

1. Eligibility

NGOs interested in applying for funding under the Yemen Humanitarian Fund (YHF) have to participate in an eligibility process. The main objective is to ensure that the OCHA Humanitarian Financing Unit (HFU) is equipped with the necessary information about the capacities of NGO partners that could have access to funding as prescribed by the YHF accountability framework. Organizations interested in participating in the YHF eligibility process can apply for the annual call for expression of interest in YHF eligibility. The YHF is not in the position to accept expressions of interest in YHF eligibility outside of this process.

2. The Assessment Process

The eligibility process is comprised of four inter-linked steps, each with its own review and feedback system to ensure transparency. The full process is expected to take up to six months.

Only organizations who pass all the four stages will be accepted as YHF eligible partner and will be eligible to receive YHF funding. *Note: during COVID-19 the process may be longer depending on the possibilities to conduct the full process, including office visit.*

1. Online Annual Call for Expression of Interest in YHF Eligibility
2. GMS Registration
3. Submission of Due Diligence and Internal Capacity Information/Documents
4. Due Diligence Review and Internal Capacity Assessment
 - 4.1 Due Diligence Review
 - 4.2 Desk Review
 - 4.3 Office Visit

Organizations interested in participating in the YHF eligibility process should meet the following minimum criteria before applying:

1. Operating according to the clearly articulated humanitarian principles;
2. Having a valid registration in Yemen;
3. Conducting humanitarian operations inside Yemen for at least the last three years in line with the Humanitarian Response plan (i.e. since 2017). *Note: for International Partners this may be less than three years in Yemen if they respond to critical humanitarian needs in underserved areas with specialized interventions and have been implementing humanitarian programmes in similar humanitarian contexts for at least five years, are eligible with another OCHA Country Based Pooled Fund and their eligibility is supported by at least one Cluster. In addition, the organization should have other donor funding for their operations in Yemen;*
4. Being an active member in one or more clusters in Yemen for at least one year. *Note: for International Partners this may be less than 12-months if they respond to critical humanitarian needs in underserved areas with specialized interventions and have been implementing humanitarian programmes in similar humanitarian contexts for at least five years, are eligible with another OCHA Country Based Pooled Fund and their eligibility is supported by at least one Cluster. In addition, the organization should have other donor funding for their operations in Yemen;*
5. Having a programmatic expenditure/budget in the last two years equaling at least US\$200,000 or more per annum;
6. Having an operational bank account in name of the organization;

7. Having proven experience working in partnership with donors, UN agencies and international organizations;
8. Having experience in project management throughout the full programme cycle and not only activity- or distribution-based interventions and being a direct implementing partner;
9. Demonstrating a clear organizational structure and financial capacity to absorb funds.

Note: in 2020, organizations that are responding to acute and critical humanitarian needs in underserved areas prioritized by Clusters will be prioritized for a capacity assessment if they meet the minimum requirements and due diligence requirements.

2.1 Step 1: The Annual Call for Expression of Interest

In 2020, the YHF changed its eligibility process from accepting expression of interest in YHF eligibility on a rolling basis to accepting expressions of interest via an annual online call for expression of interest. The launch will be announced via the Clusters.

During the call for expression of interests, organizations that meet the minimum criteria will be invited to be registered via GMS to be able to complete the Due Diligence requirements.

2.2 Step 2: Country Based Pooled Fund Grant Management System Registration

Upon completion of Step 1, the prospective NGO partner will be invited to register in the OCHA Country Based Pooled Fund Grant Management System (GMS). This is an online database system specific for the YHF and managed by OCHA. Once the NGO profile has been activated in the GMS, the partner will be in a position to access the system and complete the Due Diligence requirements.

For GMS registration, an organization must submit the following documents within the indicated timeframe to the specified email address:

1. Duly signed and filled in Due Diligence Application form for NGOs, including contact details and brief information on the organization's sectors of operations, geographical areas of work and funding levels.
2. Copy of the Registration Certificate of the NGO (in Yemen and home country for international NGOs).
3. Copy of the Mission Charter and/or Constitution of the organization (translated in English).
4. Copy of the Passport or Identity Card of Organization's Legal Representative (person ultimately legally responsible within organization – i.e. Secretary General or President, not the Country Director).
5. External audits for the last two years.
6. Recent bank statement (i.e. name of Organization) or a Bank Letter including the bank name, bank account holder, bank account number, currency, bank credentials and bank representative signatory and stamp unless it is extracted from online banking system. The name on the bank statement / Bank Letter should be identical with the organizational information. The bank statement should not be older than two months at the time of submission.
7. Recommendation letter for at least one Cluster at national level recognizing the minimum technical capacity of the partner for implementing humanitarian projects.

Note: incomplete or late submissions will not be accepted

2.3 Step 3: Grant Management System - Due Diligence and Internal Capacity Assessment Submission

Once the organization is enrolled in GMS, the organization should submit the information and upload documentation required for OCHA to complete the due diligence and capacity assessment process. This includes, manuals and policies, annual reports, financial statements and audit reports, governance documents and five signed UN Declarations. Once all mandatory information and documentation is submitted, the YHF will be able to conduct the Due Diligence review and Internal Capacity Assessment.

The Due Diligence and Capacity Assessment Checklist for all required documents are available on our YHF website.

2.4 Step 4: Grant Management System – Due Diligence and Internal Capacity Assessment

Once an Organization has completed all information in the GMS, uploaded the required documents outlined in the Checklist and submitted the request online, the YHF will review the submitted documents.

2.4.1 Due Diligence Review

First of all, the Due Diligence information will be reviewed. Once the Due Diligence is approved, the Internal Capacity Assessment can be scheduled. If an organization does not pass the Due Diligence phase, the organization will be ineligible and can re-apply after 12 months via another call for expression of interest.

2.4.2 Internal Capacity Assessment (ICA)

The Internal Capacity Assessment consists of two phases: 1. A desk review of the submitted information and documents, 2. An office visit to one or more of the organization's offices by the HFU's finance and programmatic staff. This may include a visit to one of the project sites. *Note: for International Organizations which are eligible partners with other OCHA managed Country Based Pooled Funds, the office visit may be waived if deemed appropriate.*

Internal Capacity Assessment – Desk review

The assessment methodology starts with a desk review of the information and documentation uploaded by the partner to review the institutional, technical, management and financial capacities of partners. A minimum score of 50/100, including at least a 75 per cent score for its financial capacity, is required to pass the ICA desk review and be subject to an office visit. Organizations who do not pass the desk review will be deemed ineligible and can re-apply after 12 months via another call for expression of interest.

Internal Capacity Assessment – Office Visit

Once the desk review has been completed and the prospect organization has a minimum score of 50/100, including at least a 75 per cent score for its financial capacity, the organization will be subject to an office visit by YHF programmatic and finance staff to review whether the policies, manuals, guidelines, systems and capacity in place are being adequately implemented. *Note: this includes potentially a visit to one the projects implemented by this organization*

Internal Capacity Assessment – Assessment Results

The Internal Capacity Assessment Global Questionnaire is used to conduct the assessment and it is hosted in the Grant Management System. The assessment captures and scores key elements of partner capacity in the following categories: a) Diligence; b) Governance and Institutional Capacity; c) Programmatic Response Capacity; d) Coordination and Partnership Capacity; and e) Financial Capacity.

The outcome of the assessment will determine the eligibility of the Organization (Eligible or Ineligible). The minimum threshold to become eligible has been set at 50 points out of 100, In addition, some categories, such as financial capacity may have a higher minimum threshold.

Eligible partners will be categorized as low, medium or high risk, which in turn determines the operational modalities and control mechanisms that will be applied, including disbursement, reporting, monitoring and maximum budget amount as outlined in the YHF Operational Manual (see below). The risk level assigned to any eligible organization will evolve during project implementation cycle via the GMS.

Partners who fail to qualify and are considered ineligible for YHF funding will be given another opportunity to re-apply after 12 months via another call for expression of interest.

All organizations are informed of the outcome of the internal capacity assessment via email in which an overview of findings and recommendations are provided regardless of the eligibility status.

Figure 1: Capacity Assessment Scoring with Threshold and Risk Levels

<u>Organization Score (in percentage)</u>	<u>Recommendation</u>
≥86 – 100	<u>Organization is eligible as a Low Risk partner.</u>
≥66 – 85	<u>Organization is eligible as a Medium Risk partner.</u>
≥50 – 65	<u>Organization is eligible as a High-Risk partner.</u>
0 – 50	<u>Organization is not eligible. A new capacity assessment can be considered by the YHF twelve (12) months after this review date.</u>