitarian Response Fund (HRF). The CHF is intended to provide larger and more strategic funding to high-priority, under-funded projects in the Consolidated Appeal, through semi-annual allocations, to support the response to the most urgent needs, as well as the ability to respond to new emergencies via a reserve funding envelope.

Funding levels and trends

18. In the years 2011-2014 a total of 16 different donors have contributed toward the Somalia CHF, with nine of these being regular contributors. Figure 1 shows these donors and the percentage of their total input (to the end of 2013). The UK government (DFID) is the principal donor to the Fund in Somalia (as elsewhere), providing around one-third of the overall income received.

19. A total of US$272.7 million was provided to the Somalia CHF over the full four-year period, or approximately 12.2 percent of the overall humanitarian income for Somalia. As Table 1 below shows, these funds have supported a total of more than 560 projects, mostly of one year duration, though some have continued into subsequent years. The numbers of separate annual projects and of the different implementing partners have reduced over the time period, but despite this the median allocation figures in Table 1 show the actual size of allocations has not followed the same downward trend.

This section addresses:
Evaluation Question 14: What has contributed to trends in funding of each CHF? Can any inferences be drawn for the future funding of CHFs in general? (Relevance/Appropriateness).

A total of 16 donors have contributed to the Somalia CHF over the four year period, covering over 12% of the total received. Support was highest in 2011/2012 as a response to the critical famine conditions, but has fallen off considerably since then. Other global humanitarian priorities and a desire to move Somalia into more of a recovery phase have contributed to the reduction in support despite a similar level of identified need as shown in the HRP.

Figure 1: Donor distribution to CHF Somalia (cumulative to end 2013)

Source: OCHA Somalia

For Somalia, the CAP (or Consolidated Appeal Process) is known as the HRP (Humanitarian Response Plan).
Table 1: Summary of Annual CHF Allocations

<table>
<thead>
<tr>
<th>CHF Somalia</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014 **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Annual Allocations</td>
<td>$84,816,916</td>
<td>$89,397,438</td>
<td>$32,030,911</td>
<td>$30,747,490</td>
</tr>
<tr>
<td>No. of projects</td>
<td>228</td>
<td>175</td>
<td>84</td>
<td>75</td>
</tr>
<tr>
<td>No. of donors *</td>
<td>13</td>
<td>10</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>No. of implementing partners</td>
<td>96</td>
<td>85</td>
<td>54</td>
<td>34</td>
</tr>
<tr>
<td>Median allocation</td>
<td>$250,844</td>
<td>$392,140</td>
<td>$297,320</td>
<td>$300,000</td>
</tr>
<tr>
<td>Amount of largest allocation</td>
<td>$3,700,000</td>
<td>$3,243,956</td>
<td>$1,839,950</td>
<td>$2,086,596</td>
</tr>
<tr>
<td>Amount of smallest allocation</td>
<td>$41,600</td>
<td>$42,254</td>
<td>$64,944</td>
<td>$70,331</td>
</tr>
</tbody>
</table>

Source: UN OCHA FTS  
* plus funds carried over from the previous years  
** standard allocation only

Objectives of the CHF

20. The CHF in Somalia has two main objectives, as set out in the Fund Guidelines:
   • to strategically fund assessed humanitarian action in Somalia to improve the timeliness and coherence of the humanitarian response
   • to support priority clusters and regional priorities in accordance with identified needs.

21. The CHF also aims to ensure that humanitarian needs are addressed in a collaborative manner, fostering understanding and coordination within and between clusters and humanitarian organizations. As such, the Fund contributes to improving the timeliness and coherence of the humanitarian response, improving needs assessments, enhancing the Humanitarian Response Plan (HRP) as the strategic planning document for coordinated humanitarian action, strengthening coordination mechanisms (in particular the cluster system), and improving accountability through an enhanced monitoring and evaluation framework.

Management Structure

22. The HC, supported by the Humanitarian Finance Unit (HFU) of OCHA Somalia, manages the CHF. An Advisory Board (consisting of four NGOs, four United Nations agencies, two donors and one observer) provides strategic and policy guidance regarding the Fund to the HC, and regularly reviews the functioning of the CHF. Cluster review committees assess and prioritize projects for CHF funding. Cluster coordinators and these committees play a crucial role in the allocation process and help ensure a coordinated approach to meeting the cluster’s identified objectives. UNDP’s Multi-Partner Trust Fund (MPTF) office serves as the Fund’s Administrative Agent (AA) and OCHA serves as the CHF Secretariat, and in Somalia as Managing Agent (MA), one of two of the funds globally where OCHA undertakes this MA function (the other being Afghanistan). The Multi-Partner Trust Fund (MPTF) Office of the United Nations Development Programme (UNDP) serves as the Administrative Agent (AA) and is responsible for concluding standard administrative arrangements with donors and Memorandums of Understanding (MOUs) with participating UN agencies. It receives, administers and manages contributions from donors, and disburses these funds in accordance with the decisions of the HC.

Allocation Strategy

23. The CHF has two funding windows: standard allocations and a reserve allocation. If funding allows, there are two standard allocations per year, ideally at the start of the annual programme cycle and then again later in the year. Subject to sufficient funds being available, a proportion of the total amount is retained in the reserve and the remaining amount distributed to implementing partners through the standard allocation process. Reserve allocations can be used as the situation demands during the year. These percentages can vary based on the humanitarian situation and changes in identified needs, and the HC (in consultation with the AB) decides on the envelopes. However, these allocations are dependent upon the receipt of adequate resources and pledges from donors in advance, and in 2013 and 2014 for instance, only one standard allocation was made each year mainly because of slow donor commitments.
Findings of the Evaluation

THE CHF AND THE HUMANITARIAN RESPONSE PLAN FOR SOMALIA

24. The overall scale of humanitarian challenges in Somalia over the four years under review has been significant, particularly from late 2010 when a severe drought in parts of the country created massive new needs for much of the following year. The profile this emergency received also generated new levels of support, to a point where the 2011 HRP was relatively well funded at 87 percent. As Figure 2 below shows, the requested overall needs have averaged around $1 billion per year, although since the highs of 2011 the actual income received against the appeal has fallen significantly for a number of reasons, including a shift in donors’ funding focus, competing global priorities for humanitarian funding and to some extent the effect of the global economic crisis.

25. The low overall coverage of the HRP since 2012 has left large gaps in identified needs that cannot be met by a relatively small CHF. Nevertheless, the annual contribution the CHF has made toward Somalia’s HRP has remained between 8 and 14.6 percent of the total humanitarian financing received over the four years (see Figure 3 below). In 2012, due to an increased HRP because of the knock-on effects of the drought response, the CHF was able to use significant carried-forward funds from the previous year, which, with new income, allowed for an increase in allocation levels. Income and allocations have dropped significantly since then.

Figure 1: CHF Somalia: HRP budgets and receipts; CERF and CHF allocations

This section addresses:
Evaluation Question 1: How, and to what extent, has the CHF contributed to the collective results of the humanitarian community? How do we know? (Impact)
Evaluation Question 2: Where do CHFs fit within the humanitarian architecture in each country, and can any inferences be identified relating to the place of the CHF mechanism in the global humanitarian architecture? What are the implications of merging CHFs and ERFs into a single mechanism? (Coherence)
Evaluation Question 2.1: To what extent are CHFs linked with other donor funding mechanisms, in-country and multi-donor funding mechanisms globally? (Relevance/Appropriateness).

In summary, the findings indicate validity for the Fund in the Somali context despite lower levels of income in recent years, although it remains a significant contributor toward the overall income required to the HRP, particularly in complement to the amounts provided by CERF. The CHF is constrained by the inability of some of its donor base to commit early annual funding, and because of unknown levels of income has had to reduce the number and size of standard allocations made in two recent years.

26. Another pooled funding mechanism managed by OCHA is the Central Emergency Response Fund (CERF). The CERF provides funding to jump-start critical operations and fund life-saving interventions from the early stages, as well as to support urgent under-funded sectors, with follow-on funding for programme continuity sought from other sources. With the CERF exclusively funding the United Nations agencies, the added value of the CHF has been its ability to support a broader base of projects, including those run by national and international NGOs, often in geographic areas where the United Nations agencies are unable to operate directly.

And the International Organization for Migration (IOM). While only UN agencies can directly receive CERF funding, they forward about a fifth of such funding as sub-grants to implementing partners, including many local NGOs.
27. There is close and consistent synchronization between the CERF and the CHF, whereby the CERF under-funded emergency window strategy is aligned with the CHF’s critical gaps strategy, leveraging the two mechanisms’ criteria to provide complementary funding to UN agencies (via CERF) and NGOs (via CHF). All CERF rapid response requests indicate any complementarity in the request forms. The pooled funds together have a significant impact on the response capacity, representing 19 percent in 2014 of the overall total funding contributed toward the HRP (see Figure 3), and underpin the humanitarian community’s ability to prioritize what gets supported.

Figure 2: CHF and CERF in Somalia as percentages of overall humanitarian funding

28. The annual contributions to the Somalia CHF dropped from $99.7m received in 2011/12 during the drought crisis across the wider Horn of Africa, to less than half that ($45.8 million plus carryover) in 2014. As Figure 4 shows, the dollar allocations fell correspondingly although the percentage contributions toward the HRP income for the CHF remains significant. There was only a single CHF standard allocation in 2013 and 2014, although supplemented in 2014 with a significant reserve allocation of $20 million to support 57 additional projects, made in conjunction with a complementary CERF allocation.

Figure 3: Somalia Pooled Funds: Annual CHF and CERF allocations

29. In 2014 the CERF made two allocations totalling $21.4 million to Somalia via one allocation in July ($1.4m) to address a measles outbreak that was complementarily funded with additional CHF support. A second ($20 million) allocation in October went to underfunded emergencies. These grants were complemented in September by the $20 million CHF reserve allocation. For the United Nations agencies that have accessed emergency CERF funding in the past, it was reported that follow-up CHF support allowed some degree of continuity of programme activities in subsequent years, where activities have been started using CERF funding but carried on in later years with CHF support. In other cases, CHF reserve allocation support has helped to keep vital access routes open via funding for humanitarian air services or cargo flights.

30. Recent years have seen frequent changes to prioritization of CHF funding via the standard allocations. As Table 2 below indicates, though, there has also been limited continuity across the years in terms of key areas of intervention, with other priorities added or amended from year to year. Such prioritizations are aligned with the
greatest needs as identified by the HRP for the year. In view of the scale of need as determined by the HRP and the correspondingly low levels of resources available for projects, the main focus for CHF funding over the years has been the “life-saving” activities, though these are not emergency projects in the usual sense of the word: they are frequently ongoing interventions – albeit critically needed – planned many months in advance, which can be identified because of the implementing partners’ experience in the chronic crisis of Somalia over recent years.

Table 2: Priorities for project selection per annual standard allocation

<table>
<thead>
<tr>
<th>Priority areas of intervention strategy for standard allocations</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interventions to lower malnutrition, morbidity and mortality rates</td>
<td>Interventions to increase access to food</td>
<td>Focus on resilience building activities</td>
<td>Interventions toward IDPs and host communities</td>
<td></td>
</tr>
<tr>
<td>Interventions targeting IDPs and returnees</td>
<td>Interventions addressing protection and restoration of livelihood assets</td>
<td>[with 14 percent of total toward early recovery interventions]</td>
<td>Projects addressing community led DRR initiatives</td>
<td></td>
</tr>
<tr>
<td>Interventions to address needs in cholera prone densely populated areas.</td>
<td>Projects addressing key humanitarian indicators among IDPs and durable solutions for returnees</td>
<td>Support to common services</td>
<td>[Focus on partners with a solid plan to mobilize resources from other donors]</td>
<td></td>
</tr>
</tbody>
</table>

Source: UN OCHA reports and allocation documents

31. With the available funding prioritized toward such critical activities, a certain amount of pre-positioning for disaster risk reduction (DRR) work has also been supported, particularly for WASH-related supplies and medicines. In 2013, a specific resilience and DRR-focused response capacity to the effects of El Niño was identified, and 14 percent of the total allocations were allocated to early recovery / resilience work. It is notable that in 2014 the focus was more forward looking, addressing some chronic issues as well as supporting the start-up of projects that could be expected to continue, often with alternative resources. In 2015, the identified priorities have switched to support multi-sectoral inputs in a number of newly accessible areas of high vulnerability.

THE CHF AND RESILIENCE BUILDING

32. While “resilience” has been a stated focus of the CHF intervention strategy in Somalia as elsewhere, the understanding of what resilience means in this context, and therefore how programming can be said to support resilience for the beneficiaries, is poorly defined and varied in understanding.\(^{11}\) Support to resilience-focused projects is identified as realistic and valid in the HRP, but because of the limited 12-month CHF timeframes such longer term funding will increasingly have to be sought elsewhere to ensure such programmes can be continued once started.

33. Most partners indicated that becoming involved in community-focused resilience activities was less appropriate for the CHF than for other donors. Any impact to be achieved from resilience work comes after a number of years of engagement, which includes considerable efforts to advocate and work with the communities. Indeed, partners considered that the majority of their interventions had components of resilience built in – such as seeds and tools in food security projects or maintenance and public health training in WASH interventions – and that these were more suitable than stand-alone resilience projects. One example with a more inclusive resilience approach was provided by the protection cluster, with activities looking at land tenure, housing and livelihoods in an integrated manner, building on the provision of renewable shelter. In particular, the cluster promotes the use of shelter kits that can be reused or removed and resold if the IDPs leave, which would both provide the families with some livelihood support, and also allow the shelter itself to be reused, helping to avoid the regular need for renewal of materials.

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\(^{11}\) While the definition of “resilience” remains an ongoing debate well beyond Somalia or OCHA, it is acknowledged that WFP, FAO and UNICEF have developed a Joint Resilience Strategy, which can be used as an example of an existing inclusive resilience approach for the country.
34. Following a sizeable contribution to an NGO consortium in Somaliland in 2013 for an early recovery/resilience programme,\textsuperscript{12} no funds were allocated in 2014 directly to such activities, although one of the priority areas earmarked for support did cover DRR activities. The evaluation considers that resilience components can be included in all projects – regardless of whether they are mainly seen as emergency or recovery – and these components should be clearly outlined in all applications.

35. At the same time, the fact that the CHF works on an annual allocation basis, using donor funds made available each year, precludes decisions about supporting much DRR, recovery or rehabilitation programming because of the nature of the short funding cycles. Again, this was identified for the 2014 allocations, acknowledging that there are other available funding streams such as those agreed via the “New Deal” arrangement between the European Union and Somalia\textsuperscript{13} in 2013, that can assist with more development-focused assistance. European Union funding is increasingly focused on resilience and, in particular, an approach that seeks to link relief, rehabilitation and development.

36. Bilateral funding for resilience and recovery activities is likely to increase commensurate with a reduction in humanitarian funding, and OCHA should encourage their partners to address the most appropriate mechanism for such requests, rather than default to the CHF. The UN entities in Somalia, for example, have established the Somalia Reconstruction and Development Facility (SDRF) to address five peace-building and state-building goals. In the medium term this facility will be able to support recovery projects. These alternatives would allow the CHF funding to remain focused on humanitarian interventions, though it will require a coordinated approach to maximize the use of available resources, with OCHA playing a key information-sharing role. Still, the limits to the level of support possible via the CHF will provide the incentive for partners to look more widely for funding.

THE CHF AND THE HUMANITARIAN REFORM PROCESS

37. The principal initiatives outlined by the IASC 2011 Transformative Agenda (TA) focused on improvements by the wider humanitarian community in three key areas, particularly at the time of critical (Level 3) emergencies: better leadership, improved accountability and improved coordination. While Somalia is not (at this time) classified as an L3, many of the concepts put forward in the TA are fully relevant for implementation in the country.

Strengthening leadership

38. It was clear during the evaluation that the CHF is a resource actively managed by the current HC, who himself was the former head of the OCHA Somalia office. This understanding of the overarching humanitarian issues, and the ability to focus on the humanitarian work, is clearly beneficial and appreciated by the stakeholders.\textsuperscript{14} With the sum of the pooled funds reaching 19 percent of the total HRP income in 2014, the HC is able to engage in a more responsive and focused interaction with the Somali authorities, which is well noted, and with other CHF partners to address existing and emerging needs.

39. There was a gap of 15 months when there was no official HC in post, after the previous incumbent was transferred to Afghanistan (September 2012) and the current HC’s appointment was announced (December 2013). It has been noted elsewhere (Taylor, 2012; HFU Somalia, 2012\textsuperscript{15}) that this vacuum directly prevented a number of key issues being addressed, such as ensuring the complementarity of funding decisions between the CERF and CHF, and having the CHF Advisory Board review CERF allocations to ensure strategic coherence.

40. A significant recent development has been the initiation by the HC of a discussion on the current viability of the CHF as it exists in Somalia, aiming to determine if the CHF is “fit for purpose” for the current humanitarian needs and levels of donor support. In particular this internal debate is aimed to determine if the CHF needs to be a...
more strategic tool aligned more closely with the programme cycle, or whether its emphasis should be further focused on addressing emerging needs and filling critical gaps as they develop during the year. The evaluation considers that this debate is particularly pertinent in view of the size of annual income over the last years, and the likely levels of future funding set against the administrative costs needed to run the CHF with the existing HFU structure in Nairobi.

Clusters and Coordination

41. It is in the area of enhanced coordination where the CHF in Somalia has probably achieved the most. The identification and commitment to work with some 70 NGOs, both international and Somali groups, has undoubtedly delivered a closer integration of plans and expectations, helped avoid overlap and gaps and has encouraged the organizations to work on the single HRP. The clusters are the main point of reference for prioritizing the CHF proposals and for undertaking the necessary technical analysis of the selected projects. In Somalia, with the plethora of small disparate NGOs – many highly localized – any group that wants to be taken seriously needs to have links to the CHF. The clusters’ ability to analyze and respond to programming gaps and critical needs is well acknowledged, and their direct involvement in the CHF fund allocation process ensures a close link between the cluster priorities and the funding available.

42. There are three significant challenges for the clusters: first, the unique situation in Somalia whereby most of the clusters actually operate from another country. There is a move to relocate some offices: UNDP and UNHCR country offices are now in Mogadishu, with the other UN agencies still being mostly in Nairobi but with Mogadishu-based staff in many cases. The clusters are all Nairobi-based, involving extensive travel for most cluster coordinators, although the WFP Food Security Cluster coordinator is now based in Mogadishu. There are sub-cluster groups at a number of regional locations within Somalia, although this can have an impact on some strategic decisions. Sub-national level cluster representatives do not always feel that their priorities are adequately translated into those decided at the Nairobi level, and all field level information being used centrally is at best second hand.

43. Second, there is a clear correlation between the calibre of the individual cluster coordinators and the quality of the cluster engagement; as elsewhere, this varies widely. Steps to address this proactively (for example, where the CHF has funded a number of clusters to recruit a qualified and dedicated individual to head the cluster) have made a significant difference in quality of output, but there is a relatively high staff turnover across the Somalia operations and therefore this level of commitment remains inconsistent and does not significantly add to institutional learning over time. It does remain the responsibility of the cluster lead agencies to staff these positions with appropriate individuals. The CHF funds should be prioritized for project activities rather than cluster support, but if the latter is vital then it should only be for a limited time.

44. A third challenge is the amount of work, particularly at times of project and technical reviews, that the clusters must complete within a very limited timeframe, although it was acknowledged that these are only temporary spikes in workload. In one example, 200 initial project proposals (concept sheets) had to be reviewed by one cluster, which was then reduced to 80 for more in-depth analysis within three days. A fraction of these received recommendations for project funding.

45. Despite the additional burdens on the clusters, and the coordinators in particular, the partners nevertheless see their role as positive as it allows direct engagement with the NGOs and UN agencies at the local level, and keeps the responsibility for project selection and approval at the operational level. At the same time, as emerging needs are identified the cluster is best placed to recommend or nominate a competent partner to respond.

46. Two specific discussions highlighted the importance of the CHF for the partners: one international NGO confirmed that the amount of CHF funding they received was fairly insignificant in relation to their external funding streams, but their application for support enabled them to be fully engaged in the wider humanitarian debate and discussion at a higher level and with better coordination, or to “have a seat at the table.” They considered that the engagement and information sharing that the CHF process engendered was important for better coordination, project identification, delivery and impact; thus they wanted to be part of it via their relatively small CHF application.

47. Second, while CHF funding is crucial for the survival of a number of the smaller Somali NGOs, their representatives confirmed to the evaluation team that their engagement with the Fund has brought them into the broader discussion as more equal members. They may lack the scale and resources of the internationals, but their ability, often, to access “no-go” areas and reach very vulnerable populations provides valuable complementarity to
the operations of the larger groups. Thus their incentive to cooperate and coordinate with other cluster members is supported through their ability to access funding from the CHF, certainly more easily than they could get elsewhere.

Accountability

48. The Somalia CHF has made considerable steps toward enhanced accountability through the cluster-led project prioritization and encouraging a coordinated inter-cluster response to improve collective results. The HFU has also taken steps toward strengthened monitoring and reporting, as discussed later in this report.

49. Showing accountability to the affected people (AAP) is more challenging for OCHA, as they are not the implementers of the projects, and they seldom have direct access to the beneficiaries. Systems put in place for monitoring, such as the call centres (see para 104), do contribute toward this accountability. The evaluation notes that information provided by the call centre company to OCHA regarding the methodology used and feedback garnered through this exercise contributes direct beneficiary responses to help OCHA ensure that projects are being appropriately delivered and also highlights concerns and areas for improvement.

50. This evaluation did not explore in any detail the fraud cases identified in 2012, in which CHF funding was used inappropriately by at least three national NGOs, but it is relevant to record the negative impact this had on the Fund in the eyes of donors. The subsequent implementation of a robust Accountability Framework and capacity assessment exercises with partners, as well as a more recent external audit of the CHF’s procedures that found the improvements made in the interim to be acceptable, has restored much of the goodwill and has been welcomed by the donors and encouraged a number of them to release blocked funds.

GENDER CONSIDERATIONS

51. All the CHF projects are analyzed using the IASC Gender Marker (GM), a tool that codes, on a 0-2 scale, whether or not a project is designed well enough to ensure that women, girls, boys and men will benefit equally from it, and its potential to contribute to gender equality. The marker predicts whether the results are likely to be limited or significant. Each cluster is expected to apply the gender marker to score projects based on its consideration and response to the different needs of all sections of the community. Similar considerations are expected in the proposals for the other cross-cutting areas, but feedback suggested these were not taken as seriously.

52. NGO stakeholders indicated that the use of the GM was more for cosmetic value than anything practical. In many cases, implementing partners suggested that their own gender programming was considerably more advanced than OCHA’s expectations. Although GM information is requested on the project summary sheet, often the information provided is scanty and uninformative: one funded 2013 project, for instance, when asked to “outline how the project supports the gender theme,” replied “through gender mainstreaming,” with no further details as to how this concept would actually be delivered or achieved or measured.

53. Still, the CHF does collect gender and other demographic data through its monitoring processes, but needs to identify some more concrete measures to move this agenda forward, particularly as the new global guidelines indicate, “the IASC Gender Marker is utilized by all country-based pooled funds throughout the programme cycle.” No evidence of this was seen in CHF Somalia, though this is neither a CHF nor a Somalia specific issue: one of the main findings of the broader 2014 assessment of the gender marker approach was that “overall, the IASC Gender

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17 The SIDA/PWC report was not produced for the evaluation team despite several requests.

18 Project code: CHF-DMA-0489-440ER; though a random search of the database indicated many projects with similar comments or nothing at all in this section


Marker has been successful in integrating gender into the design stage of projects, although there continue to be some challenges with its consistent application. The main limitation is that it stops at the design stage and that more work needs to be done to ensure implementation and better track results at later stages of the project cycle.

54. The same assessment report\(^2\) (p.21) indicates there was a gender advisor in Somalia at some point, although none of the interviewees mentioned this fact or any impact this person may have had. In view of the potential benefits such a position could offer,\(^2\) it is surprising that no residual effect was acknowledged in Somalia. Currently a Senior Gender Advisor is located in the office of the Resident Coordinator who should be available to support both OCHA and its partners.

**PLANNING PROCESSES**

55. Projects proposed for CHF funding via the standard allocations are already included in the HRP, so much of the preliminary project identification and design have been completed for that exercise. This is a clear and open benchmark and sets the initial criteria for the applications. The central role of the clusters in the formulation of the HRP as well as the later technical review and selection of the actual projects submitted for funding ensures that CHF support is targeted toward those projects deemed in line with the overall sector strategy and in compliance with standards and technical criteria.

56. However, projects accepted also need to be relevant and flexible if the context changes in the months between planning and implementation – a period which could stretch to six or eight months before any project work actually starts – and the CHF has to be able to incorporate any amendments during the project lifetime, or ultimately through a no-cost extension to the timeframe. Such changes were reported to be possible via budget revisions and direct discussion between the partners and the CHF team, who remained open to try and find a practical solution to avoid the project becoming inappropriate or at worst unnecessary if the situation on the ground altered significantly, such as in a population movement or changes in the accessibility to certain areas.

**PARTNERSHIPS**

57. Both the United Nations agencies and the NGOs clearly rely on receiving project funding from the CHF. In most cases, the organizations see the CHF as one of a number of funding streams they can approach. In the case of many of the smaller national NGOs, these options are more limited and the CHF is of greater significance. Particularly for the smaller groups, the limited predictability of ongoing funding from year to year, both in terms of amounts available as well as changes in targeting for the allocations, makes continuing programming very uncertain beyond the initial agreement.

58. Of more concern, there remains the assumption from a number of the United Nations agencies that they have “a right” to access the CHF funding as part of their country funding strategy, and it was reported that UN agency proposals are seldom if ever refused. One AB member indicated the UN agencies put the CHF “under a lot of pressure to get CHF funding”; this pressure can happen at two levels – in the clusters in terms of prioritizing and approving the coordinator’s agency’s proposals, or via discussions at the HCT level. Many other respondents perceived and commented that the UN agencies had a preferred status vis-à-vis the NGOs.\(^2\) Checks and balances are in place in the system to judge all applications appropriately wherever possible, and may involve offering specific capacity building measures to them.

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\(^2\) Marker has been successful in integrating gender into the design stage of projects, although there continue to be some challenges with its consistent application. The main limitation is that it stops at the design stage and that more work needs to be done to ensure implementation and better track results at later stages of the project cycle.

\(^2\) The same assessment report indicates there was a gender advisor in Somalia at some point, although none of the interviewees mentioned this fact or any impact this person may have had. In view of the potential benefits such a position could offer, it is surprising that no residual effect was acknowledged in Somalia.

\(^2\) One United Nations agency had had one of its applications returned as it was clearly a “copy and paste” from a previous year, but it was revised and ultimately funded. NGO partners indicated that if this had been them, they would not have been given a second chance.
59. As Figure 5 and Table 3 below show, despite OCHA’s stated desire to provide more support toward NGOs, and the national NGOs in particular, the actual percentages of funds allocated to UN agencies and to international NGOs have trended upwards, and the percentage to national NGOs has trended downwards over the four year period. This is particularly significant between 2013 and 2014, dropping from a quarter of the funds allocated in 2013 to just 5.7 percent in 2014, which is directly related to the tightened procedures introduced following the NGO capacity assessment exercise (see para 109).

Table 3: Number of partners and projects, per year

<table>
<thead>
<tr>
<th>CHF Somalia</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Annual Allocations</td>
<td>$84,816,916</td>
<td>$89,397,438</td>
<td>$32,030,911</td>
<td>$30,747,490</td>
</tr>
<tr>
<td>No. of UN agency partners / projects</td>
<td>8 / 21</td>
<td>10 / 38</td>
<td>9 / 17</td>
<td>8 / 27</td>
</tr>
<tr>
<td>No. of INGO partners / projects</td>
<td>26 / 73</td>
<td>27 / 68</td>
<td>19 / 37</td>
<td>19 / 40</td>
</tr>
<tr>
<td>No. of NNGO partners / projects</td>
<td>63 / 135</td>
<td>47 / 70</td>
<td>26 / 32</td>
<td>7 / 9</td>
</tr>
<tr>
<td>Percentage of funds going to UN agencies</td>
<td>25.5%</td>
<td>34.8%</td>
<td>31.6%</td>
<td>50.5%</td>
</tr>
<tr>
<td>Percentage of funds going to INGO projects</td>
<td>36%</td>
<td>39.2%</td>
<td>43.2%</td>
<td>43.8%</td>
</tr>
<tr>
<td>Percentage of funds going to NNGO projects</td>
<td>38.5%</td>
<td>26%</td>
<td>25.2%</td>
<td>5.7%</td>
</tr>
</tbody>
</table>

Source: UN OCHA FTS  * not including the reserve envelope allocations

60. Despite these figures, the reality is that many of the United Nations partners pass the funding through to their own implementing partners, which does not show in this analysis. As UN agencies are responsible for the cluster lead functions they have to provide core pipelines, which are a cost-effective supply source for partners. As they are providers of last resort, often they are funding national implementing partners to deliver. This approach can mean that NGO partners who did not pass the OCHA capacity assessment can still be implementers using CHF funding, but OCHA has little direct control over this, with accountability for implementation remaining with the primary recipient of the funding. It also adds to the implementing costs because of the percentages the intermediary United Nations agency collects. The evaluation suggests that OCHA needs to seriously address whether this is the approach they wish to continue with, which limits the risk management oversight they have developed for their direct partners (as described in more detail in the Risk Management section from para 106).

Figure 4: Percentages of CHF standard allocations per organization type per year

61. As income levels change, the CHF is weakened by maintaining support across a large number of sectors to a relatively large number of projects. The strategic impact of funding this diverse spread of projects over a broad geographical area is reduced, which itself does little to reduce the cycle of annual emergency needs. Feedback from multiple stakeholders indicated a perception that there were “many small projects” each year, although in fact the amounts of the smallest grants have risen year on year (Table 1). Many commented that the CHF was not being allocated strategically enough, and that it was “spreading the funds broadly to please everyone.” Some sectors (eg: education, protection) are often unable to secure external funding from bilateral donors for emergency interventions, and these tend to get funded from CHF both as urgent humanitarian priorities as well as addressing critical gaps. The CHF remains severely constrained in its planning processes when the donor income is received late in the year and without access to multi-year commitments. The evaluation considers that the strategic prioritization decisions for the standard allocations could be more focused (note annual variations in Table 2), and thereby contribute to increased and lasting impact in certain areas, but it is also acknowledged that the CHF has a role to support critical gaps.
62. While it is inevitable that some of the smaller national NGOs will have capacity constraints, and are only able to handle smaller projects, thus increasing the administrative burden on the CHF team, this must be balanced against their ability to reach vulnerable communities in difficult areas as well as their more limited ability to access funding from other sources. Several international NGOs indicated that, while the CHF was important and useful, they had a variety of other funding options. Nevertheless, several commented that “if there are other alternatives, go for those” because of the extensive application and negotiation process the CHF involves. Still, the reality remains that the needs outstrip the available resources, with the result that organizations will ultimately apply for any funding they can get.

63. For many national NGOs, the annual allocation cycle means that project planning can only be seen as short term and focused on emergency responses, and cannot be relied upon for support toward the transition to more recovery programming, which many organizations working in Somalia consider as necessary to move away from the cycle of emergency support. The non-approval of their projects in subsequent years often jeopardizes the very existence of many of these smaller NGOs, and with that the ability to gain humanitarian access to parts of the country.

64. National NGOs identified the knock-on benefits of being a CHF partner in that having been subjected to the capacity assessment exercise (as part of the risk management framework discussed later) and having performed as a CHF partner over one or more years, other donors consider them to be more reliable and competent, and thus it is easier to attract other funding in later years – vital for shifting into more recovery programming.

65. There is also an increasing number of “non-traditional” donors becoming involved in Somalia (notably Turkey, Saudi Arabia and the Organization of the Islamic Conference), who all reacted strongly during the 2011 drought response and continue to support humanitarian and rehabilitation work on the ground. While open discussion and advance sharing of plans and strategies is not an approach they have yet taken, OCHA has at least opened up channels of communication with them to attempt to work more closely together, to begin to share information and plans and to generally improve cooperation and avoid duplication of efforts. These coordination efforts remain important, both to ascertain the projects being supported by all donors to avoid overlap, but also to enable CHF partners to take their projects to these donors for support, and as advocacy for growing the CHF’s donor base.

**TIMELINESS OF THE HUMANITARIAN RESPONSE**

66. The rationale for the CHFs indicates that they are available to “provide early and predictable funding to NGOs and UN agencies for their response to critical humanitarian needs,” that can be “swiftly allocated to where they are most needed to fund priority life-saving projects.” This can only be achieved when funds are available, and ideally early on in the humanitarian programme cycle each year. While the ideal situation is two standard allocations per annum, in 2013 and 2014 there was only one standard allocation each year.

67. The process followed is not “swift.” A common frustration acknowledged by all stakeholders, but particularly by NGOs, was the extended time period between the calls for proposals and the actual receipt of the funding to begin programme implementation. In 2011, this was identified as an issue with disbursement taking twice as long as anticipated; in 2014, this was reported to be up to six months for the standard allocations (still double the ideal three months), although the average is nearer four months. The evaluation finds that the extended allocation process makes the receipt of the CHF funding neither early nor predictable over a longer-term timeframe, and “swift allocation” is not possible except for the allocations made from the reserve envelope.

68. Under the standard allocation process, UN agencies receive their funding more quickly, but the requirement for contracting of non-UN partners significantly adds to the time before funds are released to them. The early steps of the allocation process are the same for all: the cluster prioritization, the cluster review work and the technical appraisal of the individual projects. The Administrative Agent has on average been concluding contribution

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24 OCHA Somalia has held numerous workshop and training sessions to assist with partner capacity building, and this is relevant for improving the proposals and budgets, and is appreciated by partners.

25 There are signs this process is improving with experience: in 2015, CHF project recommendations were presented to the Advisory Board for endorsement on 30 January. By mid-February the project recipients and the CHF team were able to move the projects into the clearance stage. The stated goal is to get 80 percent of funds disbursed in 60 days, which is a month quicker than in the past.
agreements within two business days upon receipt of a donor’s intention to contribute, and transfers all the approved funding within 48 hours of receiving the supporting documents from HC and HFU (the normal time as per MOU is within five business days). Once the actual project allocations are agreed, non-UN partner projects then have to go through an extensive project and budget review process to verify compliance with the global guidelines before the final contracts can be drawn up and signed. This often involves extensive back-and-forth communication with OCHA in New York (previously Geneva), frequently over quite minor questions, but all adding to the time. Progress has undoubtedly been made in some of these areas recently, but others – such as better coordination on how projects are prioritized for throughput in New York – still need to be improved.

69. A schematic diagram of the 2014 allocation timeline, as set out in advance of the allocation process is reproduced here as Figure 6:

Figure 5: Timeline for 2014 Standard Allocation, CHF Somalia

Source: OCHA Somalia

70. Downs (2014) reported that “the INGOs … were highly critical of timeliness problems with the Somalia CHF”. The CHF Somalia revised guidelines (November 2011) indicate that the ideal period of time between the issuance of the Standard Allocation Document and the disbursement of funds is eight weeks, but it is clear from this 2014 timeline that that period was planned to extend from 7 March to 4 June, which is already 12 weeks. Whereas the United Nations agencies and some of the NGOs had received their initial instalments of funding by early June, others reported they in fact waited until well into July to receive theirs.

71. Data for the 2014 standard allocation indicated partners waited up to 210 calendar days between project submission and actual financial disbursement, with an overall average of 95 calendar days. Figure 7 below shows this spread (see caveats in footnote 23). While the average score is in line with the plan shown in Figure 6 above, clearly many projects exceeded this time. During the meetings several NGO representatives – particularly those who complained about the excessive time delays – were asked to prepare and forward a list of key dates on which the main steps, in their case, had taken place, but unfortunately none of these lists were subsequently produced for the evaluation.

Figure 6: Time taken between project submission and disbursement of funds, 2013 and 2014

Source: UN OCHA

26 Data supplied by OCHA, but anonymized (no project codes, no partners’ name) and a combination of 2013 and 2014 data without individual dates. It has not been possible to analyze individual projects that experienced delays to determine particular reasons and the requested feedback from the NGOs was not forthcoming.
72. As noted earlier, the HFU is well aware of the frustrations these delays cause, but indicated that in many situations the reasons for the delays were largely around the need for additional clarity on project details or budgets that was required before contracts could be finalized, and the lack of timely response to questions put to the NGOs. Revised budget guidelines are in place, and recently OCHA has invested in a number of budget guideline compliance workshops with partners to help them understand and meet the expected standards: these are reported by both sides to have been positive and helpful, and compliance rates – and thus the timeliness – has improved incrementally with those partners trained. Similar workshops need to be made available to all partners, including those in Somalia.

73. Use of the reserve envelope can be significantly quicker: the CHF Somalia guidelines indicate that funds should be disbursed by OCHA within 15 days of receipt of the funding proposal, and the aim is to have them dispersed within five days of sign off of the MoUs. One specific account mentioned was of funds being released within 10 days total to respond to a measles outbreak, so it is clear that a significantly quicker process can be achieved by this modality when needed. The reserve can also be used more strategically to fill gaps, address emerging needs, support under-funded sectors, and directly because it is a retained amount rather than sought income, is generally available as needs emerge. The HC already has the ability to alter the percentage of income kept in the reserve envelope; the evaluation suggests that, given the unpredictability of annual income, the reserve envelope increases to assist with early annual funding commitments for season-critical projects.

**Relationship of the CHF programme cycle with the humanitarian programme cycle**

74. The Humanitarian Programme Cycle (HPC), developed in 2014 as part of the Transformative Agenda, guides the steps of humanitarian intervention from the initial assessment work through planning and resourcing to implementing and monitoring, with project review and evaluation meant to inform later years’ interventions, as shown in Figure 8.

75. In Somalia the principal targeting strategy used by the HRP, and therefore the CHF, is based on the results of the post-harvest analysis carried out semi-annually across Somalia by the Food Security and Nutrition Analysis Unit (FSNAU) led by FAO, and the FEWSNET (the Famine Early Warning Systems Network). While these assessments are specifically focused on peoples’ food security vulnerabilities across the country and less on other needs, it is accepted that they offer the most comprehensive data available and are therefore used to present a broader needs analysis than just for food security issues.

**Figure 7: The Humanitarian Programme Cycle**

76. The CHF allocation cycle is based on the approved annual HRP, and only considers projects that have been identified and verified for inclusion in it. This process alone takes several months of intensive work in the latter half of each year, so while the CHF is a key implementer of the HPC in terms of its direct involvement in all the steps, it cannot operate independently of the cycle even in its specific areas of influence. It needs to be considered whether this close link could be loosened: for example, the finalization of the annual strategic planning currently precedes any allocation decisions (the resource mobilization area in Figure 8), whereas the CHF’s added value could be to raise unearmarked funding and identify priority areas of intervention during, rather than at the end of, the HRP process, which in turn could get the annual allocations made earlier in the cycle.

77. Given the extensive CHF allocation process that then follows, the CHF financing decisions can only be made if there is an adequate level of funding available to launch a call for proposals, and thus it cannot always be well synchronized with seasonal needs, such as ahead of the ideal period for distribution to agricultural projects in advance of the two annual planting seasons.

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27 On such issues the national NGOs were said to be much more responsive than the international ones.
Relationship of the CHF programme cycle with the national seasonal calendar

78. Somalia has two distinct rainy seasons. The first is “Gu,” the long rains from March to June that support the main cropping season. The second is “Deyr, the short rains, which occur at different times across the country but usually around October to November. Based on the findings of the FSNAU post-Deyr assessment and after the publication of the HRP, the first yearly standard allocation of the CHF should take place in February, with a second yearly allocation ideally in August after the publication of the mid-year review of the HRP and FSNAU post-Gu assessment. Thus, allocations are based on assessed needs and an agreed humanitarian strategy, and if funding is available early in the year, organizations should be able to plan ahead.

79. The existing link to the completion of the HRP at the end of the previous year (funds permitting) is too rigid to support many season-sensitive projects, particularly those addressing annually recurring needs, so that their implementation can begin ahead of the main rains. While the CHF in Somalia is well aware of the time pressures for these activities, and has made clear efforts to fast-track these agreements where possible, again the delayed or uncertain income levels work against them. Even when pre-financing agreements are made, often there are further delays on the partner’s side.

80. In two recent examples, in 2013 the standard allocation was only initiated in May because of delayed receipts of contributions from donors, with the allocation decisions being taken for the eight agriculture-focused projects only in early July, clearly too late for the main cropping season. In 2014, even though the seasonal priorities were discussed for the allocations, the food security assessment data and thus the targeting information was not available until late February, and the allocation guidance document for the first allocation was only published on 7 March (see Figure 6). The first instalments of the funding were only being sent out in June, thereby missing the most important annual rainy season, and in some cases too late for the second season also.

81. In its Real Time Evaluation of the Horn of Africa Crisis (2012), the Inter-Agency Steering Committee (IASC) pointed out that the effects of the 2011 famine were compounded by a number of factors, notably the lack of security in south Somalia but also the failure of the international community to adequately support early action and provide sufficient early funding once the warning signs of famine were appearing. While that evaluation did acknowledge the “important early action taken using the availability of the pooled funds,” it was not ascertained in this current review whether any of the CHF’s early warning triggers have been developed or enhanced since then, and whether the Fund’s ability and flexibility to be able to react to such signs in any future situation have been improved. It is considered as a necessary step to take, however.

COHERENCE AND QUALITY OF THE RESPONSE

82. Further to the extensive discussion and prioritization process involved in the preparation of the HRP, the use of CHF funding to support HRP projects indicates a good level of coherence and avoidance of duplication. The scale of the identified needs across Somalia is significant, as evidenced by the size of the annual HRPs (see Figure 2 on page 5 above). However, with the CHF’s funding constraints, it is inevitable that many of the identified needs could not be met. The CHF’s role of “gap filling” becomes less realistic when the funding gap gets larger and the available funds within the CHF diminish. Thus the need to prioritize the CHF support becomes more critical – but in Somalia there has continued to be a broad cross-sector spread of support.

83. In each of the years under review, all clusters have received a funding envelope during the allocation process from which they support a number of the projects proposed. How the amounts in each of these sectoral funding envelopes is decided upon remains unclear – there does not appear to be any fixed or “scientific” formula for how each envelope is decided, except that they are based on the agreed priorities of the overall HRP. Indeed, evaluation respondents indicated that the initial step of allocating the funds between sectors was done by the HFU, with no engagement of the clusters, the AB or the HCT in the

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28 IASC Real Time Evaluation, page 8
Numerous respondents considered it was done as a need to “keep everyone happy” rather than take strategic, and potentially unpopular, decisions to include or exclude certain clusters to have the greatest impact from the available funds. When funding reduces, this prioritization becomes even more appropriate.

Figure 8: CHF Somalia: breakdown of allocations by cluster

Source: MPTF

84. As Figure 9 above indicates, each year’s funding has been spread between the numerous clusters with food assistance, nutrition, health and WASH sectors being the largest recipients each year. While it can undoubtedly be argued that it is important to have a multi-sector coordinated approach, the diminishing amounts weaken the strategic impact this spread can make. With the exception of nutrition, WASH and health sectors across the four years, there has been a large variation in inputs to the other clusters – although each of them has received support each year. The strong involvement of the cluster members, via the technical review committees, also ensures that the targeting is aligned with the identified priorities of the cluster as well as ensuring the promotion of various standards (such as Sphere or community-led total sanitation (CLTS)) whenever possible.

85. Many of the national NGOs do not have the same stringent security limitations as the UN agencies, and are able to access most areas of the country and work directly with the affected communities, though as they are often very small and very localized the impact they can each have is limited. Their small size and lack of institutional capacity in many ways increases the risks for the CHF to work with them, and requires considerable support and mentoring for them to be able to meet expectations. Many national NGOs believe that the CHF has a responsibility to build their capacity, despite inadequate technical competency and sufficient means to do so. The evaluation, however, considers it appropriate to continue to work with them while ensuring the risk management processes now introduced, and efforts need to be made to work with local partners to allow more of them to qualify for project support. OCHA can do this for the administrative side, and could explore whether links with larger NGOs or UN agencies could do it for the operational side. Donors would welcome this.

86. Several donors indicated that it is this ability to access difficult areas and to deliver effective services that remains a real attraction for supporting the CHF. Additionally, they consider the transparent approach of the CHF to be a neutral and balanced way to support smaller projects, which administratively the donors themselves could not handle. Some donors specifically highlighted their governments’ intention to diversify their funding from their own home-based NGOs – which expected to receive the funding from their own governments – to broaden their assistance, to aim for improved value for money and to support the most vulnerable populations in an effective way through the indigenous organizations. While most donors have multiple funding streams, many consider the CHF as an effective means of delivering part of their broader strategy.

PROJECT SUCCESS

87. This evaluation was not designed to measure actual project deliverables, and the evaluation team did not have the opportunity to visit any projects or to talk directly with any beneficiaries in Somalia. Nevertheless, project success is measured via project audits, call centre monitoring, self reporting and third party monitoring discussed below (para 99 onwards). Measuring efficiency and value for money are important, although simple calculations of cost per project beneficiary are inappropriate across the broad range of project areas the CHF supports, and the very cost of doing

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29 The question of whether or not there was a ‘scientific formula’ or a formal procedure to allocate the various sector envelopes was asked several times and at several levels, including at the board meeting attended by the evaluation team members. It became obvious that there was no fixed approach to how these decisions were reached.
business in Somalia distorts the value of such figures anyway. Such cost comparisons are done only within clusters and between similar projects.

88. Given the comments above regarding the reliability of project data collection, and accepting that the operating environment in Somalia is subject to large or sudden changes, accurate beneficiary target planning and reporting remains a considerable challenge. In 2011, the CHF’s partners recorded the provision of assistance to 4,218,757 beneficiaries from a targeted figure of 5,619,439 – 75 percent of the initial target via 228 projects. In 2012, this reached 78 percent of 5,665,572 of the initially targeted in 175 projects. In 2013, reported achievements varied between the clusters and between individual activities within them, but averaged 88.7 percent, reaching 969,376 people from the planned 1,093,917 in 84 projects (although this does not include data from UN agency programmes). It is of course possible that individuals may be beneficiaries of more than one programme, but this evaluation has not been able to verify this.

FACTORS AFFECTING CHF PERFORMANCE

89. Until 2014, allocations to NGOs were made in two instalments: 80 percent as advance funding at the time of signature of the MoU, with the balance paid later in the programme cycle once monitoring reports and other progress milestones are met. Since the discovery of fraud mentioned earlier and the OIOS 2013 audit exercise, financial procedures within OCHA have been considerably tightened. While these have been seen overall as necessary and largely acceptable, some of the auditors’ recommendations have yet to be put in place, notably a change to the 80 percent advance payment. Many partners complained of the level of micro-detail that the budget review process forces upon them, as recommended by the auditors. There were also inconsistencies between NGOs during the budget finalization process: for example, security guards were accepted in some project proposals but were refused in others.

90. The approach of inter-sectoral prioritization taken by the Somalia CHF has been characterized by quite short-term thinking addressing changing priorities from year to year (for example: supporting resilience projects in Somaliland in 2013; focusing on life-saving interventions in 2014; focusing on multi-sectoral activities in seven key geographic areas in 2015), as shown in Table 2 above. However, once these decisions are relayed to the clusters, it is their job to disseminate the information, to work with the implementing organizations on project prioritizations and to review and technically assess the proposals, ultimately based upon the cluster’s priorities.

91. Stakeholders generally found this process to be open and inclusive, despite the concerns around favouritism toward the UN agencies. Overall, most external interviewees also acknowledged that the inclusiveness and transparency built into the decision-making also contributed to the extended duration of the full allocation process, and this was an important consideration. The organizations’ requirement to interact with the clusters and be part of the technical review process was also seen as positive.

92. There is an obvious correlation between the reduced levels of funding to the overall Somalia HRP and the reducing amounts flowing into the Somalia CHF over time. There are other parallel, often direct, funding options for many of the donors who contribute to the CHF as just one of a number of ways of distributing their humanitarian assistance. One government donor, for example, has a humanitarian aid budget of €30m for Somalia (2014), with just €1m going into the CHF and the remainder being handled bilaterally. They want to be seen as supportive of the pooled fund and as enabling assistance to smaller NGOs via the CHF, but their main funding strategy lies outside the CBPF approach. The CHF in many cases allows these donors, especially the smaller ones, to support geographic areas or national NGOs that would not normally be assisted, particularly when such countries have no permanent embassy presence themselves. This remains a key attraction for some governments in supporting the CHF.

93. It is relevant to note that the principal donor to the CHF in Somalia (the UK government, as elsewhere) has established a separate and parallel funding mechanism for its assistance to Somalia. While it intends to work via existing and new partnerships, including with the CHF, its aims are “to provide flexible multi-year funding for humanitarian programmes; to support resilience activities; to influence and promote change in the humanitarian

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30 Figures from annual reports
31 This change has been implemented from 2015 now that the CBPF Guidelines have been finalized.
32 Examples such as determining the exact number of pens or pencils to be bought for a project (rather than a defined lump sum for stationery, for instance) are both frustrating and very time-consuming for both sides to finalize (this particular example was brought up on several occasions to the evaluation team). In Somalia’s case, this level of detail was an audit recommendation, but these petty issues go back and forth to OCHA in New York, which adds to the turnaround time.
system to ensure better coordination, responsiveness and targeting of aid; and to develop new and innovative ways to monitor implementation and outcomes. An additional facility will allow funding for activities ahead of a crisis maturing or for rapid response in the event of rapid onset disaster.” Several of these areas of support are similar if not identical to those covered by the CHF, which begs the question why it is considered necessary to have a parallel mechanism with very similar strategies and what impact this will have on the CHF. This approach, if seen to be effective over time, indicates the vulnerability of the CHF, and it is important that this discussion informs the HC’s review of the Fund’s appropriateness, as mentioned earlier.

CAPACITY ISSUES

94. OCHA’s role as manager (MA) for the Somalia CHF adds additional responsibilities to the Agency’s mandate beyond its core activity of humanitarian coordination. This MA role requires different skillsets and capacities at country office level that are not currently present in the Somalia office. As pointed out by Downs (2014) the Somalia CHF presented significantly more workload for the Administrative Services Branch (ASB) than the other CHFs where OCHA was not the MA, and that there had been widespread criticism of OCHA’s efficiency in a range of areas. For example, decisions on the priorities for work for Somalia are not taken jointly between ASB and the country office, resulting in delays and criticism at country level, and current limitations on levels of financial authority mean extensive oversight and control continues to be exercised from Geneva and New York, also leading to delays. One NGO described their project to supply critically-needed latrines for a community, approved at local level, which was forced by the CHF in New York to undertake the construction in concrete – yet there was no cement available in the project area. Thus there was a conflict between implementing a valid project addressing critical needs in a priority sector (as approved by the cluster on the ground) and the institutional desire from headquarters for maintaining ideal standards and leaving a longer-term facility. Such standards are not always compatible or context-appropriate, which highlights why the authority should remain entirely at field level.

95. This evaluation heard that the processes and formats that partners were expected to use were too bureaucratic and frequently changed via decisions taken by ASB, and were getting more complicated rather than more streamlined. Unnecessary work was required, such as in preparing and submitting budgets in Excel formats, but then having to re-enter them all manually to the online project database.33

96. The guidelines do not specify whether OCHA should draw on the CHF to fund its own structures and core activities, but in this period there were three projects approved where this happened, with a total value of more than $3.3 million.34 These were used to fund OCHA HFU staff costs, travel and supplies in 2011, 2012 and 2013. In the 2013 standard allocation document (May 2013), OCHA states: “An estimated $450,000 will be reserved for OCHA’s indirect costs (three percent project support costs of 50 percent of the standard allocation) in its role as Managing Agent, in addition to auditing costs and one percent in support costs for the Multi-Partner Trust Fund (MPTF) in its role as Administrative Agent.” According to FTS 2013 project data, $1,393,679 was funded to OCHA to cover the costs of the CHF Secretariat, although actual expenditures were reported as $947,062 (Annual Financial Report 2013, MPTF Office). In these cases there is no suggestion that the Advisory Board and the HC did not approve them. Where UNDP is the MA, there is a fixed levy for their services of 7 percent of contributions; in Somalia, OCHA “only recovers the HFU staff and operational costs,” but these are not fixed percentages.

97. The HFU team managed a larger portfolio of projects and significantly more funds and individual allocations in earlier years than it does currently, and it could be expected that this would generate an additional administrative burden. However, the team size was reported to have increased slightly in 201435 as the portfolio of projects decreased. This was partly due to the “learning curve” of the MA function and by increased oversight demands on individual projects taking more time; there is already approval for an additional P4 staff member for the Somalia

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33 OCHA Somalia indicated that it was New York requiring the Excel formats, whereas they had been using an online version as part of the CHF Somalia online project management database. This is due to be harmonized when the improved global Grant Management System (GMS) database is rolled out fully in 2015.

34 OCHA’s management response to the last evaluation exercise in 2011 stated: “Based on the decision of the SMT of 28 October 2011, OCHA fund management team will be funded directly from the CHF. The cost of the fund management unit will be charged as a direct cost (not through standard or reserve allocations) and it will be subject to the approval of the HC in consultation with the Advisory Board in each country.”

35 Actual organigram and cost figures for the HFU were not forthcoming
team to focus on the MA responsibilities. Clearly as the fund levels decrease the chargeable percentages reduce also, but if the team size increases and the costs go up, there is a need to find funding for additional management costs. The evaluation suggests it would be appropriate to consider allocating a fixed percentage of Fund income from which to cover the management costs, rather than allow the current flexibility for escalating percentage costs eating into available project funding.

98. During early 2014, OCHA HQ did not replace a departing fund manager, and appointed a temporary stand-in for a month before transferring a full-time replacement into the post (late April 2014). One donor even raised this inability to appoint a timely replacement to the Security Council level. Inevitably the gap created uncertainty and a lack of continuity in approach in the HFU team, but more significantly led to a lack of follow-through on a range of management issues that the incoming manager had to address after a gap in leadership. Key among these was the failure to produce a formal Annual Report for 2013 (due April 2014), as there were numerous other competing priorities at the time of her arrival.36

**EFFECTIVENESS OF MONITORING, REPORTING AND EVALUATION SYSTEMS**

99. The principal issue faced in Somalia regarding project monitoring remains the constraints around unhindered and safe access to the project locations. Acknowledging that security constraints, external monitoring, the use of remote call centres and an increased use of remote monitoring systems have been seen as the only realistic options in the prevailing context, OCHA has, therefore, relied heavily on the implementing partners’ own reporting and use of externally contracted third-party monitors (TPMs) to visit and report on project implementation, and on external call centres to make direct contact with project beneficiaries. While since 2014 accessible areas have slowly opened up, the ability for UN staff to visit field locations for monitoring visits remains extremely constrained, and consequently only a limited number of direct OCHA staff monitoring visits have taken place in recent years. While opportunities are taken as and when they arise, and despite a stated willingness from OCHA’s M&R staff to make more visits, this is a weak link in the accountability cycle and needs to be improved upon as circumstances allow.

100. Project reporting is a key pillar of the Accountability Framework and an obligation of receiving the funding, but not all partners honour this commitment, either at all or on time. In 2013, for instance, OCHA received only 85 percent of project reports and only 60 percent arrived on time. By November 2014, on-time reporting had improved to 93 percent. Respondents indicated that UN agencies were those less likely to report appropriately, despite this being a standard requirement for receiving CHF funding – this was also a clear finding from the 2011 evaluation. It is not clear if this failure to deliver reports has any impact on later funding applications from the CHF, which it should, but given the annual allocations to the full range of UN agencies, it can be deduced that any such failures are overlooked, increasing the perception of working to double standards.

101. The first approach of self-monitoring and self-reporting is set out in the CHF Somalia Guidelines for partners to address in their project proposals and during implementation. A reporting timetable is included as part of the project application process. There are inevitably a number of inherent risks in terms of non-verifiability by OCHA staff, particularly as they cannot directly confirm many of the claims on progress made. For this approach to project reporting, steps such as GPS-tagged and dated photographs of project activities, of beneficiaries and of physical outputs, have become requirements for partners to deliver as part of their feedback, although the actual compliance on this requirement to date is said to be poor.

102. The second approach of TPM produces verification but comes at a price of up to $10,000 per project visit, representing a significant proportion of the overall management costs of running the CHF. The TPM companies also face constrained access in some situations, and their understanding of humanitarian work is reportedly limited. Reactions to the efficacy of their visits varied: most NGO representatives interviewed indicated their projects had

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36 Steps to address this, for example by producing a six-page ‘interim report’ [2013 Overview of Achievements], were taken later in the year, though not to the full satisfaction of the donors. An interim 2014 report was issued in December 2014 and a full report for the year 2014 is currently under preparation.
not been visited by the TPMs, or if they had then they had been “under cover.” OCHA aims to monitor higher risk projects as priority, and indicated that all partners are informed in advance, though NGO representatives were less sure. It was even claimed that some TP monitors in the field did not always contact the partner during the visit, though this is hard to believe. Whatever the reality, the evaluation considers it important that the monitoring findings contribute to project revisions and amendments, or redesign in subsequent applications, and that the findings – whether positive or not – be shared with the partner as soon as possible. The approach followed was seen as very different from other donors’ monitoring engagement, and the evaluation considers that improved communication around project visits would improve mutual learning and better implementation.

103. For the call centre, implementing partners of some projects are requested to provide beneficiaries’ phone numbers to OCHA as part of the monitoring requirements, enabling an OCHA-contracted company to make direct telephone contact with project beneficiaries. In a country where mobile phones are both very cheap and ubiquitous, this enables another line of accountability – albeit one way – between the CHF and the communities. In 2012 some 3,750 calls were made to beneficiaries of 28 separate projects (2,200 were answered; 77 percent of these were the expected person). In 2012, 77 percent of the respondents were aware of the project, and 4 percent reported issues about possible diversion of supplies or resources. By 2014, this volume had increased: the CHF 2014 OCHA interim report indicates that 94 (of 135) projects were remotely monitored via 6,070 calls to beneficiaries across 16 regions. The call centre company is tasked by OCHA regarding which projects to monitor and submits detailed annual reports. In 2013/14 summarized data indicated that 5 percent or fewer of the beneficiaries interviewed were dissatisfied or had issues with one of the CHF projects monitored in this way.

104. Some stakeholders questioned how an external call centre, working from another country, can have sufficient project information and contextual knowledge to gain an accurate picture of actual outputs by a third party on the ground in Somalia. The complex cultural issues of clans, sub-clans and “gatekeepers” that function across the country can always allow for some creative complaining that is very difficult to verify. All NGOs spoken to claimed they had had little direct engagement with the call centre work, and received no feedback about the findings; they were unaware of trends or comments, and received no communication to indicate whether the projects were good or bad or needed changes. OCHA indicates such feedback is provided when remedial actions are needed; the evaluation considers that feedback should be provided in all cases, not least to indicate to partners that active monitoring is going on.

105. The consensus was also clear on the methodology used: the external caller needed to be clearer in his or her introduction, because of the suspicion and threats people could fear from such unsolicited calls, especially in Al-Shabaab areas, which thus affected the amount of information they would be willing to share. Attention must also be given to the time of day the calls are made, and the way information is sought – to avoid leading questions and false reporting. The company reports and OCHA both indicated they take note of such challenges and the need to incrementally improve processes. Nevertheless, the use of the call centres is fully relevant in this context because of the challenges of security and access in parts of Somalia, and could be further strengthened if complemented by secondary monitoring.

106. The monitoring and reporting areas of the AF were intended to address the questions of adequate control and oversight of the funds handled by partners, points that had previously been highlighted by successive audits and evaluations as weak (Downs, 2014). In this respect, the online project database, which incorporates all documentation and revision steps for each project, has enabled improved real-time oversight by the HFU of each and every project. This database is accessible to the partners for their own projects and all project tracking is done via the site. It is to the OCHA Somalia team’s credit that this database was developed and refined at country level and was kept responsive to the developing needs. Although the responsibility for this has now moved to New York, and the database was subsequently updated and revised, the Somalia system remains the foundation of the newly rolled out global online Grant Management System that pooled funds are beginning to use elsewhere.
APPROPRIATENESS OF RISK MANAGEMENT PRACTICES

107. Risk management covers three main areas: the challenging Somalia context itself, and for the staff who have to work there with the problems of access and safety being principal considerations; the operational risks of working remotely through partners in a difficult and unpredictable environment, with very limited monitoring ability; and the institutional risks of working with a wide range of partners, many of whom are small national NGOs with limited levels of capacity. Interestingly, some respondents considered the CHF to be quite risk-averse, whereas others acknowledged that the CHF had proactively taken calculated risks to get urgent funding to implementing partners working in difficult areas.

Contextual

108. In the contextual sphere, donors fully accept that there is a heightened risk for anyone working in Somalia, whether this be through insecurity, fraud, inability to implement or oversee projects on a regular basis, frequent contextual changes and so on. Simply working in these difficult areas of the country implies high risk; failures inevitably occur and weaknesses will undermine service delivery. Despite this acceptance, the evaluation team was informed by several interviewees (including donors) that there was an overt attitude of risk transfer (from donors onto OCHA, from OCHA onto partners, from partners onto their sub-contractors) rather than a more inclusive attitude of fully understanding and sharing of the risks and mutual acceptance if things went wrong. Donors withhold broader funding based on single minor instances of fraud being discovered and being dealt with by OCHA: this is unreasonable.

Programmatic

109. There is a broad consensus that the current focus by the Somalia CHF on risk management procedures and tools has become considerably more robust in recent years. The 2013 Audit undertaken by the OIOS identified the lack (at that time) of an ‘effectively operating risk management strategy’ as a significant weakness for CHF Somalia given the significant risks OCHA faced in working in the country, and with the range of partners it was engaged with. The development of an Accountability Framework (AF) (see Figure 10) was already underway at the time of the audit, based on the four key linked areas of capacity assessment and risk management, auditing, reporting and monitoring. The overall aim was to improve the CHF’s accountability and focus on evidence-based decision making, to identify and mitigate risks, and to better capture project activities and outputs. This has since been finalized and put into force.

110. OCHA has taken some robust steps to evaluate their partners and to mitigate the risks of working remotely, as they have to do in Somalia, and this aspect forms a key strand of the accountability framework. An external audit company undertook a series of Capacity Assessment exercises of NGO partners at OCHA’s request. The partners were evaluated and graded on their capacities and internal procedures covering institutional and technical competence and management and financial capacities. Of the 111 NGOs assessed under this exercise, 72 were initially considered to be working to acceptable standards and remained eligible for further funding – 44 of these were considered to be low or medium risk, with another 28 passing as ‘acceptable’ but as higher risk. Thirty-nine NGOs (35 percent) were considered to be ineligible until reassessed.

111. Of those who were accepted as eligible, they were graded into low (14 percent), medium (48 percent) or high (38 percent) risk based on their size and identified structures and capabilities. This grading influences project

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39 Full details of how this was undertaken available at: http://www.unocha.org/somalia/financing/common-humanitarian-fund-chf/capacity-assessment
assessment and approval, and affects the amount of financial exposure the CHF is prepared to take. In 2014, a project prioritization dashboard was introduced which enables clusters to understand a range of risk components when deciding on projects during allocations. The dashboard brings together three variables: partner risk, location risk and activity risk, to provide an overall project-based recommendation on the maximum funding level, and it also informs the M&E prioritization for the year, with the higher risk projects and partners being those put under closer scrutiny via the monitoring programme. Through its ease and clarity of use, it is a helpful tool to assist the cluster in their selection and prioritization work.

112. While the NGO capacity assessment process can be acknowledged as open and fair, those who were removed from the original list remain frustrated at their exclusion and considered they had been “blacklisted”. They expressed frustration that even though they had improved their procedures and controls, OCHA would still not allow them to reapply for funding. The assessment exercise cost approximately $10,000 per partner so was a considerable financial investment from the OCHA side, so there is understandable reluctance to have to redo the exercise. Nevertheless, NGOs that failed initially have not been permanently barred from submitting applications, and the evaluation team was informed that they would have the possibility, during 2015, to demonstrate improvements they may have made to enable them to once again become eligible for CHF support.

113. In December 2014, a new list of partners was issued naming 68 ‘eligible [NGO] partners’ determined by ‘performance-based information obtained by the CHF’. Although this later exercise was not mentioned to the evaluation team at the time of their visit it is understood the eligibility of the 72 partners (see para 109) was reassessed, based on the analysis of a combination of information from capacity assessments, project audits, monitoring results and other external input, as set out in the AF. Four former partners failed to meet the required threshold and were removed; all partners were individually advised of the process followed and the results, including the risk ratings they had been given.

Institutional

114. One donor lumps the CHF together with other direct operational recipients of their funding in terms of delivery results and value for money – but the CHF is effectively another financing mechanism for partners, not an operational entity. It is the CHF partners working in the field often pushing the limits of access and programme delivery, but if they could not complete the work for whatever reason they laid themselves open to criticism around accountability for resources or not meeting expectations. In view of the inherent challenges of working in much of the country, donors have not distinguished themselves in accepting a more equitable share of the risk with OCHA and other partners. Much of this indicates the need for a more open and timely flow of information with donors and partners – indeed, several donors wanted to be kept updated about the normal daily challenges and successes the CHF has, outside the formal reporting process.

115. One particular risk that was frequently mentioned was that of the CHF’s reputation, both in the eyes of donors but also the implementing partners and beneficiaries. As noted, the CHF process is cumbersome and as the levels of the funding diminish, its potential impact also drops. Some stakeholders remain uneasy about the presence of the main CHF donors on the Advisory Board, and consider that this presence may allow inappropriate influence over the CHF’s funding decisions; other stakeholders think more donors should be included. However, their presence does have other benefits such as offering greater coherence between the various major institutional donor strategies, and provides better coordination with other bilateral funding streams. There are several parallel funding mechanisms already in place, and it is also clear that the CHF has failed to attract funding from some of Somalia’s principal governmental donors. The DFID support continues to be a significant percentage of the income each year but the CHF remains vulnerable should the British Government’s funding priorities change, and it is questionable whether the CHF could continue to function without this important input.

116. Other stakeholders, including those at the Advisory Board level, suggest that the CHF needs to be able to demonstrate the real benefits the Fund delivers over other funding options, and remarked on the lack of longer term strategy – inevitably linked with the constraints on longer-term and unpredictable income – which contributes to this negative perception. Others again talked of the CHF having been discredited because of its lack of agility to respond quickly, due to its bureaucratic processes. Because of the integrated UN mission in Somalia, OCHA’s ability to be independent from the political side of the United Nations’ work was questioned – again a perception (and no direct evidence was offered in support of this argument). Many saw the CHF as being ‘too spread out’, especially when funds are scarcer, and challenged the lack of openness on the initial split of the available funds between sectors, which was neither initiated at the HCT level nor involving the clusters – these bodies were simply informed of the decisions. All these areas indicate that OCHA does have a reputational challenge on its hands if the CHF is to remain relevant, which is why the HC’s review of its role is coming at a critical juncture.

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[41] This sectoral split per allocation process was directly questioned at the board meeting attended by the Evaluation Team; no clear answer on the process followed was forthcoming.
117. The United Nations agencies in Somalia initiated a coordinated risk approach via a Joint Risk Management Unit (JRMU), which attempts to collect and disseminate lessons from all agencies about partners they had worked with. This was intended to help them choose reliable partners and to flag those that had presented problems in areas such as project implementation, local purchasing, monitoring and other ad hoc support functions. Future work for the JRMU will include analysis of a broader range of contextual issues such as security and the political environment of Somalia.

118. OCHA is acknowledged to have contributed a lot to the JRMU information bank, and has made ‘huge progress’ in terms of tightening up its own procedures to manage risk, but there is still more to be done. For instance, while OCHA has done the capacity assessments of its primary partners, little has yet been done regarding the partners’ sub-contractors. There remains a risk that lower-level implementing partners could receive CHF funds indirectly and misuse them, although if they had been subjected to the OCHA capacity assessment exercise, they would have been excluded.

119. There were also wider indications that there remains some reluctance by OCHA Somalia to make certain changes and to be more engaged in the shared risk approach – this is often attributed to directives from New York on things like wider sharing of information ‘not being possible’. However, the project and partner database mentioned above does give OCHA a good potential to contribute more toward and get more out of this shared process, and ongoing (and closer) involvement with the shared risk management initiative is considered important.

FOLLOW-UP TO PREVIOUS EVALUATION

120. This current evaluation exercise was asked to consider what had been implemented in each country based upon the recommendations provided in the similar exercise in 2011. There was no country-level report for the CHF in Somalia in 2011 as the Fund was very new at that stage, so the following comments are based on the overall global recommendations issued in the synthesis report.
Table 4: Follow-up to recommendations made in 2011

<table>
<thead>
<tr>
<th>2011 Recommendation</th>
<th>Status in Somalia in 2014</th>
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<tbody>
<tr>
<td><strong>1. Recommendations to Donors:</strong></td>
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<tr>
<td>Donors should wherever possible make multi-year commitments to the CHF in each country so that the allocation process is not held up by uncertainty about the resources available, and the CHF can exceptionally make some grants for longer than just one year.</td>
<td>Not in place: some commitments are made at end of previous year, but most income comes in well into current year</td>
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<tr>
<td>To assist planning donors should allocate funds for annual grants before the start of the calendar year.</td>
<td>As above</td>
</tr>
<tr>
<td>Donors to the CHF should reserve a portion of their budget to support the cluster coordinator and co-facilitator functions, given the heavy reliance of the CHF allocation process on the clusters.</td>
<td>A number of cluster coordinators have been funded by the CHF, and this has had positive effects on quality and timeliness</td>
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<tr>
<td><strong>2. Recommendation to OCHA, UNCT and HC:</strong></td>
<td></td>
</tr>
<tr>
<td>OCHA needs to make the successful management of funds like the CHF a far higher corporate priority</td>
<td>Seen as a global recommendation, not country-level</td>
</tr>
<tr>
<td>There is a need for far closer co-ordination between the different funds, and more ‘referrals’ so that projects that do not meet the criteria for the CHF can be recommended to funds concerned with recovery and stabilization issues.</td>
<td>There has been complementarity between CERF and CHF in-country, but less for recovery and other programme areas which rely more on external funding sources</td>
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<tr>
<td>OCHA’s own fund management costs in each country should be covered by a percentage levy on the fund.</td>
<td>No cost figures were made available to indicate the actual percentage costs incurred of running the Fund; however, allocations are made from project funds in addition to cover some costs.</td>
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<tr>
<td>We accept that monitoring requirements should be kept ‘light’ but we recommend that monitoring requirements should be agreed across each cluster, and should be the same for all categories of partners. The performance of CHF recipients, both strong and weak, should affect future eligibility for CHF funding.</td>
<td>CHF Somalia has a dedicated M&amp;R team, but does little direct monitoring work themselves because of security and access considerations. However, external parties under contract to OCHA undertake the majority of project monitoring. It is not evident that their findings are systematically either relayed to the partners concerned or impact on future decisions regarding support</td>
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<tr>
<td>OCHA should therefore establish an adequately-staffed monitoring unit to coordinate self-monitoring and reporting by all grantees, and external monitoring by the sector leads.</td>
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<td>The CHF Administrative Boards should allocate a percentage of CHF funding to support monitoring by the clusters/sectors, and OCHA should have sufficient senior staff in each country to co-ordinate this monitoring with the clusters and ensure that the results feed into future funding allocations.</td>
<td></td>
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<tr>
<td><strong>3. Recommendations regarding the Management Agent Role</strong></td>
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<tr>
<td>In Sudan UNDP is currently charging 7% for indirect support costs for NGO grants, (5% in DRC) but is not providing a full service. UNDP in Sudan should therefore immediately reduce the Management Agent fee to a level that approximates its real costs, and the money thus saved should be used to improve monitoring throughout the CHF.</td>
<td>Not applicable in Somalia where OCHA is the Managing Agent for the CHF.</td>
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<tr>
<td>CHF allocations should therefore be for a maximum of 12 months from the payment of the first instalment</td>
<td>Implemented, although delayed projects can be offered no-cost extensions</td>
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<tr>
<td>UNDP rules have been amended to offer the option only requiring one audit certificate for the life of the project rather than one per calendar year. UNDP should apply this requirement to CHF projects so that only one audit certificate is needed for a 12 month project even if it spans two calendar years</td>
<td>Not applicable in Somalia</td>
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</table>
Conclusions

121. The overall sense of the way the CHF is operating in Somalia is that while it follows a very structured approach and clearly operates with openness, transparency and broad inclusion of a wide range of partners, it remains process heavy which detracts from its flexibility and timeliness. When funding reduces or is received late in the year, the standard allocations are delayed and/or reduced in size (such as in 2013 and 2014), with a correspondingly smaller number of partners able to access funding and operate programming.

122. The evaluation questions the real flexibility possessed by the Fund to address emerging issues as and when needed, principally as a result of the unpredictability of donor income. The reserve allocations remain able to do this more effectively but are relatively insignificant when set against the overall scale of need in Somalia, and the standard allocations are too slow to adequately address newly emerging issues, particularly in such a dynamic context. The current number of small projects funded through an annual decision process with different priorities each year is not very strategic, and has limited lasting impact, hence the HC’s questioning of whether the CHF is the most appropriate mechanism for Somalia in the current climate.

123. In the provisional Theory of Change (ToC) framework, the CHF’s long term outcomes include ‘priority humanitarian needs [being] met’. The evaluation considers that, while acknowledging the requirements for accountability and hence the structured approach mentioned, the length of the application and financing processes for the standard allocations at least remain at odds with the idea of addressing critical interventions, although emerging needs can be better addressed via the reserve allocations. The project outputs may be life-saving in a chronic sense of need; but they are not emergency responses in the short and medium term, and some needs are only being temporarily met.

124. It remains difficult to see the way the CHF is being run as strategic or leaving much long term impact, as grants are a maximum of 12 months, amounts available for allocation are unpredictable and partners have no guarantee of any follow-on funding, at least from the CHF. Thus the long-term outcome of ‘resilience to future disaster [being] enhanced’ (as shown in the ToC framework) is unlikely to be achieved via these short-term interventions, but the CHF in Somalia is constrained in these areas. Prioritization and targeting over recent years has changed to address the changing contexts in Somalia and demonstrates the CHF’s flexibility, but a more robust link between the life-saving interventions and more resilience inputs (either with the CHF funds or via other funding mechanisms) could still be enhanced.

125. The funding envelopes have been spread widely across nine or more sectors each year with no obvious rationale as to how the sizes of these envelopes were determined; as resources decrease, the desire to continue to support all sectors will only reduce any impact the CHF can make. To regain its value in the future, the Fund must concentrate more on the priority life-saving activities, even at the risk of leaving other clusters unfinanced unless new income can be secured. Currently the complementarity with other funds, the CERF in particular, does help to address some of the gaps and under-funded sectors.

126. Consideration needs to be given to the trend of the funding split between United Nations agencies, and the national and international NGOs. It is clear from data available that the CHF in Somalia is reducing its funding percentages to national NGOs in particular (although international NGO funding levels have remained largely at the same level), which goes against the stated aim of increasing the allocations to NGOs in general. In view of some of the history and the results of OCHA’s partner capacity assessments, this overall reduction to the NGOs can be justified to a point for the time being. However, with OCHA New York keen to expand the percentages passed to NGOs, and national NGOs in particular, OCHA Somalia needs to balance this desire against the level of risks it is able to take with non-UN partners on the ground.

127. OCHA has made a significant investment of time and resources in risk management and accountability procedures, notably with its recent Accountability Framework, which has helped to tighten up its business processes and improve on oversight and key functions of the project cycle. This is widely recognized as positive. While risk management has been addressed and improved, actual operating risks still appear to be passed on from one entity to another without having a fair and balanced sharing of the risks. This is not a CHF-specific concern: donors clearly (and openly) transfer the risks to the CHF by holding the Fund accountable despite the known operating challenges which may mean non-deliverability is inevitable, but similarly the CHF passes them onwards to its partners, nominally holding them accountable for delivery or non-delivery against the indicators.

128. The online database developed by the HFU Somalia is acknowledged to be an effective project tracking tool, accessible to and used by all project partners, and forming a key part of the project monitoring framework. It has been incrementally developed and improved over time and is used by OCHA and partners alike. It now forms the basis of the new GMS database currently being rolled out by OCHA globally.

129. CHF support to finance some of the individual cluster coordination positions has made a positive improvement but such interventions are expensive and can only be temporary. While the overall coordination has
benefitted through this enhanced cluster management in the short term, the frequent turnover of the individuals
does not help to build enhanced institutional capacities over the longer term. Such financial support can be justified
in special circumstances only but the obligation to fill these key roles must remain with the nominated cluster lead
agencies.

130. Project monitoring and oversight by OCHA in the current context of Somalia is very challenging, and their use
of third party monitors, a call centre and implementing partner reports (with remote monitoring additions) are the
only practical options in many cases. Nevertheless, as areas of the country gradually settle down and become
more accessible, it is important that OCHA staff are regularly in the field visiting the partners and their projects, and
taking all possible opportunities to see the project implementation for themselves. This will add to the accountability
of project implementation and facilitate problem-solving early on, and would be useful to inform future programming
and individual partners’ strengths and weaknesses. It will also contribute toward enhancing OCHA’s reputation of
being a responsible and engaged donor with robust oversight of the allocated funding.

131. The evaluation suggests that once a project is accepted by the cluster review process and approved by the
Advisory Board, and while the budget and contracts are still being finalized, the CHF could provide ‘pre-award
letters’ or some similar undertaking to partners that funding will be forthcoming. This would allow the partners to
start project preparation and implementation in the knowledge that their outlays will be reimbursed, but would also
give an added incentive to complete the paperwork more quickly. This would not mean advancing actual funding,
simply guaranteeing that funds will be made available, and could be piloted with a number of more experienced
partners.

132. While this is an acceptable advance arrangement for some of the larger and more reliable partners, the
evaluation considers that for the higher risk partners, and those with a record of slow delivery, a revised formula of
40+40+20 percent instalments could be considered. This would provide additional security against full loss of funds
for the CHF, but also encourage the partners to deliver and report on achievements in their projects on a more
regular and timely basis. [OCHA advises that this tranche system is being implemented from 2015, in compliance
with the CBPF Global Guidelines].

133. Given that an administrative percentage is also charged by OCHA for the funds it manages, the evaluation
considers that there needs to be a clear delineation between the use of CHF funds to be used for project activities,
and their use to fund what many would consider to be OCHA’s core functions, and this would include the costs for
the call centres and monitoring companies hired. The evaluation has to question if it is fully appropriate for this
‘cost of doing business’ to be financed by the CHF budget as a project expense rather than be covered from the
percentage charge taken for management services.

Recommendations

134. The following recommendations are developed from the findings above in terms of amendments that should
make a difference for the CHF Somalia and its partners. It is acknowledged that the future of the CHF in Somalia is
currently under discussion, and a number of the following recommendations will undoubtedly be addressed as part
of that debate.

Urgent recommendations

<table>
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<tr>
<th>Recommendation</th>
<th>Para in Main Report</th>
<th>Responsibility</th>
<th>Timeliness</th>
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<tr>
<td>1. To avoid lengthy delays during the project budget review process, which is acknowledged to hold up the release of funds to the NGOs, it is recommended that a “letter of intent” or similar undertaking be issued to partners allowing them to begin implementation prior to actual transfer of the funds to their account. This should be a priority for season-critical projects, and could be piloted with experienced partners to test its viability ahead of an incremental rollout.</td>
<td>131</td>
<td>OCHA HQ approval for HFU implementation</td>
<td>&lt; 3 months (from current 2015 allocation)</td>
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</table>

42 From 2015, both the call centre and the monitoring and reporting work are to be considered as projects, and therefore will be put forward as proposals to be funded by the CHF allocations.
2. Linked to the above, OCHA needs to continue its budget guideline compliance training to all partners, including those in Somalia, which has been shown to speed up the approval process. It should also consider reducing the level of budgetary detail it is reasonable and necessary to collect for each of the proposals, given the delay such detailed enquiry often causes, while still maintaining close scrutiny of the project budgets.

3. OCHA (in discussion with its partners) should challenge the assumption of eligibility “by right” of the United Nations agencies to the CHF funds, and increase the proportion of the funds directed through NGOs on common eligibility criteria. Project selection should be based on merit, cost-effectiveness, quality, satisfactory reporting and enhancing partnerships, as well as ensuring the most vulnerable targeted areas and communities are reached. Measures to help increase national NGO capacity should be explored.

4. To improve the strategic impact of the CHF inputs, the HFU should reduce the spread of funding across all sectors with the focus on the most critical ones (as confirmed by the HCT) into those sectors where a complementary and concerted approach would make a greater overall difference.

5. OCHA needs to reconsider its strategy regarding the financial advances made to NGO partners, in response to the proposals made in the 2013 Audit. To reduce exposure, the current 80% advance and 20% follow-up funding should be amended to 40% + 40% + 20% instalments, particularly for the higher risk partners. **[NB: This now being implemented from 2015 allocations in accordance with new global guidelines.]**

### Important recommendations

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<th>Recommendation</th>
<th>Para in Main Report</th>
<th>Responsibility</th>
<th>Timeliness</th>
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<tr>
<td>6. A clear explanation needs to be drawn up and disseminated on the procedure used to decide on funding envelopes for standard allocations. This would avoid the current frustration about how these decisions are made and whether or not they are fair.</td>
<td>83-84, 116</td>
<td>HFU Somalia</td>
<td>&lt; 9 months</td>
</tr>
<tr>
<td>7. The general approach to more open, engaged and timely external communication with partners and donors needs to be strengthened via regular formal and informal updates, on timely annual and interim reporting and open explanations of the challenging (and changing) operating contexts, even when problems occur.</td>
<td>114</td>
<td>HFU Somalia</td>
<td>Ongoing</td>
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<tr>
<td>8. While continuing with the current TPM and call centre arrangements for project monitoring, the CHF M&amp;R team should increase their own project site visits as security and access permit. Focus should clearly remain on the higher-risk projects and partners where possible, but direct verification must complement the other methods in use, and the findings of the visits must inform future project funding decisions in terms of capacity and reliability of the partners as well as the veracity of their implementation and reporting.</td>
<td>99-106, 130</td>
<td>HFU Somalia</td>
<td>&lt; 6 months</td>
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### Recommendation

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<th>Recommendation</th>
<th>Para in Main Report</th>
<th>Responsibility</th>
<th>Timeliness</th>
</tr>
</thead>
<tbody>
<tr>
<td>9. OCHA must determine whether maintaining a larger reserve envelope would be more appropriate, given the challenges around timing and predictability of annual income. This would allow more responsiveness, particularly early in the year, but could be used more strategically and could include targeting for recurrent emergency responses and closer complementarity with the CERF.</td>
<td>73, 125</td>
<td>HFU Somalia</td>
<td>&lt; 3 months</td>
</tr>
<tr>
<td>10. Human resource planning must become more responsive, reliable and timely to ensure that critical management and key international and national support posts are not left unfilled for extended periods.</td>
<td>97-98</td>
<td>OCHA HQ</td>
<td>&lt; 3 months</td>
</tr>
<tr>
<td>11. The CHF (and OCHA Somalia) should continue to engage robustly with the United Nations Joint Risk Management Unit, both providing information based on experience but also drawing on the database to inform their decision-making. This should also address the concerns about the use of non-verified sub-contractors of CHF partners.</td>
<td>117</td>
<td>OCHA Somalia (with approval as necessary from OCHA HQ)</td>
<td>&lt; 6 months</td>
</tr>
</tbody>
</table>

### Desirable improvements

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Para in Main Report</th>
<th>Responsibility</th>
<th>Timeliness</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. Reporting obligations for partners receiving CHF funding exist but are not consistently followed by all partners, and their commitments to do so must be stressed. Failures to submit adequate or timely project reports should determine eligibility for all applicants for future funding agreements.</td>
<td>100</td>
<td>HFU Somalia to reinforce message to partners</td>
<td>&lt; 3 months</td>
</tr>
<tr>
<td>13. Identify early warning “trigger points” and thresholds for CHF interventions in future drought or natural disaster scenarios.</td>
<td>81</td>
<td>HFU Somalia</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
Annex 1: List of persons interviewed

In Mogadishu (23.11.14)
Gemma Sanmartin – Head of Coordination Unit - Inter Cluster Coordinator, OCHA Somalia
Crispen Rukasha – Deputy Head of Coordination Unit

Representatives of six national NGOs:
Ubah Ahmed – programme manager, SOYDA (Somali Young Doctors Association)
Abdimalih Ahmed Idow – coordinator, WOCCA (Women and Child Care Organization)
Adam Abdulla Mahdi – finance director, WOCCA
Abukar Abdullahi Tigow – country director, WOCCA
Hussein Ali Mohamed – health and nutrition officer, WARDI Relief and Development Initiatives
Hussein Noahim Aden – livelihoods and food security manager, Swisso-Kalmo
Hassan Ahmed Shariff – health coordinator, RAWA (Rasawad Welfare Association)
Abdinal Akmeh – CEO, RAWA
Ahmed Abdinasir – programme coordinator, SSWC (Save Somali Women and Children)

In Nairobi (24-28.11.14)
Philippe Lazzarini – Humanitarian Coordinator
Edem Wosornu – Head of office, OCHA Somalia
Alta Haggarty – OCHA HFU manager
Ismael Alfa – deputy HFU manager
Sophie Garde Thomle – Deputy head of OCHA office, responsible for Coordination and Response Division
Samuel Kihara – M&E officer
Robin Glinka – humanitarian affairs officer

Focus Group Discussion with HFU staff:
Altan Butt – humanitarian funding officer
Eric Kundu – finance officer
Justus Vundi – software developer
Umikalthum Noor – humanitarian funding associate
John Nduru – humanitarian affairs officer
Eva Kiti – CHF associate
Beatrice Phiri – M&E and audit intern
Patricia Nyimbae Agwasro – CHF donor liaison officer
Evalyne Lwemba – CHF associate

United Nations Agencies
Rudi van Aaken – Head of Programme, FAO Somalia
Alison Aitken – Risk Information Analyst, Joint UN Risk Management Unit
Laurent Bukera – Country Director, WFP Somalia

Cluster Representatives
Bernard Mrewa – FS&L Cluster co-lead (WFP)
Jacobus van der Merwe – FS&L Cluster co-lead (FAO)
Ruth Amatalo – Cluster support officer (WFP)
Martijn Goddeiris – Shelter Cluster Coordinator (UNHCR)
Oscar Butragueno – UNICEF multi-cluster coordinator
Donors
Christian Resch – deputy ambassador, German Embassy
Lotte Mindedal – Danish Embassy
Susan Fraser – Irish Aid
Sebastian Fouquet – Humanitarian Adviser, DfID

International NGOs
Minyu Mugambi – programmes director, ADRA
John Ndezwa – programme manager, ADRA
Rebekka Bernholt – ARC
Shadrack Onyango – ARC WASH Coordinator
Sebastien Weber – Country Director, ACF International – Somalia
Amanda Koech – Finance Officer, ACF International
Emily Johnson – Relief International
Jennifer Jalovec – World Vision Somalia, Senior Policy and Strategic Engagement Manager

Attendance as observer at CHF board meeting
Annex 2: Bibliography


OCHA (2011) Summary of the synthesis report – Common humanitarian fund evaluation, April 2011

OCHA Somalia (2011-2014) Annual and interim CHF reports and financial statements

OCHA Somalia (n.d.) CHF Somalia Guidelines

OCHA Somalia (2013) Accountability Framework – presentation to CHF Advisory Board meeting

OCHA Somalia (2013) CHF Somalia Accountability Framework

OCHA Somalia (2014) CHF Advisory Board Meeting Minutes, 24 October 2014


Annex 3: Evaluation Questions

<table>
<thead>
<tr>
<th>EQ1.</th>
<th>How, and to what extent, has the CHF contributed to the collective results of the humanitarian community? How do we know? (Impact)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EQ2.</td>
<td>Where do CHFs fit within the humanitarian architecture in each country, and can any inferences be identified relating to the place of the CHF mechanism in the global humanitarian architecture? What are the implications of merging CHFs and ERFs into a single mechanism? (Coherence)</td>
</tr>
<tr>
<td>EQ2.1</td>
<td>To what extent are CHFs linked with other donor funding mechanisms, in-country and multi-donor funding mechanisms globally?</td>
</tr>
<tr>
<td>EQ3.</td>
<td>Given that all CHF countries face protracted crisis, what is its value added of the CHF with respect to addressing chronic issues, preparedness, and recovery? (Impact)</td>
</tr>
<tr>
<td>EQ3.1</td>
<td>To what extent are CHF-funded projects linked to disaster risk reduction, recovery, and long-term development programmes?</td>
</tr>
<tr>
<td>EQ4.</td>
<td>How does the CHF affect the timeliness of the humanitarian response? (Impact)</td>
</tr>
<tr>
<td>EQ5.</td>
<td>How does the CHF affect the coherence of the humanitarian response? (Coherence)</td>
</tr>
<tr>
<td>EQ6.</td>
<td>How does the CHF affect the quality of the humanitarian response? (Impact)</td>
</tr>
<tr>
<td>EQ6.1</td>
<td>To what extent does the CHF take into consideration cross-cutting issues (gender, age, environment, HIV/AIDS, mental health/psychosocial support, disability), accountability to affected population, and equity?</td>
</tr>
<tr>
<td>EQ7.</td>
<td>How effectively does OCHA utilize the CHF mechanism to promote the humanitarian agenda (e.g. accountability to affected populations, gender equality)? (Connectedness)</td>
</tr>
<tr>
<td>EQ8.</td>
<td>How can the CHF mechanism support the outcomes of the new OCHA Strategic Framework? (Coherence)</td>
</tr>
<tr>
<td>EQ9.</td>
<td>How, and to what extent does the CHF mechanism contribute to the humanitarian reform initiatives, including the Transformative Agenda? (Coherence)</td>
</tr>
<tr>
<td>EQ9.1</td>
<td>How do CHFs integrate with the Humanitarian Programme Cycle?</td>
</tr>
<tr>
<td>EQ9.2</td>
<td>What were the effects of the CHF on humanitarian leadership and coordination structures at the country level?</td>
</tr>
<tr>
<td>EQ10.</td>
<td>How relevant are the objectives of the portfolio of projects financed to humanitarian needs in respective countries? (Relevance)</td>
</tr>
<tr>
<td>EQ11.</td>
<td>To what extent has the availability of CHF funding supported targeting and contributed to improved coverage to ensure that the most vulnerable groups' needs are addressed? (Effectiveness)</td>
</tr>
<tr>
<td>EQ11.1</td>
<td>How useful and to what extent do different tools and guidance, e.g. IASC Gender Marker, support targeting and coverage?</td>
</tr>
<tr>
<td>EQ12.</td>
<td>How, and to what extent, has the CHF contributed to strengthening the humanitarian planning processes? (Impact)</td>
</tr>
<tr>
<td>EQ13.</td>
<td>How successful are CHFs in facilitating and strengthening partnerships? (Impact)</td>
</tr>
<tr>
<td>EQ14.</td>
<td>What has contributed to trends in funding of each CHF? Can any inferences be drawn for the future funding of CHFs in general? (Relevance/Appropriateness)</td>
</tr>
<tr>
<td>EQ15.</td>
<td>How effective are the mechanisms used to assess the organizational capacity of recipients, including their internal monitoring, evaluation, and quality assurance mechanisms? (Effectiveness)</td>
</tr>
<tr>
<td>EQ16.</td>
<td>How is the success of projects measured? (Effectiveness)</td>
</tr>
<tr>
<td>EQ17.</td>
<td>How adequate are capacities of OCHA and UNDP for their CHF-related roles at the country level? (Effectiveness)</td>
</tr>
<tr>
<td>EQ18.</td>
<td>How equipped are clusters to implement the CHF processes? (Effectiveness)</td>
</tr>
<tr>
<td>EQ19.</td>
<td>How adequate are capacities of the HCs (and their offices) for their CHF related roles? (Effectiveness)</td>
</tr>
<tr>
<td>EQ20.</td>
<td>How effective and efficient are substantive and administrative support and oversight from OCHA HQ? How adequately does OCHA utilize its other core functions (information management, advocacy, policy) in support of the CHF? (Effectiveness)</td>
</tr>
<tr>
<td>EQ21.</td>
<td>Are existing information management tools effective and appropriate for different needs of funds and its stakeholders? (Effectiveness)</td>
</tr>
<tr>
<td>EQ22.</td>
<td>How successful are monitoring and reporting in delivering the objectives following the principles of the Global CHF Monitoring and Reporting Framework? (Effectiveness)</td>
</tr>
<tr>
<td>EQ23.</td>
<td>Are accountability and risk management framework(s) and practices appropriate to the context? (Effectiveness)</td>
</tr>
</tbody>
</table>
EQ23.1 Do the funds have adequate control and oversight mechanisms to address inefficient use of funds and mismanagement of funds (including corruption)?

EQ24. How timely, efficient and effective are allocation processes? (Effectiveness)

EQ25. How appropriate is the prioritization and decision-making on resource allocation? (Effectiveness)

EQ26. How timely and efficient are disbursement mechanisms? (Efficiency)