

Proposal for a Good Humanitarian Donorship Fund for the DRC

FINAL REPORT October 19 2005

Introductory note

This is a report on the proposal for a multi-donor fund for the Democratic Republic of the Congo (DRC), to be managed by the Humanitarian Co-ordinator (HC). The purpose of the fund will be to finance humanitarian priorities in the 2006 DRC Humanitarian Action Plan as well as emerging humanitarian needs through a rapid response mechanism.

The study was commissioned as an independent report from Development Initiatives and financed by the UK Department for International Development but does not necessarily represent DFID's views.

Development Initiatives' task was:

1. to identify the conditions under which a consensus with key UN partners and donors can be reached on the establishment of a multi donor fund for the humanitarian elements of the 2006 UN DRC Consolidated Appeal and the impact of establishing the fund on the strength HC and the humanitarian response.
2. to outline how a multi-donor fund, managed by the HC, can be set up in DRC in the short term, **if such conditions leading to a consensus are identified.**
3. to work with the UN team to identify ways in which such a fund could best meet equity and rapid response goals, as well as identifying and filling strategic gaps in provision of humanitarian goods and services. As such, it will be important to identify ways in which the management of such a pool:
 - relates to existing humanitarian processes and funding mechanisms, including the Common Humanitarian Action Plan (CHAP), the Consolidated Appeals Process (CAP), Flash Appeals, the Humanitarian Advocacy Group (HAG) and Emergency Humanitarian Intervention pots;
 - allows it to be utilised to met urgent humanitarian need across whole territory of DRC

This report draws on input from donor and UN agency headquarters provided for the proposed Common Fund for humanitarian assistance to Sudan and on multi-donor funding mechanisms in general. A substantial portion of the report is based on interviews conducted in Kinshasa and Goma in August 2005 (see Annex 1 for a list of those consulted).

Defining Terms

In order to have a productive discussion it is important that the terms are clearly defined. For the purposes of this report we have used a number of "working titles". These are not perfect descriptions, but provide common vocabulary for discussion. We have deliberately avoided the term "pooled funding" because of the different meanings attached to it. Key terms are:

Good Humanitarian Donorship (GHD) Fund: The DRC is a GHD pilot country and the proposed Fund embodies key principles of good humanitarian donorship, such as flexible, timely, predictable funding which is provided according to need. Therefore, in agreement

with key stakeholders, including the donors leading the GHD pilot and the Humanitarian Co-ordinator, it was decided to call the fund a GHD Fund. **This is a single fund to which donors can make upfront contributions to finance strategic humanitarian priorities defined in the DRC Humanitarian Action Plan. The Humanitarian Co-ordinator, with advice from the Humanitarian Advocacy Group (HAG), will make the final decision on what to fund in-country and disbursements will be made direct from the GHD Fund to the recipient organisation (UN or international NGO).**

Allocation Model: The working title for the system where donors can put a tranche of money at the disposal of the HC who decides how it should be allocated. The donors make the disbursements direct to the recipient organisation (UN or international NGO).

Consultation Model: The working title for engagement of the HC in donor funding decisions in order to influence their allocation of resources in favour of Action Plan priorities.

All three models can work together - along with improved information flow on all funding decisions and use of co-funding mechanisms - to give the Humanitarian Coordinator greater influence over the allocation of funds to strategic humanitarian priorities. (see Figure 1)

DRC Humanitarian Action Plan: The country-wide, inter-organisational strategic plan setting out strategic humanitarian **priorities** and objectives and an outline of the specific activities and projects in each province that flow from these.

Humanitarian Advocacy Group (HAG): Currently comprises the Humanitarian Co-ordinator, the heads of all UN agencies in the DRC, donor representatives and one international NGO representative. It is hoped to extend the HAG to include more NGO representatives. Currently, the HAG meets once a week, chaired by the HC.

Layout of the Report

Section 1 describes the DRC context and explains why the GHD Fund has been proposed.

Section 2 outlines the proposal for the operation of the GHD Fund.

Section 3 identifies the conditions needed for the GHD Fund to be effective.

Section 4 explains the rationale for the GHD Fund and why it should improve humanitarian response.

Section 5 highlights the concerns raised by interviewees.

Section 6 outlines issues that remain to be considered or finalised.

Section 7 concludes the report with a list of next steps to be taken.

In addition, several documents are contained in the Annexes – these have been referenced in the report where appropriate.

Acknowledgments

Development Initiatives would like to thank OCHA in both Kinshasa and Goma for its support during the mission to the DRC. DI is also extremely grateful for the serious attention given to our questions and the very constructive discussions that have taken place. We hope the report has identified the issues and taken proper account of the perspectives of those interviewed. We would welcome any corrections to errors of fact or interpretation or additional information.

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Executive Summary

This proposal for a multi-donor humanitarian fund in the DRC under the authority of the Humanitarian Coordinator aims to strengthen coordination and increase the extent to which funding is allocated to priority humanitarian needs. The proposal is consistent with the principles of Good Humanitarian Donorship (GHD) and the DRC is a GHD pilot country. Therefore, there was general agreement amongst interviewees, particularly the HC and the donors leading the GHD pilot, that it should be called a GHD Fund. The main purpose of the GHD Fund is to improve humanitarian outcomes in the DRC but is also part of wider reforms to humanitarian architecture.

At the time of writing, September 2005, only 52% of CAP requirements had been met. Currently, donors and agencies largely decide what should be financed and a substantial portion of resources flow outside the CAP. The introduction of the GHD Fund will enhance the ability of the HC - who has responsibility for coordination – to direct funds to strategic priorities.

Fund Mechanism

HC decisions on disbursements from the GHD Fund need to work in tandem with other methods for increasing his or her influence over the allocation of resources. These include:

- Instructing donors on how to allocate their funds using the **Allocation Model**;
- Influencing funding decisions, including on food aid, through the **Consultation Model**;
- Exerting increased direct and indirect influence on funding for the Action Plan through **improved information flow**.

The GHD Fund will finance three kinds of activities:

- priority projects in the Humanitarian Action Plan for which other funds are not available;
- rapid response to sudden-onset emergencies that could not have been foreseen;
- loans for projects that have been approved for funding by other donors, to cover cash-flow problems.

UN agencies and international NGOs would receive financing from the GHD Fund. Funding to NGOs and International Organisations would also be influenced by the HC through the Allocation and Consultative Models.

Participating donors would channel their country-earmarked funds for UN agencies and possibly NGOs plus other resources through the Fund. Other funding, such as core funding and long-term arrangements, will remain unchanged.

Donors are advised to provide as much funding up-front at the beginning of the year as possible. It is recognised, though, that some donors may have to provide funding in tranches. This would be acceptable as long as donors provided sufficient information to allow for the HC's office to undertake detailed cash-flow planning and permitted the HC to retain a cash cushion to tide projects over while subsequent tranches were being approved.

Funding decisions will be made in-country by the HC based on the following process:

- Development of a comprehensive, prioritised Humanitarian Action Plan based on the comprehensive needs assessment including UN agency and NGO activities for each province;
- Simple decision-making processes for the rapid response and loan elements of the Fund, based on current EHI and RRF procedures;

- For priority Action Plan projects, review of strategic and geographical priorities with the national HAG;
- Following this, advice from provincial sector co-ordinators and GHD Advisers on sectoral priorities at provincial level and recommendations from the provincial and national HAGs on individual priority projects;
- Disbursement to agencies using the UNDP *Pass Through* mechanism, provided that confidence in its ability to disburse quickly is sufficient to ensure a critical mass of support for the Fund. The alternative mechanism would be disbursement by OCHA Geneva.

Reporting

The HC will provide donors with quarterly reports on receipts into, and disbursements out of, the GHD Fund. At the 6-month stage, the GHD Advisers should conduct an assessment of the GHD Fund's operation as part of the assessment of the Action Plan.

UN agencies will continue to report on money received from the GHD Fund as they report on funding from individual donors – in their annual reports. NGOs will report to OCHA using a reporting format similar to that used for the EHI and RRF mechanisms.

The GHD Fund should meet donors' fiduciary requirements as follows:

- The HC will report to donors on a quarterly basis that funds have been used for their intended purpose – to finance priority humanitarian activities. There will also be a 6-monthly review of the funding mechanism.
- Spending will be properly accounted for in accordance with UNDP's established Pass Through Mechanism procedures or OCHA's procedures, which have already been used for the EHI and RRF mechanisms.
- Value for money - there is a potential for better humanitarian outcomes with the same level of resources; the Fund should involve fewer transactions; if UNDP disburses funds, it will be providing its services at cost price.

Essential Conditions for the GHD Fund to work

The Action Plan defines what is eligible for funding from the main part of the GHD Fund. Therefore, a comprehensive, prioritised Humanitarian Action Plan is an essential precondition if the GHD Fund and increased authority vested in the Humanitarian Coordinator are to result in better humanitarian outcomes. The highest priorities in the Action Plan (including catalytic projects linked to these priorities) must be funded first and activities that do not directly contribute to these priorities must not be funded until all Action Plan priorities have been met. This will require discipline from all those involved with the Fund – the HC, the HAG, donors, UN agencies and NGOs.

Critical Mass

If the Humanitarian Coordinator is going to be able to ensure that funding makes a real difference to humanitarian response, s/he has to have influence over where a substantial portion of the resources are directed. This influence can be achieved through a combination of the GHD Fund, the Allocation and Consultation Models and improved information flow.

Accountability

A serious concern is that by holding a common multi-donor funds, HCs will be held accountable for the overall humanitarian response, while lacking any authority over the organisations that deliver humanitarian assistance. The accountability demanded of the HC must be reasonable and commensurate with their actual authority.

Sector Coordination

Sector coordination is a key factor in the success of the GHD Fund because the sector committees in the DRC have a role in both the development of the Provincial Action Plans AND in the identification of real time priorities for funding from the GHD Fund. Sector coordination is currently weak in many places so OCHA needs to continue efforts to strengthen it. Some difficulties can be addressed temporarily by having the GHD Advisers provide impartial advice in addition to information on sectoral priorities provided by sector lead agencies.

Improving Humanitarian Response

The Common Fund should improve humanitarian response by:

- Creating incentives for participation in the Humanitarian Action Plan;
- Ensuring that a higher proportion of funds flows to strategic priorities;
- Reinforcing quick, flexible, country-level decision-making in response to changing priorities;
- Enabling the HC to fund a better mix of inputs, resulting in a more coordinated response;
- Highlighting responsibility for funding shortfalls and increasing the incentives to ensure that all humanitarian priorities are met;
- Increasing incentives to keep the HC well informed.

However, the HC's ability to make difficult funding decisions and ensure that funding is directed to strategic priorities will also rely on other systemic changes.

Concerns

Interviewees raised a number of concerns about the role of the HC, potential problems with decision-making and disbursement, a threat to the independence of NGOs, the loss of direct relationships with donors and accountability. These have been noted and, to the extent possible, taken into consideration in the existing proposal.

Issues for Consideration

There are a number of questions and issues which donors and the HC need to consider. These are: the funding of transition activities, the role of the HAG in decisions about financing from the GHD Fund, involving the HC in decisions about the allocation of food aid, funding NGO needs assessments, funding extra capacity in OCHA and UNDP for the management of the GHD Fund and alternative ways of funding NGOs.

Next steps

- The 2006 Humanitarian Action Plan will be launched in November 2005, when donors should make firm pledges. At least some funds should be transferred by January 2006.
- Donors should clarify and state what their funding procedures and level of commitment (i.e. disbursement, allocation or consultation) will be by November 2005, so that the HC can plan effectively.
- Donors should ensure that necessary domestic mechanisms are in place to enable transfers to the disbursing agency to be made on time and in full.
- OCHA (and, if necessary, UNDP) should ensure that necessary staff members are in place by the end of 2005. If required, the HC should ensure that he has obtained exemption for the Fund from UNDP's management fee (as the HC has done in Sudan).
- By the end of 2005, the GHD Advisers should have undertaken a baseline survey to obtain information on existing funding mechanisms so that there will be data against which to compare the 6-month review of the GHD Fund.

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1 Context

1.1 Why would the GHD Fund be useful in the DRC?

The situation in the DRC is a complex one. There are large humanitarian needs in Eastern DRC due to on-going conflict and displacement of people. In other parts of the country, people are in need of life-saving assistance due to the destruction of, and lack of investment in, basic social infrastructure. Since 2003, a Transitional Government has been in place and elections are due to take place by June 2006 at the latest. The focus of donors is mainly on the elections, with substantial resources being directed towards these. In such circumstances, it is vital to ensure that humanitarian needs are not overlooked. The GHD fund, based on a sound needs assessment and prioritised action plan, would be a useful way to ensure that funding is directed to humanitarian priorities.

To date (September 17 2005), 52% of the CAP has been funded. Even with nearly \$100m being spent outside the CAP¹, there is a perception in the country that humanitarian needs are not being addressed fully. Therefore, it is important to ensure that available funds are directed towards strategic priorities and that funding decisions are made in-country, on the basis of need.

From the perspective of UN agencies and NGOs, having funding decisions made in-country would remove the requirement to persuade donors in distant capitals of the urgency of needs². In fact, recipient agencies would have a role in deciding priorities through the HAG. The fund should also lead to timely, flexible funding with fewer transaction costs as organisations deal with one organisation instead of several.

Although the number of official donors contributing to the DRC has increased from nine in 1999 to nineteen in 2004³, the DRC remains a low priority for most donors. Therefore, they have limited representation in-country – even donors with representation highlighted the fact that they did not have sufficient capacity to engage actively in the CAP or assess whether a project submission is viable or truly addresses priorities⁴. By channelling their money through the fund, donors would be assured that their funds are being directed to genuine priorities without requiring a field presence.

As part of the process of setting up the fund, OCHA will be establishing a database to collate all the information on which donors are funding which organisations to undertake what activities in which areas. This will be partly to enable the HC to make better-informed decisions. However, the information can be shared with donors through HAG meetings, thereby improving transparency and decision-making by ALL donors.

1.2 Why a “Good Humanitarian Donorship” (GHD) Fund?

The Good Humanitarian Donorship initiative was launched in June 2003 by 18 donors. Its aim is to improve the coherence and effectiveness of international responses to humanitarian crises. The initiative is based on a set of principles and good practices which are being tested in two pilot countries – Burundi and the DRC.

The proposal for a multi-donor fund to finance humanitarian priorities in the 2006 Humanitarian Action Plan is entirely consistent with GHD principles, including rapid disbursement of funds and flexible, timely and predictable funding which is provided

according to need. The fund provides donors with a concrete way to put the GHD principles into practice. There was general agreement amongst interviewees, particularly key stakeholders such as the HC and the donors leading the GHD pilot in the DRC that the funding mechanism should be called a GHD fund.

One important benefit of establishing the multi-donor fund as a GHD Fund is that it can draw on existing GHD advisers in the DRC. As part of the GHD pilot, the Belgian government has agreed to fund for two years the posts of two GHD advisers within OCHA, one based in Goma and the other in Kinshasa (see Annex 7 for their Terms of Reference). The role of GHD adviser already covers a number of tasks which would be very valuable to the GHD Fund, such as having an overview of activities and priorities within sectors in each province and acting as an interface between operational agencies and donors.

1.3 Part of wider reforms

The proposal for mechanisms like the GHD Fund is part of the process of reform of the international humanitarian system. The **UN Secretary General's 2005 Report, "In Larger Freedom"** argues for rapid progress on strengthening field coordination structures, better preparing and equipping UN Country Teams (UNCTs), strengthening the leadership of the humanitarian coordinator and ensuring that sufficient and flexible resources are immediately available to support field structures.⁵ The Fund was also one of six changes outlined by the UK Secretary of State for International Development in 2004.⁶ However, the first requirement of the GHD Fund is that it must improve humanitarian outcomes in the DRC. This report outlines a basic model for the Fund for 2006 but it should develop and grow based on evidence of what is found to work.

It is clear that the GHD Fund needs to be part of a raft of other measures if it is to have an effect on humanitarian outcomes. The establishment of the Fund alone is no guarantee of increased finance, therefore it has to be justified by better use of existing resources⁷.

Also, the Fund will not give the HC direct control over the implementation and delivery of humanitarian assistance, so coordination and cooperation between all partners remain vital. A number of interviewees raised concerns about the ability of the HC to make difficult funding decisions while maintaining such cooperation and argued that the operation of the Fund would vary with the personality and authority of the HC. Therefore, it is vital that the mechanism is backed by reform of the recruitment, accountability, structure and training of humanitarian coordinators. Without this, it will be difficult for HCs to ensure that overall humanitarian response priorities always take precedence over agency priorities.

The GHD Fund has the potential to build confidence and lay the foundation for wider reforms. It provides a mechanism whereby donors, agencies, NGOs and the UN system itself can subsume domestic and institutional priorities below the overall humanitarian imperative. Lessons (and encouragement) can be drawn from the similar process in development cooperation, where donors and governments have, this year, set targets for aid harmonisation. The principle is that predictable aid flows, with low transaction costs, should be available to support government-owned strategies for poverty reduction. One of the methods is direct budget support. This process has created momentum to reform donor procedures and to overcome obstacles in the common interest of more effective aid.⁸

1.4 The DRC Humanitarian Action Plan

The current process for putting together an appeal for funds in the DRC for 2006 includes both a concerted effort to include the activities of national and international NGOs and transition activities – expected to take up around 25% of the costs. It is based on a

comprehensive needs assessment⁹ and a Common Humanitarian Strategy (CHS). The CHS for 2006 has three 'pillars':

- Saving lives, particularly in rapid on-set emergencies;
- Reducing vulnerabilities;
- Transition activities, to prevent communities from sliding into emergency needs.

The protection of civilians is a cross-cutting issue across all three pillars.

Following the development of the CHS, sector committees in each province (with support from OCHA) have developed Provincial Action Plans (PAPs) which outline the activities being undertaken in the province to respond to the priorities in the CHS. UN agencies and NGOs have been asked to submit 'concept papers' outlining their activities and an estimated budget for each Provincial Action Plan. These concept papers will be prioritised by a Consultative Committee¹⁰ in Kinshasa according to their fit with the CHS. There are 12 PAPs and these are being consolidated into one DRC Humanitarian Action Plan, which will then be used to highlight what resources the humanitarian community in the DRC requires to respond to needs across the country and what gaps will remain due to lack of capacity. To encourage NGOs to participate in the PAPs, the HC has written to them with guidelines for the submission of concept papers. Also, the Emergency Relief Co-ordinator will be writing to donors asking them to prioritise funding for NGO activities represented in the PAPs or at least projects which address the CHS.

The PAPs are live documents so organisations can submit concept papers for them throughout the year. OCHA is examining whether the Action Plan can be published in a file format rather than as a book so that concept papers and other pages can be inserted into different sections as and when necessary.

The Humanitarian Action Plan in DRC will be different to previous CAPs for the country. First, recent DRC Consolidated Appeals have tended to focus on humanitarian needs in Eastern DRC, which is still affected by conflict and large numbers of displaced persons, rather than including other parts of the country where humanitarian needs are caused by the destruction of, or lack of investment in, basic social infrastructure. The HAP will also include transition activities which are expected to be around 25% of total funds required and is also expected to cover the major activities of NGOs. Consequently, the call for funds will be much greater than in previous years – possibly \$800 million-\$1 billion – more than four times the current CAP.

The GHD pilot Baseline Survey undertaken in 2004 highlighted concern about the lack of a comprehensive needs assessment in DRC and that projects in the previous CAPs had not been prioritised. The change of name from the CAP to the DRC Humanitarian Action Plan is a response to this and also signals to NGOs that the HAP/CAP is not a purely UN process which, in turn, limits their participation. The HC consulted the HAG about the name change on 12th August 2005 and there were no objections from UN agencies or donors.

2 The Operation of the GHD Fund

2.1 *What is the purpose of the GHD Fund?*

The sole purpose of the GHD fund is to improve humanitarian response by enabling the HC to direct funds towards strategic priorities in the Humanitarian Action Plan.

There are several different ways in which the HC can direct donor funding (see Figure 1):

- s/he can **directly disburse** funds placed in a GHD Fund account;

- through the **Allocation Model**, s/he can instruct donors on how to allocate their funding;
- through the **Consultation Model**, s/he would discuss funding decisions with donors and be able to influence those decisions;
- through **improved information flow**, s/he would be able to make better-informed decisions about where to direct funding.

Through a combination of these mechanisms, the HC would be able to exert direct or indirect influence over a substantial portion of the resources received for the DRC Humanitarian Action Plan. Some donors may also be able to **co-fund** projects receiving money from the GHD Fund.¹¹

[INSERT FIGURE 1]

If these funding methods are combined with other systemic reforms, they could increase the authority of the HC to decide between competing priorities and enhance the coordination and coherence of the humanitarian response in the DRC (see Section 3).

2.2 What would be financed by the GHD Fund?

There are three main elements to the GHD Fund. The largest portion of the Fund will be used to fund priority **projects** (including catalytic programmes) for which concept papers have been included in PAPs or the DRC Humanitarian Action Plan and for which no other funding is available. A small proportion of these could be transition activities linked to the CHS – see section 6.1 for issues about funding transition activities. The HC can use the Allocation and Consultation Models to direct donor funding to these priority activities as well.

A portion of the GHD Fund (perhaps up to a maximum of 25%) will be reserved as a Rapid Response Mechanism (RRM) which will fund activities responding to **emerging needs** which could not have been foreseen in the Action Plan¹². The amount set aside for this should correspond to the current size of the Rapid Response Fund (RRF). The existing Emergency Humanitarian Intervention (EHI) and RRF mechanisms have proved useful in enabling NGOs and UN agencies to quickly respond when there is population displacement or outbreak of disease. They have also funded needs assessments when new crises have occurred.

A small portion of the Fund (perhaps \$2 million) will be used as a **loan facility**. This will be particularly useful for small to medium-sized NGOs that have been assured of funding from a donor but cannot begin time-sensitive activities or ensure the continuation of a project without immediate cash. There were a number of examples when NGOs had donor agreement to fund activities like seeds and tools projects or road rehabilitation, which can only be undertaken at certain times of the year, but were experiencing delays due to donor procedures. In other cases, donors had agreed to fund the continuation of existing NGO projects but, because funds had not arrived, NGOs faced the prospect of closing their office and losing all their staff only to re-start the entire operation in one or two months' time, when funding actually arrived. A quick-disbursing loan facility would enable NGOs to overcome such problems. However, the loan mechanism would not be restricted to NGOs – if small UN agencies find it useful, they would be able to apply.

2.3 Who would be financed by the GHD Fund?

The GHD Fund will finance UN agencies and international NGOs. There are three reasons why it is important for the Fund to be able to finance NGO activities:

- It gives the HC the flexibility to fund the most appropriate organisation undertaking a priority activity instead of being restricted to UN agencies alone;

- It gives NGOs an important incentive to invest time and effort in participating in PAPs and coordination meetings;
- It can improve the efficiency of donor funding – some donors are unable to administer small grants so there is a temptation to ask NGOs to increase the cost of a good project so that it is above the required threshold. The GHD Fund would fund real costs.

Red Cross organisations have not actively participated in the Action Plan so they would continue to be funded directly by donors. Also, it is not expected that the Fund will finance national NGOs directly in 2006 (although international NGOs may use them as implementing partners). However, this may be an option in the future.

2.4 What income would go into the GHD Fund?

Donors who are interested in disbursing through the GHD Fund have indicated that they will channel their **country-earmarked** funding for UN agencies through it. Some donors may also channel their NGO money through the Fund although this may be ‘a step too far’ (see section 6.6 for why it is difficult for donors to channel NGO money through the Fund). They have suggested that the Allocation Model may be preferable. One donor pointed out that, even if it did not channel NGO money through the Fund, it was likely to put more money through the Fund in 2006 than it disbursed to UN agencies in 2005¹³. It indicated that it would have no objection to the HC using this additional money to fund NGOs.

All other funding of UN agencies will be unchanged – regionally earmarked funds, core costs, institutional support etc – as will the relationship with UN agencies on advocacy and programming. At present, NGOs implement a large proportion of UN agency programmes. Under the GHD Fund, UN agencies will continue to contract NGOs as implementing partners in the same way as they do now.

2.5 When would money be received into the GHD Fund?

In keeping with the GHD principles of timeliness and predictability, donors must provide as much money up-front as possible.

- Donors must make reliable commitments to the GHD Fund by the end of 2005 to enable the Humanitarian Coordinator to plan. The test of reliability is that the HC can give the UN agencies assurance of funding and they can use their internal mechanisms – or borrow from the CERF - to begin work before actually receiving cash.¹⁴
- Transfers of funds should be made in advance for at least the first quarter of the year at or before the start of that period – i.e. 1 January 2006.
- Donors need to assure the Humanitarian Coordinator of their capacity to make transfers within a specific given period of time and of the dates on which they can make firm commitments for funding and over what period.

This money will be transferred into the account of the disbursing agency for disbursement to the headquarters of recipient organisations or in the field, as requested by the recipient agencies (see section 2.6.4 below).

2.6 What would the mechanism be?

Since the GHD Fund has three elements, there will need to be one decision-making procedure for each element. In the case of the Rapid Response Mechanism and the loan facility, the emphasis is on quick decision-making to enable funds to be disbursed as soon as possible.

2.6.1 *Procedure for funding Humanitarian Action Plan projects*

As mentioned in section 2.2, the main part of the GHD Fund would fund priority activities in the Humanitarian Action Plan for which other funding is not available. Inclusion of concept papers in the Action Plan is key to receiving money from the GHD Fund. The process described below will be repeated as and when the GHD Fund receives additional resources to ensure that it remains responsive to evolving needs.

Once the HC has received indication from the donors of their levels of contribution to the Fund, s/he will have a discussion with the national HAG about the amount of funding available, what is already being funded by donors not disbursing through the Fund and what are the key priorities and gaps. Following this, s/he would provide some guidelines to provincial HAGs about regions and sectors which are a priority for the Fund.

The provincial HAGs would then ask provincial sector coordinators to highlight priority unmet needs and unfunded activities in each sector. The GHD advisers, as part of their work, will already have some knowledge of priority activities in various sectors which require funding so they can provide additional, impartial advice to provincial HAGs. For now, the role of the GHD advisers will be helpful because sector coordination is weak in many areas (see section 3.5). Based on the advice from sector coordinators and GHD advisers, the provincial HAG will ask certain organisations to develop their concept papers into project proposals (NGOs can use the proposal format being developed by OCHA – see Annex 4 for draft)¹⁵.

The project proposals should be submitted to the provincial HAG in the first instance. At this point, with support from OCHA, the HAG will obtain technical advice about the viability of the proposals. The HAG will then assess the proposals. Those that are priorities and deemed to be worth funding will be recommended to the national HAG.

The national HAG will examine proposals received from all the provincial HAGs and make recommendations to the HC about which projects should be funded. The HC will have the final say on funding decisions and authorise disbursement accordingly.

2.6.2 *Procedure for the Rapid Response Mechanism (RRM)*

The aim of the Rapid Response Mechanism (RRM) is to ensure quick decision-making to enable funds to be disbursed as soon as possible. Therefore, it will be based on the current procedure for the Rapid Response Fund (which is jointly managed by OCHA and UNICEF) rather than the Emergency Humanitarian Intervention, which has the potential to be slow (see Annex 3 for a description of the existing mechanisms). The RRF already has a system of 'focal point NGOs' in Eastern DRC. Also, under the RRF, UNICEF pre-positions Non-Food Item (NFI) kits in certain areas so that the focal point NGOs can distribute them immediately when an emergency occurs. Finally, there is an RRF Section within OCHA in Kinshasa. The RRM procedure would make use of all these existing elements.

When an acute emergency occurs (such as a sudden displacement or outbreak of disease), the RRF focal point NGO or another organisation can approach the local OCHA office with a short project proposal and budget. The local OCHA office will advise OCHA Kinshasa and simultaneously consult the UNICEF RRF officer in the East and the sectoral lead agency, as appropriate, about the proposal's eligibility¹⁶.

If the proposal was found to be eligible for funding, the local OCHA office would forward it to the Rapid Response Section in OCHA Kinshasa. At this point, the Rapid Response Committee, which includes UNICEF and OCHA officers, would meet to ensure that the proposal is appropriate and necessary. The Committee would then recommend it to the HC for his final decision.

The decision-making process needs to be quick so that recipient organisation can respond as quickly as possible. At present, the RRF is able to disburse money within about 15 days from the time that a proposal is submitted.

2.6.3 *Procedure for the loan facility*

If an organisation wished to access the loan facility, it would contact the provincial OCHA office. It would need to submit three documents:

- the full proposal for the project for which it was seeking a loan;
- a brief (2-3 page) proposal outlining how much of the total budget it needed as a loan, why it needs this amount and the approximate loan period (the NGO should state that it will repay the loan with a set number of days after receiving money from the donor);
- a letter from the donor stating that funding for the project had been approved.

The provincial OCHA office would send the documents to the RRF Section in Kinshasa, which would check the documents and, if appropriate, recommend the loan to the HC. The decision-making process should not take more than a few days so that the NGO receives the loan within 5-10 days.

It is important for the donor to know that the NGO is seeking the loan so that the donor can inform OCHA when it actually transfers money to the NGO. That way, OCHA can ensure that the NGO repays its loan promptly and there are no delays between the NGO receiving funding from the donor and transferring the loan repayment. This would ensure that the funds are then available for other NGOs.

2.6.4 *Disbursement*

Once the HC has approved disbursement, the procedure for all three elements of the Fund will be the same. The most convenient mechanism would be to set up the GHD Fund as a UNDP Trust Fund in Kinshasa and use UNDP's ATLAS computer system for disbursements. The transfer of funds from UNDP to other UN agencies would be governed by the Memorandum of Understanding for the Pass-Through Mechanism, which has been agreed by all UN agencies at headquarters level (see Annex 5). Transfers from UNDP to NGOs could be governed by a Memorandum of Understanding similar to that between OCHA and NGOs for the RRF mechanism (see Annex 6).

This mechanism has the following advantages:

1. The ATLAS computer system has an excellent finance tracking capacity and is designed to provide reports to donors very easily and in tailored formats.
2. Due to its computer system and financial mechanisms, UNDP can disburse money very quickly, whether to the headquarters of agencies or in the field¹⁷.
3. UNDP could administer the Fund at cost price¹⁸.

The roll-out of UNDP's new ATLAS system has necessitated various changes to workflows in the Kinshasa office. These are being systematically addressed to ensure the efficient management of financial transactions. In the meantime, there have been some delays which prompted suggestions that the Fund be set up using private banking

facilities, like World Bank trust funds. However, an experienced interviewee argued that this would be inadvisable because:

- financial oversight is outsourced to a private bank so the HC would have no control over reporting formats and functions – s/he would be obliged to accept whatever was provided by the bank and then convert that into a format acceptable to donors. ;
- the GHD Fund would be too small to qualify as a priority for banks used to handling large numbers of funds, each comprising hundreds of millions of dollars, so the bank would not dedicate a staff member to managing the fund.

Despite assurances from UNDP that it is addressing the issues which have led to payment delays in the DRC, there is considerable concern amongst donors and other UN agencies about its ability to disburse funds quickly enough to ensure there is no disruption to the implementation of GHD Fund projects, particularly those financed by the Rapid Response Mechanism. Therefore, until UNDP is able to restore confidence in its ability to disburse sufficiently quickly to the level that a critical mass of donors are willing to use the mechanism, it would be possible to disburse funds through OCHA Geneva. OCHA has demonstrated its ability to manage humanitarian funds in the DRC since it has managed the EHI and RRF mechanisms. It has also managed emergency response funds in other countries such as Angola.

However, this mechanism would be a second option for the following reasons:

1. Due to OCHA's location within the UN Secretariat procedures for the Fund could be complex. It would be responsible for both financial and narrative reporting on the GHD Fund, leading to changes to current reporting arrangements and increased administration for OCHA.
2. As a result of the additional administration, OCHA would require more staff at headquarters as well as in the field to manage the Fund. This would be more expensive than using UNDP.
3. OCHA has a minimum administration fee of 3%, which cannot be waived so the cost of the Fund would be greater.
4. Although OCHA Geneva can disburse funds to the headquarters of organisations financed by the GHD Fund, it does not have the capacity to disburse directly in the field and would have to use another agency such as UNDP for the purpose. However, this may not be a serious obstacle as most organisations prefer to receive funds at headquarters.

Rapid disbursement is a key factor in the success of the GHD Fund. Therefore, if UNDP is used as the disbursement mechanism, GHD Fund donors should finance one staff member who will be dedicated to managing GHD Fund transactions and ensuring that they are done quickly. This person would need to be given the required authority to manage ATLAS authorisation functions¹⁹. S/he would be the focal point for any queries or problems relating to the receipt of funds from donors and disbursements. In addition, it is possible to stipulate the maximum number of days that UNDP will take to disburse funds after it has received instructions from the HC (see Annex 5 – currently, the MoU sets this at 7-10 days).

2.7 How would reporting and monitoring and evaluation be done?

2.7.1 Recipient agency reporting

Donors have indicated that they do not want the GHD Fund to increase the reporting burden of recipient agencies. UN agencies already have their own reporting standards which have been agreed by donors. If UNDP is used as the disbursement mechanism,

these will remain unchanged – UN agencies will report on money received from the GHD Fund in their standard annual reporting as they do on funding received from individual donors. If OCHA disburses from the GHD Fund, UN agencies will be asked to submit their standard reports to donors via OCHA.

NGOs do not have standard reporting formats but adapt to the requirements of individual donors. Therefore, OCHA is developing a standard reporting format for NGOs to use, whatever the disbursement mechanism (see Annex 4 for draft).

2.7.2 GHD Fund reporting

The HC will provide quarterly reports on money received into the GHD Fund and disbursements from the Fund. There will be one standard report for all donors rather than reports tracking the contribution of each donor. The HC will supplement the financial report with a brief report on the rationale for the decisions. The larger donors should already be aware of the funding decisions and the reasons behind them because they are represented on the HAG, which is involved in the decision-making process.

2.7.3 Monitoring and Evaluation

The two GHD advisers have been appointed as part of the GHD pilot in the DRC to act as an interface between donors and implementing agencies. As part of this, they can monitor whether organisations funded by the GHD Fund receive their money on time. If there are delays or difficulties, they can bring these to the attention of OCHA or the UNDP officer responsible for managing GHD Fund transactions.

There will be 6-monthly assessments of the Action Plan, which will list 1-2 indicators for each sector. The sector coordinator in Kinshasa will be responsible for completing an 'impact matrix' to report progress against these indicators and whether needs are being met as planned. These assessments should be complemented by assessments of the GHD Fund mechanism, conducted by the GHD advisers. The advisers would examine how quickly decisions were made, what funds organisations had received, the extent to which these had been used for stated priorities (or whether the situation had changed and the funds had been used flexibly), whether there had been any delays or whether the Fund had financed complementary activities.

This assessment of the Fund will serve two important purposes. Firstly, it will help to sort out any problems with the mechanism or decision-making procedures at the 6-month stage rather than waiting till the end of the year. This will improve the Fund's efficiency. Secondly, it will provide evidence to demonstrate that the mechanism is working at least as well as, if not better than, existing donor mechanisms. It is in the interest of both donors and the HC to be able to demonstrate this. At the end of the year, if it is found that the mechanism is not working, they will need to consider whether it is worth continuing.

In order for the assessment of the Fund to make meaningful comparisons with existing mechanisms, there needs to be a baseline study. The GHD baseline study in 2004 looked at issues of timeliness and flexibility but did not focus on specific existing mechanisms. Therefore, it would be helpful for the GHD advisers to collect information by the end of 2005 on specific issues such the average time taken by donors to make funding decisions, the average time taken to disburse, the level of flexibility of available funds (e.g. is the procedure for amending projects or budgets very cumbersome and time-consuming?).

2.8 How would donors ensure that fiduciary requirements are met?

There are three key elements to the fiduciary requirement of most donors, i.e. that funds:

1. are used for their intended purposes;
2. are properly accounted for;
3. represent value for money.

The proposal for the GHD Fund should meet these fiduciary requirements:

1. **Intended purpose:** The purpose for which money will be used is documented in the Action Plan and the Humanitarian Coordinator will report to donors quarterly on expenditure against the Action Plan. It is also proposed that there is a six monthly review of the funding mechanism (see section 2.7.3 above).
2. **Proper accounting:** OCHA or UNDP will properly account for the receipt of funds and their distribution to agencies as instructed by the HC. UN agencies already have accounting and auditing procedures that are approved by donors so their accounting will continue to meet required standards. In the case of NGOs, under the existing RRF mechanism, projects over \$15,000 must be independently audited. This requirement (with perhaps a higher threshold) could be extended to all NGO projects financed by the GHD Fund.
3. **Value for money:** If the Fund leads to better humanitarian outcomes with the same level of resources, it is by definition providing better value. Also, there should be fewer transactions when donors channel money through the GHD Fund because recipient organisations are dealing with one funder, not several. Finally, UNDP will be channelling the money at cost price and saving donors considerable administrative expenses so the Fund should be cost effective.

When the fund is operationalised, donors will need to specify fiduciary requirements in detail. They can take a number of steps to minimise fiduciary risk, such as:

1. Using their positions on the governing bodies of UN agencies to ensure that the agencies conform to the Action Plan.
2. Establishing agreements between the internal audit officers of UN agencies and donors. Donors cannot demand to see the accounts of UN agencies because they, like governments, are sovereign bodies. However, with a concord between internal audit officers, problems can be more easily identified and, if necessary, referred back up to the executive board via donor representation.
3. Undertaking a fiduciary risk assessment which would:
 - Discuss financial management systems with the Humanitarian Coordinator and UNDP or OCHA.
 - Confirm what agreements would cover the transfers, timing, rights of access to accounts, timetable for meetings and any necessary plans for strengthening fund management – e.g. employing accountants etc.
4. Undertaking fiduciary monitoring. This would include monitoring financial performance through audited accounts (particularly in the case of NGOs) and monitoring outcomes through the six-monthly reviews of the Action Plan and GHD Fund.

There may be some preference amongst donors' auditors for tranching funding because it cuts down fiduciary risk - if money is transferred in advance at the beginning of the year, it is harder to ensure that it is spent for the purposes for which it was intended. However, this argument does not hold completely. The intention of the GHD Fund is to empower the Humanitarian Coordinator AND to finance the Humanitarian Action Plan. Therefore, the benefit of annual upfront funding in empowering the HC may outweigh any increased risk from annual transfers.

The second argument in favour of tranching funding is that, if payment is in advance, then it is usually the donor that has to chase the recipient organisation to get reports or accounts. If payment is made in arrears, then there is an incentive for the agency (the HC's office in this case) to provide the necessary paperwork in order to receive the next instalment of funding. However, the GHD Fund is not about funding a single programme – several projects or programmes will be funded simultaneously. Tranching funding will considerably increase the administrative burden for UNDP and OCHA and could cause severe cashflow problems for the Fund. This contradicts donors' stated aim not to create extra bureaucracy with the Fund.

Therefore, it is recommended that, as far as possible, funding should be annual and in advance. If this is not possible, then tranching funding is acceptable as long as donors provide sufficient information about tranche amounts and dates of transfer to enable the HC's office to undertake detailed cash-flow planning. Donors should also recognise that the HC will retain a reasonable cash cushion to tide projects over while subsequent tranches are being approved and transferred.

3 What are the conditions necessary for the GHD Fund to work?

The previous section outlined the way in which the GHD Fund will work. This section outlines the conditions which are necessary to ensure that the Fund is successful.

3.1 *The Humanitarian Action Plan is the keystone*

A comprehensive, prioritised Humanitarian Action Plan is an essential pre-condition if the GHD Fund and increased authority vested in the Humanitarian Coordinator are to result in better humanitarian outcomes. The reason for this is that the Action Plan defines what is eligible for funding from the GHD Fund. The HC has stressed that the Action Plan should be clearly based on needs – not the capacity of agencies to respond or the availability of funding. However, as noted in section 1.4, there will be gaps in meeting need due to lack of capacity and the Action Plan will highlight these. Therefore, ultimately, the funds and capacity available will determine how much of the Action Plan gets funded.

The 2006 Humanitarian Action Plan in the DRC has gone much further than most CHAPs or CAPs. It is not simply a collection of projects but a set of **priorities** for addressing the humanitarian needs identified by a **comprehensive needs assessment**. The **project** concept papers included in it will be graded according to their fit with these priorities and those which are the highest priorities should be funded first (these might include catalytic projects). Projects that do not directly contribute to Action Plan priorities should not be funded until all the Action Plan priorities have been met. This requires discipline on all sides:

- The **discipline required from donors** is that all of their funding goes to Action Plan priorities and that they do not dilute the incentive to participate in the Action Plan by financing non-priority projects through other country-earmarked channels (particularly NGOs).
- The **discipline required of the Humanitarian Coordinator and the HAG** is to ensure that funding is directed only to those activities which can be justified as real priorities.
- The **discipline required of UN agencies** is to ensure that they consult the HC about funds directed to the DRC from their own allocations of non earmarked funds so that these are also geared to meeting Action Plan priorities.
- The **discipline required of NGOs** is that they participate in the Action Plan instead of using their relationships with national donors to lobby for funding outside it.

Stakeholder **ownership** of the Action Plan is vital. Stakeholders have to be confident that the Action Plan represents a **prioritised plan**, based on a reliable needs assessment. Hence, OCHA has invested considerable time and effort on ensuring that the process of developing the Action Plan includes all of the most significant stakeholders. However, it has been difficult to ensure participation, particularly from NGOs who have argued that they simply could not spare senior staff for two whole days to attend the Action Plan strategy setting workshop. Even UN agencies have not always attended all Action Plan workshops. However, this may change once the organisations see that funding is dependent on the Action Plan and it is in their interest to be part of its formulation.

In future, decisions about what should be included in the Action Plan should be based on the benchmarks for standards of humanitarian response.

3.2 Critical Mass

If the Humanitarian Coordinator is going to be able to ensure that funding makes a real difference to humanitarian response in the DRC, s/he has to have influence over where the critical mass of the funding is spent – not only over the marginal dollar. This influence can be achieved through a combination of the GHD Fund, the Allocation and Consultation Models, greater engagement in funding decisions and improved information flow. (see Figure 1).

The Terms of Reference for HCs make them responsible for “establishing and maintaining comprehensive coordination mechanisms based on facilitation and consensus building” (see Annex 8). They cannot hire or fire and they cannot direct any of the actors so they rely on building moral authority to achieve coordination. Their secretariat is the OCHA office, which is put in place to support the Humanitarian Coordinator in his/her functions²⁰. Under these conditions, unless the HC has influence over a critical mass of funding which can be used to determine and fund strategic priorities, not just gap filling activities, s/he will be asked to make potentially unpopular decisions without any real financial power to back up his/her position.

The second reason why critical mass is important, is that the success of the GHD Fund relies on the participation of the big agencies and they will only invest the time needed to engage in discussions in the HAG and change their systems if substantial resources are involved. Most actors in the humanitarian community have developed ways of coping with the constraints of current humanitarian funding models. The GHD Fund could jeopardise those ways of working – and if the outcome only affects a small share of the funding, they will not consider the changes worth making.

Thirdly, given the cost of establishing the systems required to manage the Fund (not only in cash terms but also the use of staff time, which is valuable because staff are already over-stretched), it is important that the Fund achieves critical mass.

So what proportion of the Action Plan would result in a “critical mass” necessary to meet these conditions? In the DRC, no figure or percentage has been set but there needs to be sufficient money in the GHD Fund to finance priority projects in the Action Plan as well as the Rapid Response Mechanism and the loan facility. In addition, the Allocation and Consultation models and greater engagement in funding decisions will enable the HC to direct funding towards Action Plan priorities. In the case of the Sudan Common Fund, it was suggested that, through the combination of the disbursement, allocation and consultation models, the HC should have influence over 60% of the resources for the Sudan Workplan. The same could apply in the DRC.

It is extremely difficult to predict whether the HC will influence 60% of the resources for the 2006 DRC Humanitarian Action Plan through the combination of disbursements through the GHD Fund, allocation and consultation models. One of the main reasons is that the size of the Action Plan is likely to quadruple but donors have not yet indicated whether their funding would increase in line with this. The worst case scenario is that funding levels will stay the same as in 2005. According to the FTS, to date, donors have contributed \$101 million for the CAP and \$81 million outside the CAP. The figures outlined below, together with data provided by some donors, suggest that, excluding gifts-in-kind (mainly food aid) the HC could have influence over approximately \$110 million (given that the USA and ECHO are likely to participate through the consultation model). This translates into 60% of the \$182 million recorded by the FTS as received to date this year²¹. This figure should be treated with caution as it is only an indicative estimate, to give some sense of the potential size of the Fund.

So far, at least five donors are well disposed towards the GHD Fund – Canada, the Netherlands, Sweden, Ireland and the UK. According to the FTS, between them they have contributed almost \$23.5 million in cash for the 2005 CAP. That amounts to 40% of total cash contributions for the 2005 CAP reported to the FTS and 25% of all (cash and gifts in kind) CAP contributions. However, the UK in particular has provided considerable funding outside the CAP – as demonstrated by graph 5 in Annex 2, it provided about \$20 million outside the CAP. In addition, the UK and Sweden have provided \$1.67 million to OCHA for the Rapid Response Fund (with a further contribution of £5 million from the UK approved).

In addition to the above donors, Belgian representatives have expressed interest in supporting the Fund. Belgium would be a welcome addition to the Fund – it contributed \$4.5 million to the DRC in 2005, 95% of which was in cash and all of which was inside the CAP. Although legal restrictions on the humanitarian unit could prevent it from disbursing through the Fund, it could participate through the Allocation or Consultation Models²². The multilateral unit has fewer legal restrictions than the humanitarian unit. This unit is developing a mechanism which will enable it to contribute to country-level multi-donor funds from 2006 so it could disburse UN money through the GHD Fund.

The two major donors who are not expected to be direct contributors to the GHD Fund are the USA and EC. Although the USA is by far the largest funder overall, its contributions have been mostly in the form of food, in-kind: it provided \$9.95 million in cash and \$16.84 million in-kind food. In percentage terms, that translates into 63% of contributions in-kind and 37% in cash.

Food aid comprises 40% of the resources requested in the revised 2005 CAP. To date, 73% (almost \$34.7 million)²³ has been funded and the HC needs to be able to influence the geographical allocation of such significant resources. US decisions regarding food aid for the DRC are currently made mainly in Nairobi, together with WFP, although a Food for Peace representative will be posted to the DRC in 2006. It would be extremely helpful if a way could be found to include the Humanitarian Co-ordinator in decision-making regarding food aid or at least keeping him/her informed.

As shown in graph 5 in Annex 2, ECHO has contributed over \$25 million to the DRC..Most of ECHO's funding is directed to NGOs – graph 5 also shows that about \$20 million of ECHO's contribution was outside the CAP, i.e. channelled through NGOs and the Red Cross. The USA also provides very substantial funding direct to NGOs.

Given the sums of money involved and the fact that much of their funding is directed to NGOs, it is clearly important that the HC is more involved in funding decisions by the EC and the USA. Encouragingly, the OFDA representative in Kinshasa agreed that it would be possible for it to participate in the Consultation Model²⁴. Also, at Brussels level, ECHO has

agreed to participate in the Consultation Model in the Sudan Common Fund. It has agreed that the HC will be consulted in Khartoum before the finalisation of the Global Plan and the HC or a representative from his office will be welcome to travel to Brussels for a meeting finalising the Global Plan. Therefore, ECHO should also be able to participate through the Consultation Model in the DRC.

Even if donors are unable to participate in the Allocation or Consultation Models, they can help to make progress towards improved funding for strategic priorities by:

- basing their own funding decisions on how well projects meet Action Plan priorities and
- sharing their information on funding allocations with the HC.

The *number* of donors contributing to the GHD Fund also affects critical mass, even if the volume of their aid is small. The more donors who contribute, the greater the credibility of the fund and the greater the incentive for UN agencies and NGOs to participate. This in turn results in wider participation in the Action Plan and improved prospects for funding to flow to strategic priorities in a coordinated manner. The GHD Fund should be particularly attractive to smaller donors, since it offers the prospect of ensuring that their funding flows to strategic priorities without the need for a presence in the field to assess needs or decide between competing agency priorities.

3.3 Upfront funding and self-discipline

In keeping with the GHD principles of timely and predictable funding, the GHD Fund requires commitments to be early and firm and money transfers to be predictable, upfront and on time. This is not an academic point – in a humanitarian situation, late funding may mean that life saving actions cannot be taken.

It takes time to arrange the delivery of food and other items of assistance. Therefore, if the Humanitarian Coordinator is to ensure that humanitarian activities can commence in January 2006, s/he will need to have firm commitments and some cash from donors before the end of 2005²⁵. Transfers should be made as early as possible – January or before.

Most donors have been positive about having one contract/MoU for one annual transfer of funds to take place in January. Due to its financial year, DFID may not be able to transfer all its funds for the 2006 calendar year in January. However, it has indicated that, if this was the case, it could provide some funding for January 2006 and further funding when the 2006/07 financial year begins. Several donors have internal procedures which would have to be changed if they were to make a transfer before January, but they are able to make firm commitments in advance of that.

Although there may be internal pressures for tranching funding, due to concerns about fiduciary risk, **donors should give annual funding in advance if at all possible** (this would not preclude additional funding through the year for additional needs). Tranching funding creates the potential for delays if transfers from donors are not received on time and this has a knock-on effect on humanitarian response. This is why the HC would need to retain a cash cushion if donors adopted the tranching approach. It also increases transaction costs because the HC and the disbursement mechanism will have to deal with chunks of money coming in at lots of different times in the year (since donors are unlikely to synchronise the tranches). From the donor perspective, too, tranching funding will require additional sets of procedures and authorisations. This has to be traded off against fiduciary risk concerns (see section 2.8), but, since the funding is flowing to organisations already funded by donors and since the intention for the use of the funds is to strengthen the HC, there is a strong case for upfront, annual funding.

Section 3.1 highlighted the fact that the success of the GHD Fund will depend on all actors being disciplined in various ways. In addition, it will be important for donors to be disciplined about funding to NGOs.

Combined with other reforms, the GHD Fund has the potential to improve humanitarian response by:

- providing strong incentives for all stakeholders to participate in the Action Plan;
- ensuring that the Humanitarian Coordinator has good information about funding decisions, to improve coordination and decision-making; and
- focusing funding on humanitarian priorities.

To support the aims of the Fund, and as part of their commitment to Good Humanitarian Donorship, needs-based funding and wider humanitarian reform, it is important that participating donors do not fund UN agencies and international NGOs with country-earmarked funds outside of the GHD Fund or the Allocation Model. Those donors who are using the Consultation Model should ensure that funding is linked to Action Plan priorities.

The success of the GHD Fund will be greatly increased if all operational organisations buy in to the concept and use the fund and resist separate fundraising activities for their own in-country needs (clearly for other priorities and thematic, institutional and regional funding they will continue to have a bilateral relationship with donors). If an organisation is short of funds for Action Plan priorities, it should advocate that donors use the GHD Fund, thus increasing the resources available to the HC for ensuring that all sectors are properly funded. This is asking a great deal from UN agencies and NGOs – many of the larger organisations have very positive and close relationships with donors and these reforms are asking them to use that relationship for the benefit of the common good, rather than using it to increase their own funding directly.

3.4 Appropriate governance and accountability

A major risk to the proposal for the GHD Fund is that Humanitarian Coordinators will not feel able to take on the responsibility for difficult funding decisions in the current system because their legitimacy to make these decisions is contested. The system for the appointment of HCs (which is dependent on approval by the major UN agencies), the lack of institutional support and the combination of multiple roles and potential conflicts of interest (see below) all lead to concern about the extent to which HCs will be able to handle the expectations being placed on them by mechanisms like the GHD Fund. These concerns apply particularly to the prospect that similar mechanisms might be implemented in all crisis-affected countries. It needs to be recognised that the implementation of a GHD Fund in a country with a highly respected HC might not be replicable in other places where it may be more important to lead the process with changes to the people and institutions, rather than funding mechanisms. These changes should lead to stronger, proper institutional back up for HCs on their decisions on the Action Plan and funding allocations.

There are a number of ways to strengthen the position of the Humanitarian Co-ordinator and the institutional support that s/he receives. It is clear from interviews, though, that HCs who take independent and difficult decisions which are not supported by the large UN agencies find themselves out on a limb, without any institutional backup. This is a risk to the GHD Fund in a number of ways:

- HCs may want to set up a plethora of advisers and procedures to protect themselves²⁶. This would result in cumbersome, slow and creeping bureaucracy.
- It may undermine the HC's independent judgment on priorities and lead to allocation of resources across the board or on an "equal shares" basis (this is a concern for

recipient agencies as well as donors because agencies need funding to be commensurate with their level of activities).

In addition, there is serious concern that by holding a GHD Fund, HCs will be held accountable for the overall humanitarian response, while lacking any authority over the organisations that deliver humanitarian assistance.

HCs currently have multiple accountabilities. In the DRC, the Humanitarian Coordinator is also (as in most places) UN Resident Coordinator and UNDP Resident Representative as well as the Deputy Special Representative of the Secretary General (DSRSG). The HC's first level of responsibility is to the Special Representative of the Secretary General; responsibility to the Emergency Relief Coordinator (Jan Egeland) for humanitarian coordination is joint second in parallel with the RC/RR responsibility to UNDP (the Administrator). These multiple accountabilities may have an impact on the implementation of the GHD Fund. Some donors and international NGOs are concerned that combining the roles of HC with DSRSG in an integrated UN Mission will result in pressure to put political and military objectives before humanitarian ones. This would undermine the independence and impartiality of the HC and create doubts about whether the HC's allocation decisions will be driven solely by humanitarian objectives. Currently, there is no institutional set up which protects the HC's impartiality and prioritisation of humanitarian over other objectives.

Therefore, pending system change, **the accountability demanded of the Humanitarian Coordinator must be reasonable and commensurate with his or her actual authority – s/he can be held to account for the quality of GHD Fund financing decisions but not for project delivery and outcomes. Donors have several mechanisms for holding UN agencies and NGOs accountable for their performance (such as annual reports, field visits and institutional arrangements). These should continue as part of donors' ongoing relations with agencies.**

3.5 Sector coordination

Sector coordination is a key factor in the success of the GHD Fund because the sector committees in the DRC have a role in both the development of the Provincial Action Plans AND in the identification of real time priorities for funding from the GHD Fund. As described in section 2.6.1, sector co-ordinators will be asked to advise provincial HAGs about the priorities in each sector and, on the basis of this advice, the HAG will ask organisations to develop concept papers into full project proposals to be financed from the GHD Fund.

However, there are a number of difficulties with sector coordination in the DRC. One is that the quality of coordination is very uneven. One OCHA interviewee named a couple of NGOs which were performing the coordination function very well. But not all organisations fulfil their coordination responsibilities – one NGO head did not know for several months that his organisation was the coordinator for a sector in an Eastern province because there was no mention of this in the handover notes from his predecessor. Some respondents argued that this is partly because organisations are already over-stretched responding to needs and it is difficult to spare staff to coordinate seriously. One suggestion for easing this problem was for donors to contribute to staff costs for coordination activities.

A second difficulty is that, although sector coordinators should adopt a 'cluster approach', whereby they are accountable to other organisations in their sector, sector committee meetings tend not to be productive. There is a vicious cycle whereby no meaningful decisions or discussions are undertaken at sector meetings so organisations send increasingly junior staff to them. This then makes it impossible to have in-depth discussions or take decisions because attendees do not have the requisite knowledge or authority. It also makes it difficult for sector coordinators to get an idea of what different agencies are

doing within the sector and where the gaps and priorities lie. OCHA is working hard to improve the TORs of sector coordinators so that they have a better idea of what is expected of them. It is also providing guidelines for outputs from sector meetings and trying to persuade organisations to send senior staff to them.

Thirdly, and most significantly for the GHD Fund, individual sector coordinators are located within operational organisations so it is difficult for them not to be influenced by institutional interests. When a sector coordinator is asked to recommend priorities and activities for funding, there is a perceived conflict of interest and possible bias, making it difficult for the coordinators to put forward the activities of another organisation before those of their own organisation. This is partly understandable since they will have better knowledge and greater ownership of their own projects. However, good advice from sector coordinators to the provincial HAGs is critical if the Humanitarian Coordinator is to make good decisions about allocations to Action Plan activities. TORs requiring sector coordinators to put the interests of the sector before those of their own organisation and a cluster approach will help but will not necessarily solve the problem. Therefore, it will be extremely helpful if the GHD Advisers, who will have an overview of sectoral priorities in each province as part of their work, can provide additional impartial advice to provincial HAGs.

4 Why should the GHD Fund improve humanitarian response?

4.1 It should increase incentives for participation in the Action Plan

Only concept papers included in the DRC Humanitarian Action Plan will be eligible to receive money from the GHD Fund – and GHD Fund money will be attractive because it will be ‘high quality’: upfront, based on in-country decisions, with low transaction costs and standard reporting. Since the Fund can finance both UN agencies and international NGOs, there will be an increased incentive for NGOs as well to participate in the Action Plan.

Also, even if organisations do not expect to receive money from the Fund, there is an incentive to participate in strategy formulation and include concept papers in Provincial Action Plans. This is because the Emergency Relief Coordinator (Jan Egeland) is encouraging donors to give preference to projects which directly address priorities in the Common Humanitarian Strategy. Therefore, organisations should want to be involved in deciding the priorities which their activities will have to address in order to be funded.

How does this compare with the incentives now?

Until now, NGOs had no incentive to participate in the Action Plan because they did not receive any funding as a result of participation. Even UN agencies did not have a great incentive to participate in the strategy setting phase of the Action Plan because donor funding decisions were not tied to addressing priorities in the CHAP or the CHS. Due to their different mandates, UN agency priorities may not be the same as the priorities for the humanitarian situation as a whole and many of the large agencies have established and efficient resource mobilisation teams - they do not need to be included in the Action Plan to get resources.

4.2 A higher proportion of funds should flow to strategic priorities

Since there is an agreed Common Humanitarian Strategy in the DRC and a Consultative Committee will prioritise project concept papers in the Action Plan according to their fit with this strategy, there should be a clear idea of the strategic priorities for 2006 for the DRC.

Since both UN agency and NGO activities are included in the Action Plan and will be prioritised, through the use of the GHD Fund, the Allocation Model and the Consultation Model, the HC can ensure that a substantial portion of the resources for humanitarian activities are directed towards these strategic priorities. This will be particularly useful for small donors who do not have the resources to undertake independent assessments of proposals from different agencies.

How does this compare with the current situation?

Currently, after the Action Plan/CAP has been agreed, the allocation of funding depends on donor contributions to operational agencies and UN agencies' allocations of their own un-earmarked and private funds. Each organisation therefore lobbies donors for its particular priority – which may or may not be a priority for the crisis as a whole. The GHD Fund would allow funding to follow a decision on the priority for the crisis, rather than the sum of priorities agency by agency. It should also enable the Humanitarian Coordinator to finance priorities not only within but also between sectors.

4.3 *The GHD Fund will reinforce the importance of country-level decisions and facilitate quick and flexible funding in response to changing priorities*

The Humanitarian Coordinator will have the authority and flexibility to use the GHD Fund to respond to changing needs, ensuring that funding can be allocated strategically in a timely fashion to the highest priorities at any point in an evolving situation²⁷. The GHD Fund will be allocated according to decisions made in-country, which should mean it is more responsive to field priorities. This is particularly significant in the DRC where, in recent years, donors have restricted humanitarian funding to the Eastern part of the country.

Also, in a complex situation like the DRC, where needs are huge but can change quickly and individual donors tend to focus on activities or geographical areas that are priorities for them, it will be easier for recipient organisations to be able to discuss changing needs and priorities with a decision-maker located in-country.

In any complex emergency, there is a tension between allocating upfront funding to meet priorities defined in advance in the CAP/Workplan/Action Plan and having to respond to emerging humanitarian requirements over the year. In the DRC, the EHI and RRF mechanisms have proved particularly useful for responding to sudden population displacements or outbreaks of disease or even undertaking needs assessments in newly accessible areas. Instead of having two separate mechanisms with different procedures and funding criteria, the Fund will now have one Rapid Response Mechanism that will enable organisations to address new needs that arise through the year.

4.4 *The GHD Fund should help the Humanitarian Coordinator to fund a better mix of inputs and facilitate a better coordinated response*

The quality of humanitarian response is dependent on the right mix of inputs. The proportions in which things are done enhance the outcomes. Therefore, ensuring that interventions are well coordinated and that complementary activities are synchronised is very important.

Flexible, quick disbursing funding based on in-country decisions and authorisations should enable the Humanitarian Coordinator to ensure that complementary activities are funded at the right times not only within but across sectors.

4.5 Responsibility for funding shortfalls would be much more obvious

According to the GHD Pilot Baseline Survey, there has been a trend in the DRC towards increasing amounts of donor funding being channelled outside rather than inside the CAP – although figures from the FTS suggest that the share going through the CAP has remained at 55% in 2004 and 2005 (graphs 8 and 9 in Annex 2 show funding inside and outside the CAP for 2004 and 2005). So when donors are confronted with the fact that the CAP is very poorly funded, they can still argue that they are providing funding for humanitarian programmes in the country. Funding outside the CAP is mainly directed towards NGO activities. But since NGO activities will be included in the 2006 Humanitarian Action Plan, there should be little reason for donors to fund outside it (except to Red Cross organisations). The database set up to support the Fund will collate information on funding flows so that gaps in funding and the failure to fund priority activities are even more clearly highlighted. This should mean that failure to provide adequate funding for the Action Plan should be more obvious, even without the GHD Fund itself.

The DRC CAPs have requested funds of \$200m a year or less for the past three years. In two of those years, only half of the requirements have been met. In 2004 only \$163m was requested and three quarters of that sum was provided. DRC has a population of 53 million – the requested funds therefore amount to just over \$3 per head – the funding received in 2005 less than \$2 a head.

4.6 The Humanitarian Coordinator needs good information to make good funding decisions

The HC needs reliable information on evolving needs and priorities throughout the country but it is also **vital** that s/he has comprehensive, up-to-date information on **which donors** are providing funding to **which organisations** for **which activities** in **which geographical areas**. This will not only improve his ability to coordinate but also to make good decisions about which projects to finance from the GHD Fund. There are incentives for all actors to provide the HC with the necessary information. It is in the interest of all implementing organisations, particularly those which might receive money from the GHD Fund, to ensure that the HC is well-informed about their activities. The incentives for donors to keep the HC informed of their funding decisions are, firstly, to ensure that their contributions are properly reflected in the database that collates information for the GHD Fund. Secondly, the HC will make this information available to donors through the HAG so that their own decision-making can be based on more comprehensive data. As part of their work on the GHD pilot, the GHD advisers also have a role to play in making information available to donors.

4.7 ... but the Humanitarian Coordinator's ability to take difficult funding decisions depends on other systemic change ...

It is quite clear that the GHD Fund alone will have only a limited effect on the Humanitarian Coordinator's ability to ensure that funding is directed towards real priorities in the Action Plan.

A number of interviewees argued that the HC would not be able to make difficult funding decisions to ensure that money is directed towards real needs and priorities rather than given to the most powerful and vocal UN agencies or divided equitably between competing organisations to avoid upsetting any of them. This is because, in the present system, the HC's future is dependent on the continued support of the large UN agencies. Also, the HC only has 'moral authority' to persuade humanitarian actors to cooperate and coordinate. Without other changes in the system of the recruitment, accountability, structure and training of humanitarian coordinators it will be difficult for an HC to ensure that overall humanitarian response priorities always take precedence over agency priorities.²⁸

There is real anxiety that a small GHD Fund would marginalise the HC rather than empower him/her. It would give a message of lack of confidence and put the HC in a position where s/he was only deciding on gap filling measures and the existing system was still determining the mainstream activities. This could undermine the ‘moral authority’ – respect, impartiality, principled engagement with all stakeholders – on which many HCs have to rely (see section 3.2 on Critical Mass).

4.8 Will the GHD Fund prevent progress on reducing earmarking and increasing the equity of humanitarian response?

There is a concern that the GHD Fund, which is by definition earmarked at the country level, will reduce the level of un-earmarked funds available. This would contradict one of the principles of GHD, which is to reduce earmarking on the grounds that increasing un-earmarked funding to UN agencies will result in a more equitable and balanced response to humanitarian crises: neglected crises will be better funded and ‘popular’ crises will not be swamped with inappropriate resources.

As it is currently proposed, the GHD Fund is not expected to generate more money, just result in better use of what is available at the country level. Donors who are planning to participate intend to use the country-level resources that they would otherwise have transferred to UN agencies and NGOs. However, a number of donors have an overall policy of decreasing earmarking, so there is a risk that, if GHD or Common Funds are set up in several countries, they would draw on resources which might have only been earmarked at the regional level and then left for agencies to allocate to countries. This does not apply only to UN funding – a number of donors are signing partnership or framework agreements with large NGOs and providing them with largely un-earmarked money as well.

However, allocating un-earmarked money to organisations does not automatically mean that humanitarian priorities get funded first²⁹. An individual organisation’s priorities are not the same as the priorities for humanitarian assistance for the crisis, particularly when the organisation has a specific mandate. Also, the GHD Fund may lead to less earmarking within the country as the requirement is to meet sectoral and provincial priorities, not any externally imposed conditions.

There is another dynamic which could mean that mechanisms like the GHD Fund could increase the equity of response. Currently, donors are likely to give more funding to humanitarian situations in countries with which they are familiar or where they have a presence. GHD Funds could provide a way for donors to be confident that they can fund humanitarian strategic priorities without having to invest in their own analysis of the situation.

5 Issues and concerns raised by interviewees

Interviewees raised a number of issues related to the GHD Fund that were of concern to them. This section outlines those concerns as well as ways in which they can be addressed or have already been taken into consideration.

5.1 Role of the Humanitarian Coordinator

There were two main concerns about the role of the Humanitarian Coordinator. One was expressed by donors and UN agencies. This was that, in the current system, the success of the GHD Fund depends on the ability of the HC to take difficult funding decisions and still

retain the cooperation and collaboration of UN colleagues. While they expressed confidence in the current HC to achieve this, there were fears about what would happen to the GHD Fund when a new HC was appointed. This is a real problem, as described in sections 3.4 and 4.7, and systemic change which provides the HC with greater institutional backup is urgently required.

The other concern was voiced by some NGOs. This was the potential conflict between the humanitarian responsibilities of the HC and his political role as DSRSG. They felt that it would be impossible for them to accept money from the GHD Fund because it would be perceived as coming from a political source. There were two donor responses to this. One argued that it was actually advantageous for the HC to have multiple roles because s/he has a better overview of the situation as a whole, instead of a partial picture. For example, being both HC and RC meant that the HC was better placed to ease the transition from emergency to development activities. Another donor argued that beneficiaries in the field make no distinction between NGOs, UN agencies and even the military and they are not concerned about how assistance to them is funded³⁰.

In light of these concerns, it will be important for the HC to demonstrate that funding decisions are impartial, i.e. made on the basis of clear needs and priorities. It should help that the HAGs, on which donors, UN agencies and NGOs are represented, will be involved in decision-making procedures.

5.2 Decision-making and disbursement

Some UN agency interviewees thought that the GHD Fund decision-making process would be slowed down by the involvement of the provincial and national HAGs. To address this concern, it has been decided that the mechanism for rapid response and the loan element of the funds will be based on the existing RRF mechanism, which does not involve the HAGs and has already been shown to work quickly. Decisions on funding activities in the Action Plan will still involve the HAGs but, as suggested in section 6.2, the role of the HAG should be kept under review. The involvement of the HAGs will help to counter fears that decision-making power will be concentrated in the hands of the HC alone (particularly when there are concerns about the role) but it should not be allowed to slow down decision-making unduly.

UN interviewees and donors are also concerned about the involvement of UNDP in fund disbursement because of UNDP's track record to date in the DRC. The case for disbursing through UNDP was made in section 2.6.4. Also, UNDP is addressing the problems caused by the introduction of the ATLAS system and will be appointing a staff member with sole responsibility for GHD Fund transactions. Finally, as noted in section 2.6.4, UN agencies can stipulate the maximum time that UNDP will take to disburse funds in the MoU for the Pass-Through Mechanism. However, if necessary, OCHA can function as an alternative disbursement mechanism until UNDP in DRC restores confidence in its ability to disburse quickly.

5.3 Independence

Some NGOs are worried that the GHD Fund will threaten their independence of action because the HC will be deciding on priorities for funding. At present, they approach donors with proposals of their own. However, the GHD Fund will not direct NGOs in terms of where to work or which activities to undertake – the provincial HAGs will simply invite proposals on the basis of concept papers in the PAPs that are CHS priorities. It is true that the priorities of individual NGOs may not be regarded as priorities for the crisis as a whole but the purpose of the GHD Fund is to ensure that agreed priorities for the DRC are funded. However, many NGOs will have an opportunity to participate in the decision-making process through

representation on the HAGs and in their role as sector coordinators. Beside, under the current system, although NGOs may approach donors for funding, they are often guided by donor priorities and preferences (e.g. some donors provide a clear indication of activities they are interested in funding and leave it to NGOs to fit with these).

5.4 Donor relations

Several UN agencies and NGOs have invested heavily in developing good relationships with certain donors. They are concerned about losing this direct contact because of the GHD Fund. It is important to point out that donors engage with UN agencies on a variety of levels, not only providing core or institutional funding, but also by sitting on Executive Boards or Committees, being involved in advocacy on particular issues, participating in the definition of performance measurement mechanisms etc. Similarly, some NGOs have long-term funding arrangements and 'partnership agreements' with national donors. These other forms of engagement between donors and UN agencies and NGOs would continue. It is only on country-specific funding issues that recipient organisations would engage with the Humanitarian Coordinator rather than donor representatives. Also, donors are represented in the HAG so they would be aware of any problems that arose.

5.5 Accountability

UN agencies were concerned that the GHD Fund will require additional reporting because funding is directed to individual projects in the Action Plan rather than wider programmes. However, this should not be the case as agencies will report on activities funded by the GHD Fund exactly as they do at present. The difference will be that funds for activities in the DRC will be received from one source rather than several individual donors.

6 Issues for consideration

6.1 Funding transition activities

Although funding requirements for the 2006 DRC Humanitarian Action Plan are not yet available, it has been suggested that transition activities could comprise up to 25% of the Action Plan. In the DRC, due to long-term neglect of basic social infrastructure like health services, activities to rehabilitate these sectors are needed to prevent communities sliding into critical emergency situations so they do have a role in saving lives.

Nevertheless, due to administrative procedures and different budget lines, not all donors will be able to finance transition activities from the money they disburse through the GHD fund. Since at least some donors can use the money channelled through the Fund for these important transition activities, it would not be advisable to exclude the financing of transition activities from the Fund's remit. Therefore, it is proposed that **donors should indicate upfront whether they are able to finance transition activities with their GHD Fund money or not so that the HC can take these limitations into account when making funding decisions.**

6.2 Role of the HAG

Due to their historical involvement in funding decisions for the EHI mechanism, it has been decided to include both provincial and national level HAGs in the decision-making process for priority projects in the Action Plan. Also, some of the donors who are represented in the HAG want to remain involved in the allocation of money from the GHD Fund. However, there

is a danger that decision-making will become slow and cumbersome due to disagreements between HAG members. This is a real danger when many of the HAG members will be discussing funding for their own organisations. There is also a danger that the organisations with the most vocal representatives will argue their case most strongly and receive the largest amounts of funding.

As noted in section 3.4, there is a temptation for HCs to put in place committees and advisers to protect themselves from the consequences of unpopular decisions. There is also a case to be made for consultative decision-making processes. Nevertheless, this has to be weighed against the need for quick decision-making, particularly in humanitarian situations when late funding can have a detrimental impact on life-saving activities. Therefore, **the role of the HAG and the time it takes to make funding decisions should be examined as part of the six-monthly reviews.** If the involvement of the HAGs is found to be cumbersome, their exclusion from the decision-making process should be considered, even if this is politically unpopular.

6.3 Food aid

In 2005, food aid made up about 40% of resources requested in the CAP. If the HC is responsible for coordination and allocation of resources according to need, s/he clearly has to be engaged in decisions on the deployment of food aid.

There is general agreement that it is not practical to have in-kind food aid disbursed through the GHD Fund. The dynamics of in-kind food aid are very different to cash resources. It is less fungible, lead times and supply chains are long and it is often managed by different donor units from humanitarian assistance in general. Due to this, for instance, Canada's contributions to the GHD Fund could not be used for food resources. It is also important to ensure that the systems recently set up by WFP (the Business Process Review) to improve the delivery of food aid are not jeopardised by changes to existing funding arrangements. However, the HC could and should be involved in food aid programming through the allocation or consultation models.

WFP has pointed out that cash resources to supplement in-kind contributions can be vital for its work. Therefore, food aid needs to be integrated into humanitarian action planning so that contributions to the GHD Fund can be used to support food aid programmes, if necessary. The GHD Fund can also play an important role in financing activities that complement food aid programmes.

The priority for the Humanitarian Co-ordinator is to be able to direct the geographical distribution of food aid so that s/he can ensure that priority needs are met and complementary resources provided. The US is currently the largest food aid donor in the DRC but its food aid allocation decisions are not made by in-country staff alone (although they play a significant part). Therefore, **procedures need to be put into place to ensure that the HC has good quality information on US food aid flows and can exert appropriate influence on their distribution. This is essential if the HC is to direct resources towards Action Plan priorities.**

6.4 Funding needs assessments

The GHD Pilot Baseline Survey (section 3.3.2) highlighted the need for improved needs assessments in the DRC. The EHI has played an important role in funding inter-agency needs assessment missions but a number of OCHA interviewees argued that it would be very helpful to finance individual NGOs to undertake needs assessments for particular projects, especially if they require expensive services like flying engineers or road

rehabilitation experts to a remote area. According to the Baseline Survey, donors tend not to fund assessments and data collection, expecting organisations to bear the costs themselves. However, this can be expensive in a country like the DRC so it was proposed that **the GHD Fund should fund such needs assessments.**

It would also be valuable to fund needs assessments in provinces where there are great needs but few humanitarian actors present. Interviewees argued that, if the province was deemed to be a priority, the GHD Fund may have to issue a call to find organisations interested in working there. It would then be useful if the Fund could finance assessments which would enable interested NGOs to put together project proposals.

6.5 Funding extra capacity for GHD Fund management

Donors have agreed that, since they will be transferring the administrative burden of managing humanitarian grants to OCHA and UNDP in-country, they should finance the extra capacity needed to manage the GHD Fund efficiently. As part of the GHD pilot, the Belgian government is funding the posts of two GHD Advisers for two years. This is extremely useful because they can play an important role in providing additional advice to provincial HAGs and undertaking the six-monthly reviews of the GHD Fund's operation.

OCHA will also play a critical role in the successful implementation of the GHD Fund – by supporting the HC, as outlined in section 2.6, and strengthening sector coordination. Therefore, **it is vital that OCHA's coordination role is fully funded.** At present, its 2005 budget is under-funded by approximately \$4 million – although OCHA has been fully funded in the previous two years. Ensuring that OCHA is adequately funded should be a priority for all donors participating in the GHD Fund in any way.

In addition, the HC, OCHA and UNDP have currently identified the need for two staff members. One is to be located within UNDP to manage GHD Fund transactions and ensure that there are no delays with disbursements. The other is to be located within OCHA and manage the database containing all the relevant information about Action Plan projects and funding to them from all the donors. However, staffing needs may increase if OCHA acts as the disbursement mechanism, the Fund proves to be very large and/or OCHA has to manage a large number of NGO grants. Therefore, it would be helpful if donors are flexible about the level of extra management capacity that they can fund. As a minimum, though, **donors participating in the GHD Fund should ensure that the two positions identified so far are financed independently of the Fund.**

6.6 Funding NGOs

Donors have been arguing that, in order to improve Consolidated Appeals, NGOs must be included in the process³¹. However, it is clear from interviews with NGOs in the DRC that they have neither the time nor the staff resources to be involved in the CAP unless it is linked to the real possibility of receiving funding.

The Fund should improve the quality of humanitarian response by creating incentives for organisations to be involved in the Action Plan - because, unless a project is included in the Action Plan, it will not be eligible for money from the Fund. That in turn results in an Action Plan which includes ALL priorities and the role of the HC should ensure that it includes ONLY priorities. Thus the ability to provide substantial funding to NGOs from the GHD Fund is vital: It gives them the incentive to participate, which in turn results in a more comprehensive Action Plan and a more coordinated response.

However, some donor interviewees have indicated that, although they would disburse their UN money through the Fund, disbursing their NGO money through it would be going too far too soon. One interviewee suggested that donors are reluctant to change their funding procedures for NGOs because of their close relationship with national NGOs and the lobbying power of NGOs (particularly their influence on public opinion). If donors finance NGOs directly (especially without using the Action Plan as the criterion for funding), they risk compromising the role of the HC and the objective of the fund – which is to ensure that humanitarian priorities get financed first – in other words, before the institutional priorities of agencies, NGOs or donors. This risk can be mitigated by ensuring that the HC has influence over donor allocations to NGOs, through the Allocation or Consultation models and, as an irreducible minimum, that donors inform the HC of all funding allocations made to NGOs.

7 Next Steps

This report has outlined how a GHD Fund for the DRC might be implemented. It has also highlighted concerns raised by interviewees and some ways in which these might be addressed as well as the some issues which the HC and donors still need to consider. In order to implement the proposals, the following steps need to be taken by the dates outlined.

- The GHD Fund needs to be set up in time to finance the 2006 DRC Humanitarian Action Plan.
- The Action Plan is being drawn up and will be completed by the beginning of October 2005.
- The 2006 Humanitarian Action Plan will be launched in November 2005, together with Consolidated Appeals for other countries. At this point, donors should make firm pledges of contributions to the Fund.
- Donors should set up domestic procedures to enable transfers to the disbursing agency by the end of 2005. They should also ensure that all domestic mechanisms necessary for subsequent transfers to be made on time and in full are in place.
- If necessary, the HC, in his capacity as Resident Coordinator, will obtain exemption from the 2% management fee from UNDP headquarters (as done by the HC in Sudan) by the end of 2005.
- OCHA will ensure that a database (with a trained database manager) to support the operation of the Fund is in place by the end of 2005.
- If required, UNDP will appoint a staff member with full knowledge of the ATLAS system and requisite authorisation capability by the end of 2005.
- The GHD advisers should have undertaken a GHD Fund baseline survey on existing funding mechanisms by the end of 2005 (as described in section 2.7).

Notes:

¹ According to the GHD Pilot Baseline Survey, paragraph 3.31, in 2003, funding outside the Appeal was approximately 37% of total FTS reported humanitarian funding. In 2004, non-Appeal contributions were 45.2% of total FTS reported humanitarian funding.

² Although these organisations would still have to raise funds from donors that were not using the disbursement or allocation models of the GHD Fund.

³ GHD Pilot Baseline Survey, paragraph 3.3.8.

⁴ One donor representative in Kinshasa gave the example of a project submitted by an NGO to its headquarters. Although the project looked good on paper, they had no way of assessing its quality due to lack of staff presence in the field.

⁵ See UNSG In Larger Freedom: toward development security and human rights for all, 21 March 2005, paragraphs 204 and 205.

⁶ On the **GHD Fund**, Hilary Benn proposed that the Humanitarian Coordinator, with the support of a better resourced OCHA, should take lead responsibility for sharper needs assessment, planning and allocation of resources. The Humanitarian Coordinator should produce a Common Humanitarian Action Plan (CHAP) costing the achievement of targets and standards. Donors should channel their money through the Humanitarian Coordinator who would then pass the funds to recipient organisations for programmes within the CHAP that s/he considers most critical.

⁷ Although there are hopes in the DRC that the Fund will prove attractive to new donors and thus increase the overall amount of funding available for the country (OCHA, Humanitarian Briefing Notes: DRC, July 2005, pg. 6).

⁸ See www.aidharmonisation.org.

⁹ The comprehensive needs assessment for the 2006 Action Plan, based on the Needs Assessment Framework matrix, was facilitated by OCHA and funded by DFID.

¹⁰ At present, the composition of this Committee is unclear. According to Annex 2 of the OCHA Humanitarian Briefing Notes: DRC of July 2005, it will comprise OCHA, the CAP sector focal points and the two GHD Advisers. According to an OCHA interviewee, though, it will be made up of the sector lead agencies, one international NGO and two donors.

¹¹ This may be particularly valuable for donors whose domestic procedures may prevent them using the GHD Fund.

¹² The RRM can cover the cost of logistics for projects that extend humanitarian access.

¹³ The increase is not linked to the introduction of the GHD Fund but due to the desire to increase funding to the DRC.

¹⁴ The Humanitarian Coordinator has said that firm commitments which enable them to borrow are adequate and it is possible that firm commitments would be enough for agencies' prefinancing mechanisms to kick in. This does not seem desirable and should only be an option of last resort. The reform of humanitarian financing should include the transfer of funds in advance. Failure to get funds in place early enough leads to unmet needs and unspent balances – undesirable from either a moral or a fiduciary point of view. The fiduciary risks of annual upfront funding (idle cash; less control over whether money is spent in line with intentions) can be reduced by tranching funding if considered absolutely necessary - maybe two or three tranches a year.

¹⁵ In provinces where there is no HAG – as is currently the case in Katanga and Equateur – the sector coordinators will play a greater role in highlighting priorities, commissioning proposals and recommending projects for funding.

¹⁶ For example, if the proposal is for a medical response or to provide food aid, OCHA would consult WHO or WFP as the sectoral leads. If the application was from a UN agency, OCHA would consult another appropriate UN agency or an NGO with expertise in the sector. Such consultations could take place by telephone and e-mail so they could be very quick.

¹⁷ Once money is received into UNDP's Contribution Account in New York, it is instantly available for disbursement in the field or at headquarters level.

¹⁸ In order to do this, the HC, in his capacity as Resident Coordinator, will need to make a special request to UNDP headquarters to waive its normal 2% fee. UNDP has already done this for the Sudan Common Fund so there is a precedent.

¹⁹ UNDP is able to delegate ATLAS authorisation functions to a 'business' or 'service' centre within the field office in order to speed up the process.

²⁰ In UN Integrated Missions, the OCHA office is deliberately placed outside the Mission, in order to preserve its independence. As a result, an HC who is also Deputy Special Representative of the Secretary General (DSRSG) in an Integrated Mission like DRC, does not have managerial control over the OCHA office. However, there is an excellent relationship between the HC and the Head of OCHA in the DRC so, to all intents and purposes, the OCHA office is the HC's Secretariat.

²¹ The calculations do not distinguish between contributions inside and outside the CAP because a lot of funding outside the CAP is to NGOs. Next year, NGOs will be included in the Action Plan so there should be less distinction.

²² At present, the unit consults field representatives before making funding decisions. It would be relatively easy for field representatives to seek the HC's advice on proposals and priorities at the time.

²³ Data from the DRC 2005 CAP Mid-Term Review and the Financial Tracking Service (FTS).

²⁴ He mentioned two constraints on OFDA participation although neither represent insurmountable problems. One is that it is impossible to know the total budget for a year at the beginning of it as it is adjusted through the year. This will not be a problem as OFDA can simply inform OCHA of funding as it becomes available and the data will be included in the database. The second is that, until a contract is signed in Washington, OFDA cannot say that it is going to finance a project. In some cases, this may not be until project activities have started. Again, this is not a problem – OFDA contributions can be recorded as provisional until contracts are signed.

²⁵ The definition of "firm" is that commitments are sufficiently reliable for UN agencies to borrow from the CERF on the back of them (or, if necessary, the internal mechanisms of the large UN agencies).

²⁶ For example, one interviewee suggested that the HC wanted to involve the HAG in GHD Fund decision-making because he wanted HAG members 'to take the bullets' for unpopular decisions rather than for the sake of inclusive, consultative decision-making.

²⁷ This capacity for flexibility derives from the fact that the HC will be dealing with emergency funding from donors, which usually has fewer restrictions than development funding.

²⁸ Reference current paper on this subject XXX

²⁹ UNHCR uses unearmarked or broadly earmarked money to fill gaps and can transfer this to other uses as and when earmarked funds are received.

³⁰ As evidence, she cited the fact that a toy-seller in Goma was selling model MONUC helicopters with the MSF logo.

³¹ According to a letter of 29 August 2005 from Jan Egeland, Emergency Relief Coordinator, to Humanitarian Coordinators.

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Annex 1: People Consulted

Kinshasa

Félix Bamezon, Head, WFP

Xavier Bardou, Acting Country Director, International Rescue Committee

Shampa Bari, Consultant, Rapid Response Section, OCHA

Anthony Bloomberg, Representative, UNICEF

Magnus Carlquist, Head of Cooperation, SIDA

Babacar Cissé, Head, UNDP

Asa Claesson, OCHA

Ros Cooper, DFID

Patrick de Bouck, Conseiller de la Coopération au Développement, Belgian Embassy

Alain Decoux, Head of Mission, MSF-Belgium

Jahal de Meritens, Head, OCHA

Jean-Charles Dupin, GHD Adviser

Lise Grande, UN Development Group

Richard Guerra, Consultant, Rapid Response Section, OCHA

Aida Haile Mariam, Deputy Representative, UNHCR

Aldwyn Hamilton, Action Contre la Faim USA

Jens Hesemann, External Relations Officer, UNHCR

Eusèbe Hounsokou, Representative, UNHCR

Ross Mountain, Humanitarian Coordinator

Jay Nash, OFDA Representative

Nicolas Oberlin, Deputy Director, WFP

Luc St. Laurent, Canadian Embassy

Jean-Guy Vateaux, Head of Mission, MSF-France

Patrick Verammen, ECHO Representative

Joke Zuidwijk, Embassy First Secretary, Netherlands Embassy

Goma

Sarita Bingeman, OCHA

Luciano Calestini, UNICEF

Jean-Christophe Goussaud, Norwegian Refugee Council

Natalie Hogg, MERLIN

Vincent Koch, Oxfam-GB

Patrick Lavand'homme, OCHA

Pierre Machiels, World Vision

Katya Marino, UNICEF

Carla Martinez, MSF-Holland

Fred Meylan, Solidarités

Aya Shneerson, WFP

Johannes Wedenig, UNICEF

Outside DRC

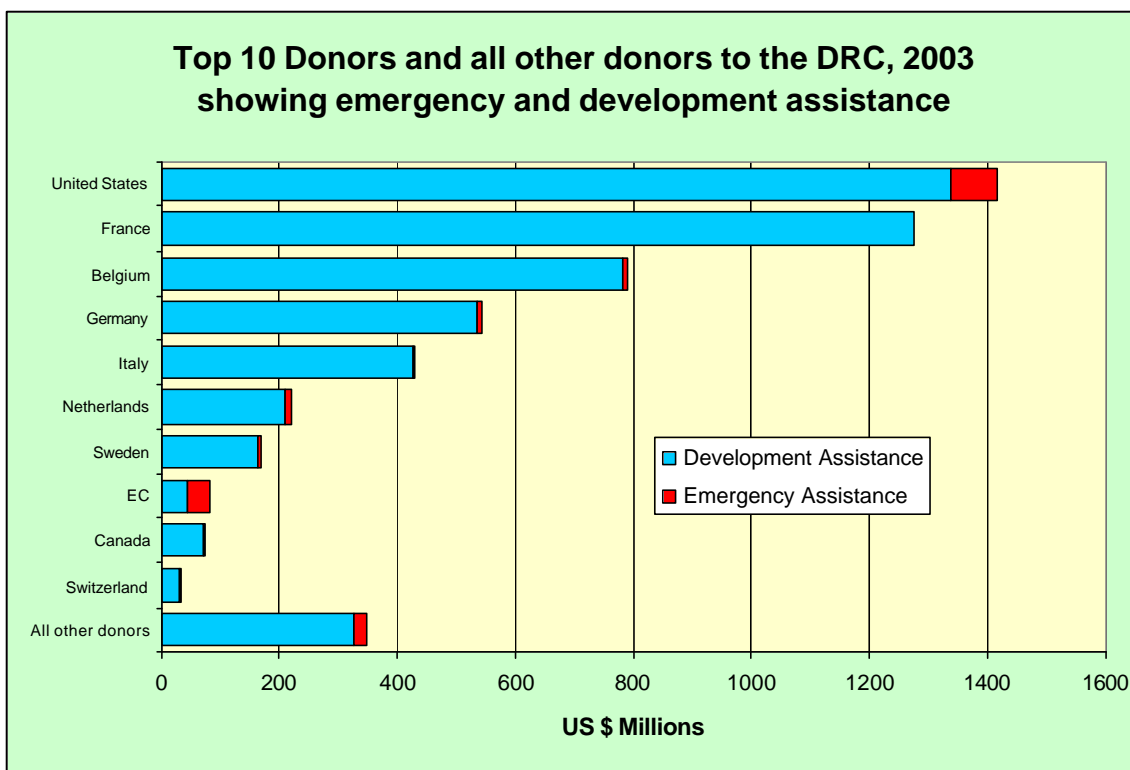
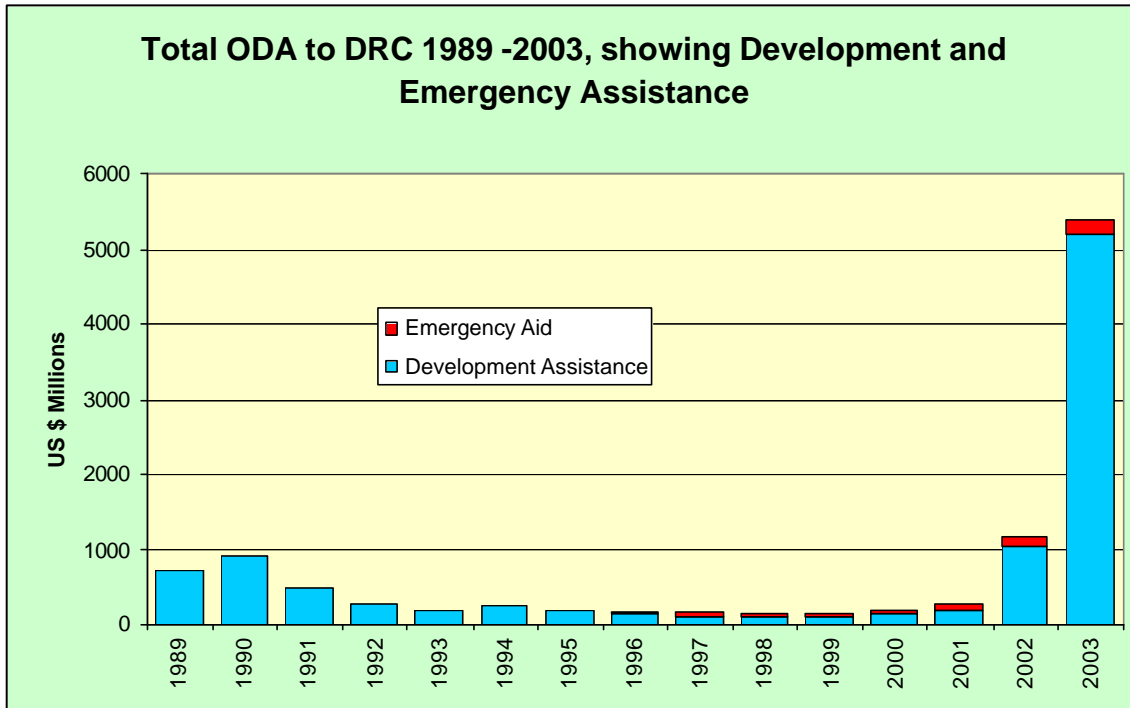
Marie-Paule Duquesnoy, Belgian Development Cooperation

Bill Kilby, Great Lakes and Horn Department, DFID

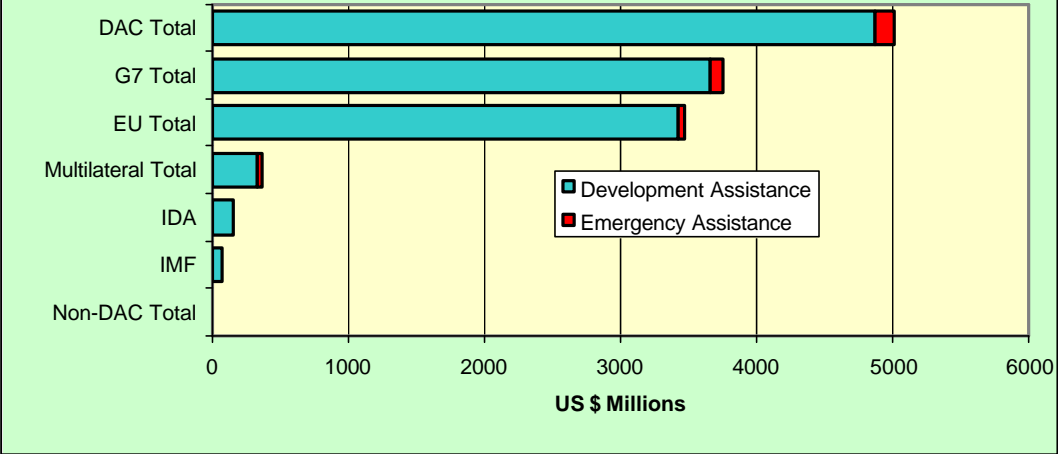
Simon Mansfield, Great Lakes and Horn Department, DFID

Judith Whiteley, Great Lakes and Horn Department, DFID

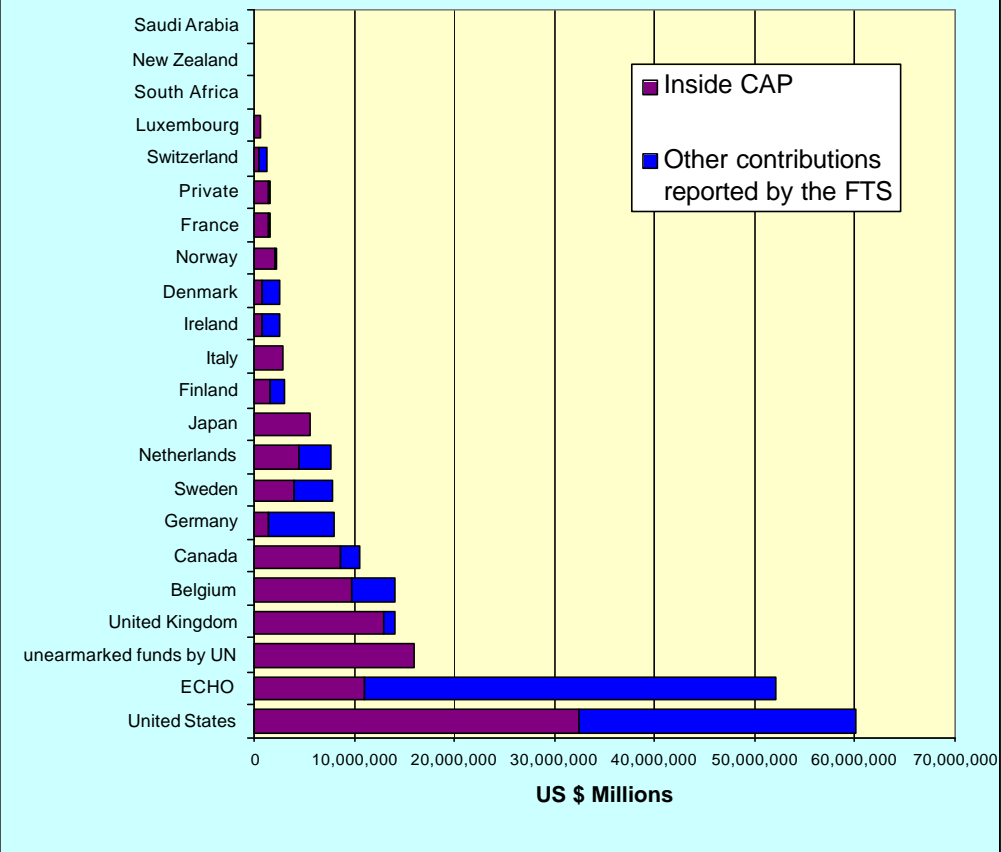
Annex 2: Funding Overview



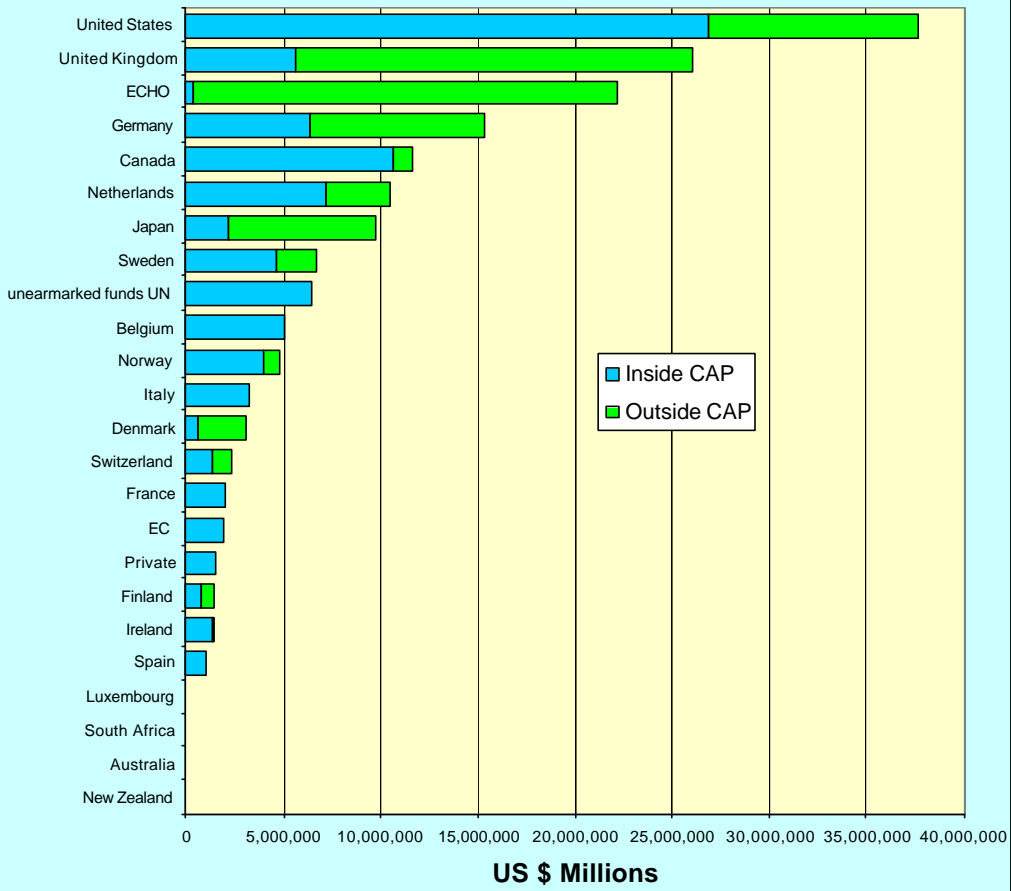
Donors to the DRC by group 2003 showing emergency and development assistance



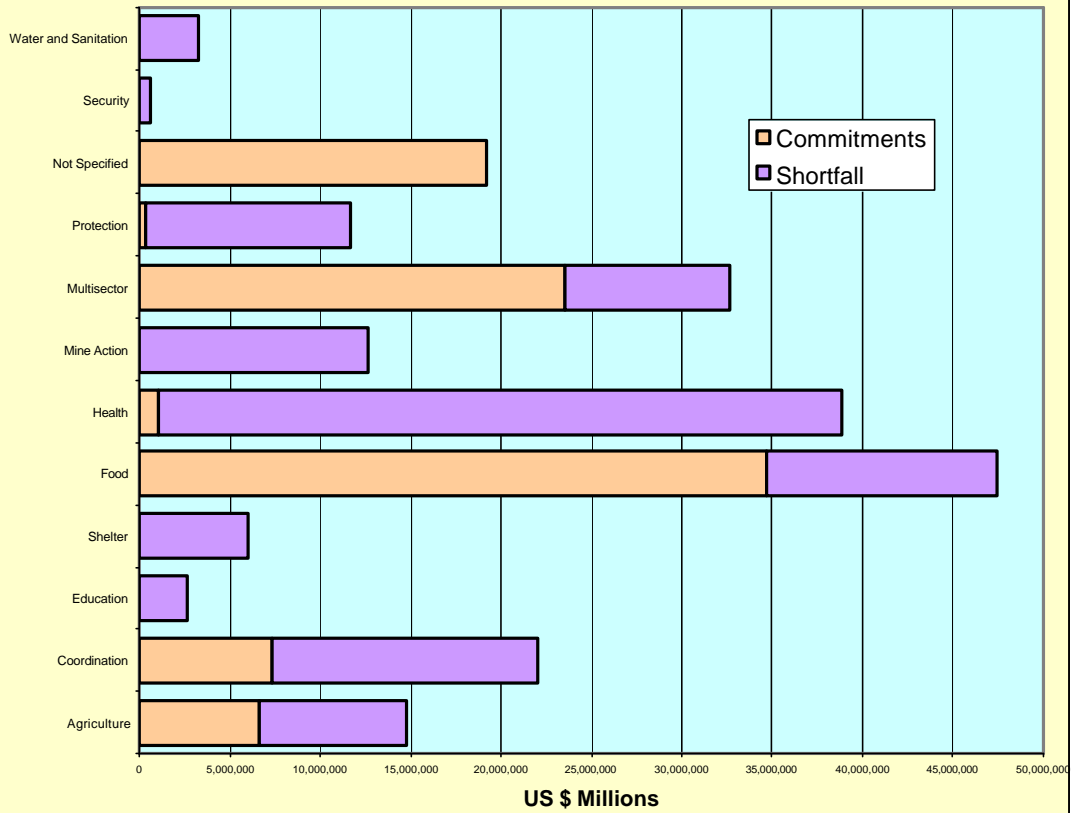
Total Contributions to DRC - inside and outside the CAP 2004



Total Contributions to the DRC 2005, Inside and Outside the CAP



DRC Funding Requirements and Shortfalls by Sector, 2005



Annex 3: EHI and RRF Mechanisms

In 1999, OCHA established the DRC Emergency Response Fund (ERF) in response to a number of factors:

1. one of the world's most widely dispersed IDP populations, trying to avoid violence by avoiding population centres;
2. large-scale population movements, with entire villages emptying overnight at the threat of violence;
3. a scarcity of humanitarian actors with sufficient capacity and country-wide coverage;
4. the same levels of vulnerability amongst host populations as among IDPs;
5. low-levels of donor funding.

According to an official involved at the time, one of the aims of the ERF was to create a sense of urgency, to get agencies to coalesce around agreed priorities and trigger a response from the aid community. OCHA also wanted to widen the available humanitarian space.

The ERF was designed to provide rapid funding to national and international NGOs¹ for no more than 6 months to address crises such as:

- food insecurity and lack of drinking water;
- indiscriminate persecution on the basis of ethnicity (resulting in mass displacement, separation of families etc.);
- natural disasters;
- outbreak of epidemics such as measles.

The ERF was to enable them to respond immediately to crises when normal funding could take up to several months to arrive. It was also to allow them to undertake unconventional, protection-related activities, which donors would not normally fund. OCHA undertook to organise the necessary logistics. In general, grants were limited to a maximum of US\$75,000. An Advisory Committee, comprising a representative each from OCHA, UNHCR, WFP, UNHCHR, UNICEF, WHO, FAO and four representatives from the NGO community, was set up to assess the relevance of proposals submitted to the ERF. Between 1999 and 2002, the Fund channelled approximately US\$3.915 million to over 120 projects.

In 2002, following a restructuring of co-ordination mechanisms in the DRC and the setting up of a Humanitarian Advocacy Group (HAG)², the ERF was replaced by the Emergency Humanitarian Intervention (EHI) Fund. The EHI is intended mainly to fund urgent inter-agency/NGO assessment missions, logistics support for the rapid deployment of personnel, transportation of humanitarian aid and widening of access to vulnerable populations. It is envisaged as a last resort, when other mechanisms cannot respond to a new crisis. The flexibility of the EHI and its rapid and decentralised decision-making structure are designed to enable the humanitarian community to respond quickly to the many emergencies in the DRC. One major difference between the ERF and the EHI is that the former funded quick-impact projects (QIPs), which the latter does not.

The decision-making process for the EHI is as follows: agencies submit project proposals to the local OCHA office. If the proposal is appropriate, the OCHA office forwards it to OCHA in Kinshasa. The proposal is discussed with the HAG (at both the provincial and national levels) and, if approved, the project is funded. The money itself is held by OCHA Geneva and disbursed from there. However, the decision-making process has sometimes been slow because of disagreements between members of the HAG.

¹ International organisations like the ICRC and IOM could also access funding, particularly on behalf of local partners.

² When it was first set up, the HAG consisted of the heads of UN agencies in the DRC, USAID, ECHO and NGO representatives.

As EHI funds can only be used to supplement existing projects, OCHA and UNICEF worked together to pilot the Rapid Response Fund (RRF) mechanism, which can fund stand-alone projects. Its objectives are to facilitate:

- rapid deployment of humanitarian actors throughout Eastern DRC;
- quick delivery of relief items to Eastern DRC;
- swift deployment of OCHA emergency teams to ensure effective co-ordination and needs assessments;
- strengthening of relief partners during emergencies;
- access and wider coverage of humanitarian assistance.

UNICEF and OCHA have appointed individual organisations (usually international NGOs) as 'focal points' in each of the Eastern DRC provinces. UNICEF buys and pre-positions Non-Food Item (NFI) kits in these areas so that, when there is a large population movement or some other emergency, the focal point organisations can swiftly deliver the kits or provide other assistance as necessary. OCHA's funds are used to finance logistics and other costs to enable the focal points to deliver the NFI kits or other assistance (although RRF money cannot be used to buy equipment like cars or radios). One difficulty with the focal points has been that, if the organisation does not specialise in the kind of assistance that is needed in an emergency (e.g. medical programmes), it does not have the authority to ask specialist organisations to respond. However, OCHA can finance projects submitted by organisations other than focal points, if these can better respond to a rapid-onset emergency.

The decision-making process for funding RRF projects is relatively simple. Organisations submit proposals to the local OCHA office. The project is reviewed by OCHA and the UNICEF RRF officer in the field. If the proposal is appropriate, it is forwarded to the Rapid Response Section in OCHA and UNICEF in Kinshasa. During this process, the partner is often asked to make changes to the proposal in order to assure a more streamlined response to the emergency in question. In Kinshasa, a meeting of the RRF Committee, comprising of UNICEF and OCHA, is held and if the project is approved, the Committee recommends it to the Humanitarian Coordinator to authorise funding. Due to this procedure, the RRF has been able to approve projects and disburse money within about 15 days. As with the EHI, money is held and disbursed by OCHA Geneva.

2005 has been the first full year of piloting the RRF and it has been funded mainly by the UK and Sweden. The UK contributed \$836,616.49 (£466,832) in September 2004 and Sweden transferred \$841,097.95 (6 million SEK) in May 2005 into the OCHA RRF account. In addition, a further UK contribution of £5 million for 2005 has been approved.

Annex 4: Draft Project Proposal and Reporting Guidelines for GHD Fund Applications

GUIDELINES FOR THE PROJECT PROPOSAL AND REPORT

Project Title:

Type of project: Nutrition / Water and Sanitation / Non-food items / Emergency Healthcare / Epidemiological Response / Education / Transport and Logistics / Equipment / others (to specify);

Name of organisation / Address / Contact persons / Telephone and fax numbers / E-mail address;

Start date and project duration:

1. Project Relevance

How does the project correspond to the Common Humanitarian Strategy and provincial Action Plan?

2. Context

2.1. Problems to be resolved: *What are the problems that need to be resolved? What is the actual humanitarian situation? What events define the origin of the problem? What are the other problems in the intervention zone? What are the political, economic, social, and security issues at the heart of the situation? Has there been an evaluation? If yes, what were the conclusions?*

2.2. Beneficiaries: *Who are the beneficiaries? Is it possible to count them and break down the numbers by age and sex? What is the general state of women and children targeted in this project? What criteria were used to evaluate their vulnerability? Are there other vulnerable groups included in this project? Are there other indirect beneficiaries of this project?*

2.3. Project duration: *Start and end date of project.*

2.4. Groups consulted in developing this project.

2.5. Other interventions / Similar projects.

3. Intervention

3.1. Project objectives: *The objective of the project needs to be specific to the problem described above.*

3.2. Activities to undertake: *Are the activities new or a continuation of ones from another programme already in progress? What is the implication of the local community in project? Are local authorities implicated? If yes, in what way? Are there activities which have long-term impact? If yes, how? Has your organisation taken into account the experiences of other humanitarian organisations in the zone of intervention?*

3.3. Expected results / impact: *Explain how these activities will resolve the problem identified.*

3.4. Indicators to use: *The indicators have to be quantifiable and measurable. Indicate how the data will be collected and identify the sources of information.*

4. Project implementation

4.1. Plan of action: *Submit calendar and work plan. Make sure that all logistical aspects of the project have been taken into account, as well as a calendar for monitoring. Explain how your organisation will coordinate the activities with other partners with programs in the zone and local authorities. What capacity does your organisation have to respond to this type of emergency, and what is your past experience in these types of activities? How will you assure that the project does not have harmful effects on the environment? How have you identified the security constraints and how will your organisation manage the security risks?*

4.2. Stock requested: *Describe the type and quantity of the material requested.*

5. Budget and budget narrative

Submit a detailed budget and explain each budget line. Mention the contributions of other donors (e.g.: ECHO, DFID) and contributors (e.g. :UN agencies). Will the local/targeted community contribute to the project? What is the contribution of your organisation to this project?

Annex 5: Standard Memorandum of Understanding between Participating UN Organizations and the Administrative Agent for pass-through fund management

**Memorandum of Understanding
Between
[Names of the Participating UN Organizations]
and
[Name of the Administrative Agent]
regarding the Operational Aspects of a Joint Programme in [name of country]**

WHEREAS, [list names of Participating UN Organizations] (hereinafter referred to collectively as the “Participating UN Organizations”) have developed a joint programme (hereinafter referred to as the “Joint Programme”) as part of their respective development cooperation with the Government of [name of country], as more fully described in the detailed Joint Programme document dated [date of Joint Programme document], document no. [reference no. of document] (hereinafter referred to as the “Joint Programme Document”³), and have agreed to establish a coordination mechanism⁴ (hereinafter referred to as the “Joint Programme Steering Committee”)⁵ to facilitate the effective and efficient collaboration between the Participating UN Organizations and the host Government for the implementation of the Joint Programme;

WHEREAS, the Participating UN Organizations have agreed that they should adopt a coordinated approach to collaboration with donors who wish to support the implementation of the Joint Programme and have developed a Joint Programme Document to use as the basis for mobilising resources for the Joint Programme, and have further agreed that they should offer donors the opportunity to fund the Joint Programme and receive reports on the Joint Programme through a single channel; and

WHEREAS, the Participating UN Organizations have further agreed that [name of the Administrative Agent] (which is also a Participating UN Organization in connection with this Joint Programme)⁶ should be asked to serve as their administrative interface between donors and the Participating UN Organizations for these purposes and [name of Administrative Agent] has agreed to do so in accordance with this Memorandum of Understanding.

NOW, THEREFORE, the [name of Administrative Agent] and the Participating UN Organizations (hereinafter referred to collectively as the “Parties”) hereby agree as follows:

³ The Joint Programme Document contains at a minimum a common work plan, a budget, the coordination and management mechanism and signature of all parties to the Document.

⁴ The Parties to the Joint Programme Document will decide what is the most appropriate coordination mechanism, for example a theme group, steering committee, management committee etc. For ease of reference, this mechanism is referred to as the “Joint Programming Steering Committee” in this document.

⁵ The composition of the Joint Programme Steering Committee or other body shall include all of the signatories to the Joint Programme Document. The Steering Committee may also have other members in an observer capacity, such as donors and other stakeholders.

⁶ In most cases the AA will also be a Participating UN Organization. However, where the AA is not a Participating UN Organization, this provision can be deleted.

Article I
Appointment of Administrative Agent; its Status, Duties and Fee

1. The Participating UN Organizations hereby appoint [name of Administrative Agent] (hereinafter referred to as the “Administrative Agent” or the “AA”) to serve as their Administrative Agent in connection with the Joint Programme, in accordance with the terms and conditions set out in this Memorandum of Understanding. The Administrative Agent accepts this appointment on the understanding that the Participating UN Organizations assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. This appointment shall continue until it tenninates, or is terminated, in accordance with Article VII below.

2. On behalf of the Participating UN Organizations, the Administrative Agent shall:

- (a) Receive contributions from donors that wish to provide financial support to the Joint Programme through the Administrative Agent;
- (b) Administer such funds received, in accordance with this Memorandum of Understanding including the provisions relating to winding up the Joint Programme Account and related matters;
- (c) Subject to availability of funds, disburse such funds to each of the Participating UN Organizations in accordance with instructions from the Joint Programme Steering Committee, taking into account the budget set out in the Joint Programme Document, a copy of which is attached hereto as ANNEX A, as amended in writing from time to time by the Joint Programme Steering Committee;
- (d) Compile financial reports produced by each of the Participating UN Organizations into a consolidated report, and distribute such financial reports together with consolidated programme reports produced by the Participating UN Organizations, as further described in the Joint Programme Document, to each donor that has contributed to the Joint Programme Account and to the Joint Programme Steering Committee;
- (e) Provide final reporting, including notification that the Joint Programme has been operationally completed, in accordance with Article IV below⁷
- (f) Perform such other activities as the Participating UN Organizations and the Administrative Agent may agree in writing.

3. The Administrative Agent shall enter into a letter of agreement, in the form attached hereto as ANNEX B (hereinafter referred to as a “Letter of Agreement”), with each donor that wishes to provide financial support to the Joint Programme through the Administrative Agent. The Administrative Agent shall not amend the terms of Annex B without prior written agreement of the Participating UN Organizations. The Administrative Agent shall provide the Participating UN Organizations with a copy of each Letter of Agreement it enters into.

⁷ To the extent that under a particular Joint Programme the AA has responsibilities beyond those set forth in “a” through “e”, additional tasks can be added as a new “f”.

4. [Should there be a donor committee or other donor consultative mechanism established at any time in respect of the Joint Programme, the Participating UN Organizations will decide on the appropriate manner in which the Participating UN Organizations (including the Administrative Agent) will engage with such committee.]

5. None of the Participating UN Organizations shall be liable for the acts or omissions of the Administrative Agent or its personnel, or of persons performing services on its behalf, except in regard to any contributory acts or omissions of other Participating UN Organizations. With respect to such contributory acts or omissions of the Participating UN Organizations, the resulting liability shall be apportioned among them or any one of them to the extent of such contributory acts or omissions, or as may otherwise be agreed.

6. The Administrative Agent shall be entitled to allocate an administrative fee of one percent (1 %) of the amount contributed by each donor signing a Letter of Agreement, to meet the Administrative Agent's costs of performing the Administrative Agent's functions described in this Memorandum of Understanding. Notwithstanding the foregoing, in cases the contribution is less than \$2 million, the fee will be subject to a minimum floor of \$20,000; if the contribution is above \$10 million, the fee will be subject to a maximum ceiling of \$100,000.⁸

Article II Financial Matters

The Administrative Agent

1. The Administrative Agent shall establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received pursuant to Letters of Agreements (hereinafter, the "Joint Programme Account"). The Joint Programme Account shall be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest. The Joint Programme Account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Administrative Agent.

2. The Administrative Agent will not absorb gains or losses on currency exchanges. Such amounts will increase or decrease the funds available for disbursements to Participating UN Organizations

3. The Administrative Agent shall make disbursements from the Joint Programme Account based on instructions from the Joint Programme Steering Committee, in line with the budget set forth in the Joint Programme Document, as amended from time to time by the Joint Programme Steering Committee. The disbursements shall consist of direct and indirect costs as set out in the budget.

4. Subject to the availability of funds, the Administrative Agent shall normally make each

⁸ In cases where the Participating UN Organizations and the AA agree that the AA's responsibilities are more complex than envisioned in Article I, para 2 (a)-(e), such additional responsibilities will be included in Article I, para 2(f) and a higher percentage or amount for the fee of the AA than that stipulated here may be agreed with the donor or included as direct costs in the budget directly managed by the AA as appropriate

disbursement within seven (7) to ten (10) business days after receipt, in accordance with the instructions received from the Joint Programme Steering Committee in line with the Joint Programme Document. The Administrative Agent shall transfer funds to each Participating UN Organization through wire transfer. Each Participating UN Organization shall advise the Administrative Agent in writing of the bank account for transfers pursuant to this Memorandum of Understanding. When making a transfer to a Participating UN Organization, the Administrative Agent will notify that Participating UN Organization's Treasury Operations of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from **[name of Administrative Agent]** as Administrative Agent in respect of the joint programme in **[name of country]** pursuant to this Memorandum of Understanding.

5. Where the balance in the Joint Programme Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent shall consult with the Joint Programme Steering Committee and make a disbursement, if any, in accordance with the Joint Programme Steering Committee's instructions.

The Participating UN Organizations

6. Each Participating UN Organization shall establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent from the Joint Programme Account. That separate ledger account shall be administered by each Participating UN Organization in accordance with its own regulations, rules, directives and procedures, including those relating to interest. That separate ledger account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Participating UN Organization concerned.

7. Each Participating UN Organization shall use the funds disbursed to it by the Administrative Agent from the Joint Programme Account to carry out the activities for which it is responsible as set out in the Joint Programme Document, as well as for its indirect costs. The Participating UN Organizations shall commence and continue to conduct operations for the Joint Programme only upon receipt of disbursements as instructed by the Joint Programme Steering Committee. The Participating UN Organizations shall not make any commitments above the approved budget in Annex A, as amended from time to time by the Joint Programme Steering Committee. If there is a need to exceed the budgeted amount, the Participating UN Organization concerned shall submit a supplementary budget request to the Joint Programme Steering Committee.

Article III

Activities of the Participating UN Organizations

1. Each of the Participating UN Organizations shall carry out its activities contemplated in the Joint Programme Document in accordance with the regulations, rules, directives and procedures applicable to it. Accordingly, personnel shall be engaged and administered, equipment, supplies and services purchased, and contracts entered into in accordance with the provisions of such regulations, rules, directives and procedures. On the termination or expiration of this Agreement, the matter of ownership shall be determined in accordance with the regulations, rules, directives and procedures applicable to such Participating UN Organizations, including, where applicable, its basic agreement with the Government of **[name of country]**.

2. Any modifications to the activities set out in the Joint Programme Document, including as to their nature, content, sequencing or the duration thereof shall be subject to mutual agreement in writing between the relevant Participating UN Organization and the Joint Programme Steering Committee. The Participating UN Organization shall promptly notify the Administrative Agent through the Joint Programme Steering Committee, of any change in the budget as set out in the Joint Programme Document.

3. Where a Participating UN Organization wishes to carry out its Joint Programme activities through or in collaboration with a third party, it shall be responsible for discharging all commitments and obligations with such third parties, and no other Participating UN Organization, nor the Administrative Agent, shall be responsible for doing so.

4. In carrying out their Joint Programme activities, none of the Participating UN Organizations shall be considered as an agent of any of the others and, thus, the personnel of one shall not be considered as staff members, personnel or agents of any of the others. Without restricting the generality of the preceding sentence, none of the Participating UN Organizations shall be liable for the acts or omissions of the others or their personnel, or of persons performing services on their behalf.

5. Each Participating UN Organization shall advise the Administrative Agent in writing when all activities for which it is responsible under the Joint Programme have been completed.

Article IV Reporting

1. Each Participating UN Organization shall provide the Joint Programme Steering Committee and the Administrative Agent with the following statements and reports prepared in accordance with the accounting and reporting procedures applicable to the Participating UN Organization concerned, as set forth in the Joint Programme Document. The Participating UN Organizations will endeavor to harmonize their reporting formats to the extent possible:

- (a) Narrative progress reports for each twelve-month period, to be provided no later than one month after the end of the applicable reporting period;
- (b) Annual financial reports as of 31 December each year with respect to the funds disbursed to it from the Joint Programme Account, to be provided no later than four months after the end of the applicable reporting period;
- (c) A final narrative report and financial report, after the completion of the Joint Programme and including the final year of the Programme, to be provided no later than 30 April of the year following the financial closing of the Programme;
- (d) A final certified financial statement, to be provided no later than 30 June of the year following the financial closing of the Programme.

2. The Administrative Agent shall prepare consolidated narrative progress and financial reports consisting of the reports referred to in paragraph 1 (a) to (d) above submitted by each Participating UN Organization, and shall provide those consolidated reports to each donor

that has contributed to the Joint Programme Account, in accordance with the timetable established in the Letter of Agreement, and to the Joint Programming Steering Committee.

3. The Administrative Agent shall also provide a financial report and a final certified financial statement to Donors and Participating UN Organizations, on its activities as Administrative Agent, to be provided no later than 30 June of the year following the financial closing of the Programme.

Article V Monitoring and Evaluation

Monitoring and evaluation of the Joint Programme shall be undertaken in accordance with the provisions contained in the Joint Programme Document, which are consistent with the respective regulations, rules and procedures of the Participating UN Organizations.

Article VI Joint Communication

Each Participating UN Organization shall take appropriate measures to publicize the Joint Programme and to give due credit to the other Participating UN Organizations. Information given to the press, to the beneficiaries of the Joint Programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of the host Government, the donors, the Participating UN Organizations, the Administrative Agent and any other relevant parties. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating UN Organization and national partner in all external communications relating to the Joint Programme.

Article VII Expiration, modification and termination of the Agreement

1. This Memorandum of Understanding shall expire upon completion of the Joint Programme, subject to the continuance in force of paragraph 5 below for the purposes therein stated.

2. This Memorandum of Understanding may be modified only by written agreement between the Parties.

3. Any of the Participating UN Organizations may withdraw from this Memorandum of Understanding upon giving thirty (30) days' written notice to all other parties to this Memorandum of Understanding stating that it has given notice, in accordance with the Joint Programme Document, of its withdrawal from the Joint Programme, subject to the continuance in force of paragraph 5 below for the purpose therein stated.

4. The Administrative Agent's appointment may be terminated by the Administrative Agent (on the one hand) or by the mutual agreement of all Participating UN Organizations (on the other hand) on thirty (30) days' written notice to the other party, subject to the continuance in force of paragraph 5 below for the purpose therein stated. In the event of such termination, the Parties shall agree on measures to bring all activities to an orderly and prompt conclusion so as to minimize costs and expense.

5. Obligations assumed by the withdrawing or terminating Parties under this Memorandum of Understanding shall survive the expiration or termination of this Memorandum of Understanding or the termination of the Administrative Agent or withdrawal of a Participating UN Organization to the extent necessary to permit the orderly conclusion of the activities and the completion of final reports, the withdrawal of personnel, funds and property, the settlement of accounts between the Parties hereto and the settlement of contractual liabilities that are required in respect of any subcontractors, consultants or suppliers. Any balance remaining in the Joint Programme Account or in the individual Participating UN Organizations' separate ledger accounts shall be used for a purpose mutually agreed upon by the Administrative Agent, the donors and the Joint Programme Steering Committee.

Article VIII
Notices

1. Any action required or permitted to be taken under this Memorandum of Understanding may be taken on behalf of the Administrative Agent by _____ or his or her designated representative and on behalf of a Participating UN Organization by the head of office in **[name of country]**, or his or her designated representative.

2. Any notice or request required or permitted to be given or made in this Memorandum of Understanding shall be in writing. Such notice or request shall be deemed to be duly given or made when it shall have been delivered by hand, mail, cable or telex to the party to which it is required to be given or made, at such party's address specified in ANNEX C to this Memorandum of Understanding or at such other address as the party shall have specified in writing to the party giving such notice or making such request.

Article IX
Entry into force

This Memorandum of Understanding shall enter into force upon signature by authorized officials of the Parties and shall continue in full force and effect until it is expired or terminated.

Article X
Settlement of disputes

The Parties shall use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of or in connection with this Memorandum of Understanding or any breach thereof. Any such dispute, controversy or claim which is not settled within sixty (60) days from the date either party has notified the other party of the nature of the dispute, controversy or claim and of the measures which should be taken to rectify it, shall be resolved through consultation between the Executive Heads of each of the Participating UN Organizations and of the Administrative Agent.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Parties, have signed this Memorandum of Understanding in the English in **[number of signatories]** copies.

For the Administrative Agent
Signature: _____
Name: _____
Title: _____
Place: _____
Date: _____

For _____
Signature: _____
Name: _____
Title: _____
Place: _____
Date: _____

For _____
Signature: _____
Name: _____
Title: _____
Place: _____
Date: _____

For _____
Signature: _____
Name: _____
Title: _____
Place: _____
Date: _____

ANNEX A: Joint Programme Document — Budget

ANNEX B: Donor-AA Agreement

ANNEX C

Annex 6: Memorandum of Understanding between OCHA and NGOs

AGREEMENT
between
THE UNITED NATIONS
Office for the Coordination of Humanitarian Affairs (OCHA)
and
[AGENCY]

Whereas the United Nations Office for the Coordination of Humanitarian Affairs (hereinafter referred to as “OCHA”) and [AGENCY] (Hereinafter referred to as “the Agency”) are committed to the objectives and principles of humanitarian assistance;

Whereas OCHA has been entrusted by its donors with certain resources, available under the Rapid Response Fund for Emergency Relief Assistance, that can be allocated for relief activities; is accountable to its donors for the proper management of these funds; and can, in accordance with the UN Financial Regulations and Rules and the UN policies as stipulated by the General Assembly and the Secretary-General, make available such resources for relief activities;

Whereas the Agency is apolitical and not profit-making, has demonstrated the capacity required to implement the activities involved in this Agreement, and has agreed that they shall be undertaken without discrimination, direct or indirect, because of race, ethnicity, religion or creed, status of nationality or political belief, gender, handicapped status, or any other circumstances;

Now, therefore, on the basis of mutual trust and in a spirit of friendly cooperation, the Agency and OCHA have entered into the present Agreement (hereinafter referred to as “the Agreement”).

Article I. Duration of Present Agreement

1. The terms of the present Agreement shall commence [date] and expire on [date] unless earlier terminated in accordance with article XIII hereto, or extended in accordance with article XXII hereto.

Article II. General Responsibilities of the Parties

1. The Agency shall, with due diligence and efficiency, implement the project described in Annex I hereto (hereinafter referred to as “the Project”) and ensure that the funds and any supplies, equipment and other materials provided by OCHA are only used for this purpose.

2. The Parties agree to carry out their respective responsibilities in accordance with the provisions of the present Agreement.

3. The Parties shall keep each other informed of all activities pertaining to the Project and shall consult regularly on the status of its implementation. The Agency shall facilitate visits by OCHA or any other person duly authorized in writing by OCHA to the Project site(s) to review the progress and achievement of the Project during its period of implementation and thereafter.

Article III. Copyrights, Patents and Other Proprietary Rights

1. Unless otherwise agreed upon in writing, OCHA shall be entitled to all intellectual property and other proprietary rights, including but not limited to patents, copyrights, and trademarks, with regard to maps, drawings, photographs, plans, reports, documents, products and all other materials which bear a direct relation to or are produced or prepared or collected in consequence of or in the course of the execution of the present Agreement.
2. All decisions regarding publication with regard to products or documents and other materials which bear a direct relation to or are produced or prepared or collected in consequence of or in the course of the execution of the present Agreement shall be made by OCHA in accordance with its sectorial policy on information management for emergency relief assistance. In the event that OCHA authorizes the Agency to publish articles or results of studies based on the activities financed by the Fund, the Agency shall furnish OCHA with a copy of the proposed publication for the UN's approval, in each case, before publication. The Agency shall secure a copyright of such publication in the name of the UN.
3. The Agency may not communicate at any time to any other person, Government or authority external to the UN, any information known to it by reason of its association with OCHA which has not been made public except with the authorization of OCHA. In any event, such information shall not be used for individual advantage or profit.
4. The Agency may only use the name and emblem of OCHA in direct connection with the Project and subject to prior written consent of the UN.

Article IV. Personnel Requirement

1. The Agency shall be fully responsible for all services performed by its Personnel. The Agency shall ensure that all relevant labour laws are observed and shall provide and thereafter maintain all appropriate medical and life insurance for its Personnel in connection with the Agreement.
2. The Agency shall ensure that its Personnel meet the highest standards of qualification and technical and professional competence necessary for the achievement of the Project Objectives.
3. The Agency's Personnel shall not be considered in any respect as being the employees or agents of OCHA. OCHA does not accept any liability for claims arising out of the activities performed under the present Agreement, or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by the Agency's Personnel as a result of their work pertaining to the Project.

Article V. Supplies, Equipment, Materials and Procurement

1. All non-expendable equipment furnished or financed by OCHA shall remain the property of OCHA and shall be returned by the Agency to OCHA within thirty (30) days of the completion of the Project or the expiration or termination of the present Agreement, whichever is first to occur, unless otherwise agreed upon between the Parties. Non-expendable equipment is defined as an item, which has a purchase price of US\$1,500 or more, or the equivalent in local currency at the United Nations official rate of exchange on the date of purchase, and with an anticipated serviceable life of at least five years.

2. The Agency shall be responsible for the proper custody, maintenance and care of all non-expendable equipment during Project implementation and prior to its return to OCHA. During implementation of the Project, the Agency shall, for the protection of such non-expendable equipment, obtain insurance pursuant to Article VI below in such amounts as may be agreed upon between the Parties and incorporated in the Project Budget.
3. OCHA may place on the supplies, equipment and other materials it furnishes or finances such markings as will be necessary to identify them as being provided by OCHA.
4. In cases of damage, theft or other losses of supplies, equipment and other materials furnished or financed by OCHA, the Agency shall provide OCHA with a comprehensive report, including police report, where appropriate, and any other evidence giving full details of the events leading to the loss of the supplies, equipment and other materials. After becoming aware of damage, theft or other losses of supplies, equipment and other materials, the Agency shall use its best efforts to seek recovery under the applicable insurance.
5. The Agency shall ensure that its procedures for awarding contracts and for the purchase or hire of goods, equipment, other commodities and services under the present Agreement safeguard the principles of highest quality, economy and efficiency, and that the placing of orders shall be based on an assessment of competitive quotations, bids, or proposals, unless otherwise agreed to by OCHA.
6. OCHA shall make every effort to assist the Agency clearing all supplies, equipment and other materials through customs at places of entry into the country(ies) where the Project is to take place.
7. The Agency shall maintain complete and accurate records of supplies, equipment and other materials purchased with the funds made available by OCHA and shall take periodic physical inventories. The Agency shall provide OCHA annually with the inventory of such supplies, equipment and other materials, and at such time and in such form as OCHA may request.

Article VI. Insurance and Liabilities to Third Parties

1. The Agency shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the implementation of the Project under the Agreement.
2. The Agency shall provide and thereafter maintain all appropriate workmen's compensation insurance, or its equivalent, with respect to its Personnel to cover claims for personal injury or death in connection with the Agreement.
3. The Agency shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under the Agreement or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Agency or its Personnel performing work or services in connection with the Agreement. The Agency shall provide and thereafter maintain all other types of insurance and in such amounts as may be agreed upon between the Parties and incorporated in the Project Budget.
4. The Agency shall, prior to the start of the Agreement, provide OCHA with satisfactory evidence of the insurance required under this Article.

5. All insurance required under this Article shall be obtained through insurers reasonably satisfactory to OCHA. All policies shall be primary without right of contribution from any other insurance which may be carried by OCHA.

Article VII. Financial and Operational Arrangements

1. The Project Budget for the proposed activities submitted by the Agency requests resources (hereinafter referred to as “the Fund”) up to the maximum amount of **US\$ [sum]** for the duration of the Agreement.

2. Funding to support this project will be released only as it become available. Such funding will be released to the Agency in installments as follows: a first installment of **US\$ [sum] (80%)** will be released within ten working days following the signing of the Agreement. Any subsequent installments will be released only upon additional funding becoming available, and when substantive and financial reports and other agreed upon documentation, as referenced in Articles IX and X, below, have been submitted to and accepted by OCHA as showing satisfactory management and use of the Fund. Such additional funding is not guaranteed under the terms of this agreement.

3. All instalments to be released under the present Agreement shall be made to the following bank and account:

Bank Name:

Bank address:

Account number:

Account title :

Swift Code (Bic):

Chips ABA Number (IBAN):

4. Interest will be apportioned annually to the undisbursed balance of funds which have been received in accordance with paragraph 2 above. The Agency shall keep at the UN’s disposal any interest accrued on the undisbursed balance of funds received according to paragraph 2 above. Its use will be subject to OCHA approval.

5. The Agency shall be authorized to make variations not exceeding ten (10) per cent on any one line item of the Project Budget, provided that the total Project Budget allocated by OCHA is not exceeded. Any variations exceeding ten (10) per cent on any one line item that may be necessary for the proper and successful implementation of the Project shall be subject to prior consultations with and approval in writing by OCHA. OCHA shall not be liable for any expenditure incurred in excess of its contribution as specified in this Agreement.

6. Any portion of the Fund that is unspent, as well as any unused interest accrued on the undisbursed balance of funds received according to paragraph 2 above, shall be returned to OCHA within thirty (30) days of the expiration or termination of the present Agreement or the completion of the Project, whichever is first to occur.

7. In the event that the Agency receives additional funding for relief assistance in the area where the Project takes place from any source other than OCHA, the Agency shall immediately advise OCHA of the following: source of funding; amount of funding; activities covered by the additional funding or intended application of the additional funds; and period that the additional funding is intended to cover (i.e. start and end dates of the funding if applicable).

Article VIII. Maintenance of Records

1. The Agency shall collect and keep readily accessible information and documentation on the progress implementation of the Project and the use made of the Fund. To this end, the Agency shall maintain separate accounts recording all receipts and expenditure under this Project relating to the Fund and ensure that any obligations entered into and all disbursements made are satisfactorily documented. For each payment a voucher shall be established showing the Project symbol, the name of the payee, the amount, purpose and date of disbursement. Bills, invoices, receipts and such other documentation pertinent to the transaction will be attached to the voucher in support thereof. These vouchers and the supporting documentation will be systematically filed in dossiers specifically established to house project financial documentation.

2. Upon expiration or termination of the Agreement, the Agency shall maintain the records for a period of at least five (5) years, unless otherwise agreed upon between the Parties.

Article IX. Substantive Report

1. The Agency shall submit to OCHA monthly interim substantive reports detailing achievements, constraints and impact with regard to the utilization of the Fund for the Project. When the Fund provided by OCHA is mixed with funds from other sources, the interim substantive reports shall describe how and to what extent the Fund was used in the context of the overall contributions to the Project.

2. The Agency shall submit to OCHA a final substantive report detailing achievements, constraints, and impact with regard to the utilization of the Fund for the Project within one month of the completion of the Project or the expiration or termination of the present Agreement, whichever is first to occur. As with the interim substantive reports, the final substantive report shall describe how and to what extent the Fund was used in the context of the overall contributions to the Project.

Article X. Financial Report

1. The Agency shall submit interim financial reports monthly. Financial information shall be provided in the following categories:

(a) Amount received; (b) Personnel costs; (c) Travel; (d) Contractual services; (e) Operational expenses; (f) Acquisitions; (g) Fellowships, Grants and other; (h) Sub-total; (i) Project support costs; and (j) Total expenditure.

2. The Agency shall submit a final Financial Statement reflecting expenditures between [date] and [date]. The Final Financial Statement shall be submitted within 30 days after the completion of the Project or the expiration or termination of the Agreement, whichever is to occur later and shall be certified by a qualified auditor. It shall list the amounts received and expended utilizing the standard form "Financial Statement on Income and Expenditures from Funds Allocated from the Rapid Response Fund", attached hereto as Annex B.

Article XI. Audit Requirements

1. The Project shall be audited at least once during its lifetime, but may be audited annually, in consultation between the Parties. The audit shall be carried out by the auditors of a qualified audit firm, which shall produce an audit report. The Agency shall be responsible for payment of any amount, as incorporated in the Project Budget, representing any fees, expenses or financial costs in connection with such audit.

2. Notwithstanding the above, OCHA shall have the right, at its own expense, to audit or review such Project-related books and records as it may require, and have access to the books and record of the Agency, as necessary.

Article XII. Responsibility for Claims

1. The Agency shall indemnify, hold and save harmless, and defend, at its own expense, OCHA, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Agency, or the Agency's Personnel, in the performance of the Agreement. This provision shall extend, *inter alia*, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Agency or its Personnel. The obligations under this paragraph do not lapse upon expiration or termination of the Agreement.

2. The Agency shall be responsible for and deal with all claims brought against it by its Personnel.

Article XIII. Suspension and Early Termination

1. The Parties hereto recognize that the successful completion and accomplishment of the Project Objectives are of paramount importance, and that OCHA may find it necessary to terminate the Project, or to modify the arrangements for execution of the Project, should circumstances arise which jeopardize successful completion or the accomplishment of the Project Objectives. The provisions of the present Article shall apply to any such situation.

2. OCHA shall consult with the Agency if any circumstance arises that, in the judgment of OCHA, interferes or threatens to interfere with the successful completion of the Project or the accomplishment of the Project Objectives. The Agency shall promptly inform OCHA in writing of any such circumstance that might come to the Agency's attention. The Parties shall cooperate towards the rectification or elimination of the circumstance in question and shall exert all reasonable efforts to that end, including prompt corrective steps by the Agency, where such circumstances are attributable to it or within its responsibility or control. If applicable, the Parties shall also cooperate in assessing the consequences of possible termination of the Project on the target beneficiaries of the Project.

3. OCHA may at any time after occurrence of the circumstance in question and appropriate consultations suspend execution of the Project by written notice to the Agency, without prejudice to the initiation or continuation of any of the measures envisaged in paragraph 2, above, of the present Article. OCHA may indicate to the Agency the conditions under which it is prepared to authorize a resumption of execution of the Project.

4. If the cause of suspension is not rectified or eliminated within fourteen (14) days after OCHA has given notice of suspension to the Agency, OCHA may, by written notice at any time thereafter during the continuation of such cause: (a) terminate the Agreement; or (b) terminate the Project and entrust its execution to another organization. The effective date of termination under the provisions of the present paragraph shall be specified by written notice from OCHA. In the event of transfer of the Agency's responsibilities for execution of a Project to another organization, the Agency shall cooperate with OCHA and the other organization in the orderly transfer of such responsibilities.

5. Upon receipt of a notice of termination by OCHA under the present Article, the Agency shall take immediate steps to terminate activities under the present Agreement, in a prompt and orderly manner, so as to minimize losses and further expenditures. The Agency shall undertake no forward commitments and shall return to OCHA, within thirty (30) days, any portion of the Fund that is unspent, supplies, equipment and other materials provided by OCHA, unless OCHA has agreed otherwise in writing.

6. In the event of any termination under the present Article, OCHA shall reimburse the Agency only for the costs incurred to execute the Project in conformity with the express terms of the present Agreement. Reimbursements to the Agency under this provision, when added to amounts previously remitted to it by OCHA in respect of the Project, shall not exceed the total OCHA allocation for the Project.

Article XVIII. Arbitration

1. The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of the Agreement or the breach, termination or invalidity thereof. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the Parties.

2. Any dispute, controversy or claim between the Parties arising out of the Agreement or the breach, termination or invalidity thereof, unless settled amicably under paragraph 1 of this Article within fifteen (15) days after receipt by one Party of the other Party's request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

3. No claim or dispute arising out of the Agreement shall be made against OCHA by the Agency unless and to the extent such claim or dispute shall have been asserted in writing, in accordance with Article XXIII below, not later than the earlier of two (2) months from the expiration or termination of the Agreement or the occurrence of loss, damage or injury giving rise to such claim or dispute.

Article XIX. Privileges and Immunities

1. Nothing in or related to the present Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the UN, including its subsidiary organs.

Article XX. Tax Exemption

1. Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, *inter alia*, that the UN, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the UN exemption from such taxes, duties or charges, the Agency shall immediately consult with OCHA to determine a mutually acceptable procedure.

2. Accordingly, the Agency shall be responsible for any amount representing such taxes, duties or charges, unless the Agency has consulted with OCHA before the payment thereof and OCHA has, in each instance, specifically authorized the Agency to pay such taxes, duties

or charges under protest. In that event, the Agency shall provide OCHA with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

Article XXII. Amendments

The present Agreement or its Annex(es) may be modified or amended only by written agreement between the Parties.

Article XXII. Amendments

Unless otherwise specified in the Agreement, all notices and other communications required or contemplated under the present Agreement shall be given in writing and addressed and delivered to the Party for whom intended at the address shown below or such other address as the intended recipient may from time-to-time designate by written notice, given in accordance with the terms of this Article.

If to OCHA:

**Bureau de Coordination des Affaires Humanitaires des Nations Unies (OCHA)
Immeuble Losonia – Boulevard du 30 Juin
Boite Postale 7248
Kinshasa 1, République démocratique du Congo**

If to the agency:

Physical address of headquarters :

contact person:

Tel

Mail:

Website:

Physical address in RDC :

Kinshasa -

Email:

Field office -

Tel.

Email:

contact person:

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have on behalf of the Parties hereto signed the present Agreement at the place and on the day below written.

For the Agency

Signature:

Name: **xxx**

Title: **xxx**

Place: Bunia

Date: **xxx**

For OCHA

Signature:

Name: Ross Mountain

Title: UN Humanitarian Coordinator

Place: Kinshasa

Date: **xxx**

Annex A – Project Document

Annex B – “Financial Statement on Income and Expenditures from Funds Allocated from the Rapid Response Fund”

(Approved by the Controller’s Office, 21 November 2002)

Annex 7: Terms of Reference for GHD Advisers

Two positions: Goma and Kinshasa, DRC

Organizational Setting and Reporting Relationships: These positions are located in the Office for the Coordination of Humanitarian Affairs (OCHA). The Humanitarian Adviser reports to the Head of Office.

Accountabilities: Within limits of delegated authority, the Humanitarian Adviser will be responsible for the following duties:

- Serve as a senior policy officer; advise on overall policy direction on initiatives related to Good Humanitarian Donorship (GHD); review and provide advice on a diverse range of policy issues related to safeguarding humanitarian principles and ensuring the effective delivery of humanitarian assistance. In particular, provide advice with regards to needs assessment, strategic planning, and linkages between relief and development.
- Prepare policy position papers for review.
- Monitor, analyse and report on humanitarian developments in relation to the key areas of the GHD initiative.
- Lead and/or participate in large, complex projects, in particular implementing the IASC-endorsed needs assessment framework and matrix; ensure necessary support (e.g. staff, funding, specialized equipment, supplies, etc.); prepare reports to the international community, apprising of situation to date and specifying unmet requirements of stricken areas.
- Assist in identifying priorities within the Consolidated Appeals Process (CAP); monitor humanitarian assistance contributions against identified priorities.
- Develop indicators to measure impact of humanitarian programmes in the CAP in collaboration with area experts and ensure the subsequent monitoring of these indicators; recommend actions based on the analysis of pertinent information.
- Facilitate the process to compile and analyse information using the NAFM as the starting point for systematic collection; analyse and assist OCHA DRC Information Management Unit in introducing new systems for collection and consolidation of needs assessment data.
- Organize and prepare studies on humanitarian issues; organize follow-up work, including interagency technical review meetings to support policy development work and decision-making on important issues; and ensure the implementation of recommendations emanating from the GHD Baseline Survey.
- Assist or lead, as appropriate, in the preparation of OCHA reports, studies, background papers, policy guidelines, correspondence, presentations, background papers etc.; with respect to the latter, take the lead in providing support and information to the GHD lead donors, the DRC Humanitarian Advocacy Group and OCHA headquarters on GHD pilot developments.
- Partner with other humanitarian agencies to plan and evaluate inter-agency needs assessments and prioritisation; help ensure that latest findings, lessons learned, policy guidelines etc. are incorporated into these activities, including gender-related considerations.
- Establish and maintain contacts with government officials, other UN agencies, non-governmental organizations, diplomatic missions, media etc.; ensure appropriate

mechanisms to facilitate collaboration and exchange of information both in and outside the UN system, in particular for needs assessment and reporting on project implementation and financing.

- Serve as the primary focal point on GHD initiative and related policy issues (such as IASC NAFM); keep abreast of latest developments, liaise with other humanitarian organizations, donors etc., ensure appropriate monitoring and reporting mechanisms; provide information and advice on a range of related issues.
- Organize and participate in work groups, meetings, conferences, consultations with other agencies and partners on humanitarian and emergency relief-related matters.
- Provide leadership and work direction to strategic planning unit, mentor the work of junior officers.
- Perform other duties as required.

Qualifications:

Education: Advanced degree preferably in political or social science, international studies, public administration, economics, or in a technical (e.g. public health, medicine, agriculture, nutrition, sanitation engineering, etc.) or other relevant field; or the equivalent combination of education and experience in a related area.

Experience: Minimum of eight years of progressively responsible professional experience in humanitarian affairs, emergency preparedness, crisis emergency relief management, rehabilitation and development, or other related area, including at least 4 years of field experience in complex emergencies, including humanitarian emergency efforts. Previous experience in the Great Lakes region of Africa desired.

Language: Fluency in oral and written French is essential; English desired.

Annex 8: Revised Terms of Reference for the Humanitarian Coordinator

Appointment

1. In a given country, upon the occurrence of a complex emergency or when an already existing humanitarian situation worsens in degree and/or complexity, the United Nations Emergency Relief Coordinator, on behalf of the Secretary-General and after consultation with the IASC, will designate a Humanitarian Coordinator for that country.
2. Depending on the context, the Emergency Relief Coordinator, in consultation with the IASC, may:
 - assign the functions of Humanitarian Coordinator to the Resident Coordinator for that country, who therefore becomes Resident and Humanitarian Coordinator⁹. This is the normal practise.
 - appoint a separate Humanitarian Coordinator;
 - designate a lead agency for the provision of humanitarian assistance, with the in-country agency head also serving as Humanitarian Coordinator, as outlined in the “IASC Recommendations Related to the Review of the Capacity of the United Nations System for Humanitarian Assistance” endorsed by the IASC on 29 July 1998.¹⁰
 - appoint a Regional Humanitarian Coordinator, when an emergency occurs that involves more countries at the same time. In such instances Resident/Humanitarian Coordinators of countries in the region should work as a team under the guidance of the Regional Humanitarian Coordinator.
3. The Humanitarian Coordinator is expected to possess specific knowledge and experience of the humanitarian environment and to have demonstrated leadership in complex emergencies.
4. The Humanitarian Coordinator serves as the representative of the Emergency Relief Coordinator (and therefore of OCHA) in the country/region concerned.

Reporting

5. The Humanitarian Coordinator will report directly to the UN Emergency Relief Coordinator.
6. The Humanitarian Coordinator who is also the in-country head of a designated lead agency for humanitarian assistance will also report directly to his/her agency headquarters.
7. If a Special Representative of the Secretary-General (SRSG) is appointed for the country in question, the Humanitarian Coordinator will function under the overall

⁹ Refer to General Assembly Resolutions 47/199 and 48/209.

¹⁰ Factors influencing the designation of a lead agency are that i) the various sectors of assistance being delivered are closely related to the mandate of the agency; ii) the assigned agency has the capacity to undertake strategic coordination needs and to establish and maintain both sectoral and common operational support mechanisms, while at the same time executing the operations specific to its mandate; and iii) the agency has a presence on the ground and/or is able to mobilize rapidly.

authority of the SRSG, with the responsibility for coordination of UN humanitarian assistance for the complex emergency in question, in accordance with the Note of Guidance on the Relationship between Humanitarian Coordinator and SRSG.

8. In the event the Humanitarian Coordinator is separate from the Resident Coordinator and there is no SRSG present, the Humanitarian Coordinator works within the overall country coordination framework of the Resident Coordinator system.

Management functions

9. The Humanitarian Coordinator is responsible for coordinating the humanitarian activities of the Country Team. He/she will provide liaison between the Country Team and the Emergency Relief Coordinator.
10. The Humanitarian Coordinator is responsible for the management of the OCHA office, which is put in place to support the Humanitarian Coordinator in his/her functions.

Operational coordination functions

Coordination mechanisms

11. The Humanitarian Coordinator is responsible for establishing and maintaining comprehensive coordination mechanisms based on facilitation and consensus building. These mechanisms should be inclusive of all the actors involved at the country level in the provision of humanitarian assistance and protection, including in particular all locally represented members and standing invitees of the Inter-Agency Standing Committee (IASC)¹¹.
12. Through these coordination mechanisms, the Humanitarian Coordinator is responsible for ensuring agreement on the basic division of responsibilities among agencies, in accordance with their respective mandates and capacities, with the aim of:
 - ensuring that timely and appropriate humanitarian assistance is rapidly and effectively delivered to the victims of the complex emergency;
 - ensuring that any gaps or overlaps in protection, that could arise as a result of the respective mandates of the agencies, can be resolved in practice.
13. Within this framework, the Humanitarian Coordinator is specifically responsible for:
 - convening and serving as the chair of regular inter-agency meetings involving all relevant humanitarian actors and providing the necessary secretariat support.
 - ensuring that leadership for coordination within specific sector and/or geographic areas is agreed upon and that the relevant coordination mechanisms are established and managed efficiently.
 - ensuring consultation with national authorities on matters regarding the planning and implementation of humanitarian assistance.

¹¹ IASC is composed of seven full members (FAO, OCHA, UNDP, UNHCR, UNICEF, WFP and WHO) and ten Standing Invitees (ICRC, IFRC, IOM, RSG-IDPs, OHCHR, UNFPA, World Bank and three NGO consortia: Steering Committee for Humanitarian Response (SCHR), Interaction, and International Council of Voluntary Agencies (ICVA))

- ensuring overall coordination between the UN and other humanitarian aid agencies and the UN Department of Peacekeeping Operations when such forces are present, including promoting resolution of matters of joint concern to the humanitarian aid agencies.
- facilitating communications and consultation between the UN and other humanitarian aid agencies on the one hand and the relevant components of bilateral military forces when such forces are present.
- acting as a focal point for discussion within the relief community regarding policy issues of inter-agency concern (e.g., wage levels for local staff, payments for services and difficulties with customs procedures and policies, government clearances for travel and passes, etc.) and as an interlocutor with the relevant parties (e.g., the host government) for resolution of such matters.
- developing and maintaining a central registry of locally represented humanitarian agencies and their respective activities and expertise.

Internally Displaced Persons (IDPs)

14. The Humanitarian Coordinator is responsible for overseeing the development of a comprehensive strategic plan for responding to the assistance and protection needs of IDPs and identifying the most appropriate collaborative arrangements amongst operational agencies for implementing the plan, ensuring that all needs are met. The strategic plan should be integrated in the Common Humanitarian Action Plan (CHAP) and the Consolidated Appeal (CA).
15. The Humanitarian Coordinator's responsibility vis-a-vis IDPs stems directly from the ERC's role as focal point for IDPs. In discharging his/her duties in this regard, the Humanitarian Coordinator will be guided by the IASC Protection Policy Paper and the Supplementary Guidance to HC/RC on their responsibilities in relation to IDPs.

Common services

16. In those cases, in which the Humanitarian Coordinator is not the Designated Official, the Humanitarian Coordinator is responsible for obtaining guidance from the Designated Official regarding the implementation of security procedures in support of humanitarian assistance activities, ensuring that this is effectively communicated to the concerned agencies in the field, and facilitating their coordinated implementation.
17. The Humanitarian Coordinator is responsible for facilitating the provision of key support services for the larger relief community, such as telecommunications, transportation (e.g.. via vehicle or light aircraft operation), etc.
18. In the cases in which the IASC decides on the deployment of a UN Joint Logistic Centre (JLC) to complement and coordinate the logistic capabilities of cooperating humanitarian agencies, the Humanitarian Coordinator is responsible for overseeing the operations of the UN JLC through supervision of its Chief.

Information

19. The Humanitarian Coordinator, supported by OCHA, is responsible for putting in place systems, including as appropriate Humanitarian Information Centres, for collecting and disseminating timely, accurate, detailed, reliable and up-to-date information on the humanitarian situation and on the relief efforts.

Strategic coordination functions

Negotiation and Advocacy

20. The Humanitarian Coordinator has responsibility for advocating with the relevant parties for the application of humanitarian principles on behalf of the victims and of the humanitarian community. This will include:
- Promoting, assisting and, if necessary, leading negotiations to obtain free, safe and unimpeded access for humanitarian assistance to those in need, in a manner consistent with the operational requirements of the various partners.
 - Promoting respect for Human Rights and Humanitarian Law (HRHL) as well as the Guiding Principles on Internal Displacement.
 - seeking acceptance by all parties to the civil conflict in question on the principles of neutrality and impartiality that underline humanitarian action, as well as on other fundamental issues such as the access to those in need, the security of humanitarian personnel, and the need to be accountable to donors and beneficiaries for the aid provided.
 - carrying out advocacy initiatives with the local and international media, the international community, the civil society and the public at large.

Strategic planning

21. The Humanitarian Coordinator is responsible for overseeing all the in-country aspects of the inter-agency strategic planning process. This includes:
- ensuring that multi-sectoral needs assessments are quickly initiated and priority humanitarian needs are identified, adequately supported, and effectively carried out.
 - triggering and leading the Consolidated Appeal Process (CAP) in collaboration with the IASC Country Team and the Emergency Relief Coordinator, as detailed in the IASC Consolidated Appeal Process Guidelines.
 - ensuring that a Common Humanitarian Action Plan (CHAP) is prepared as part of the Consolidated Appeal Process and ensuring that the humanitarian strategy presented in the Common Humanitarian Action Plan is compatible with other strategic planning initiatives such as the UN Development Assistance Framework and poverty reduction initiatives.
 - ensuring that strategic monitoring is carried out as detailed in the IASC Consolidated Appeal Process Guidelines.
22. The Humanitarian Coordinator is responsible for monitoring the provision of resources against the Consolidated Appeal, for bringing donor attention to important outstanding gaps and for facilitating inter-agency resource mobilisation efforts both in-country as well as at the headquarters level with the capitals.

Contingency planning

23. The Humanitarian Coordinator is responsible for ensuring that a comprehensive contingency plan is developed and regularly updated by the UN Country Team in consultation with all the humanitarian partners in the country.

Humanitarian accountability

24. The Humanitarian Coordinator is responsible for promoting and monitoring the implementation of the relevant policies and guidelines adopted by the IASC. These

include the following existing policies as well as future new ones as they are developed, adopted and issued by the IASC:

- CAP Guidelines (1994) and IASC Plan of Action for Strengthening the CAP (2002)
- IASC Appeal and Strategy Documents (2003)
- Guidelines on the Use of Military and Civil Defence Assets in Disaster Relief (1994)
- Guiding and Operating Principles for the Use of Military and Civil Defence Assets in Support of Humanitarian Operations (1995) and Guidelines on the use of Military and Civil Defence Assets in Complex Emergencies (2003)
- Exit Strategy from Relief to Development (1995)
- Respect for Humanitarian Mandates in Conflict Situations (1995)
- Guidelines for HIV/AIDS Interventions in Emergency Settings (1996) and Revised Guidelines for HIV/AIDS in Emergency Settings (2003)
- Exit Strategy for Humanitarian Actors in the Context of Complex Emergencies (1997)
- Policy Statement for the Integration of a Gender Perspective in Humanitarian Assistance (1999)
- Guiding Principles on Internal Displacement (1999)
- Policy Paper for Protection for IDPs (1999)
- Guidelines for Field Staff Promoting Reintegration (Golden Rules) (2000)
- Inter-Agency Contingency Planning Guidelines for Humanitarian Assistance (2001)
- Recommendations on UN/Non-UN Field Security Collaboration (2001)
- Plan of Action on Protection from Sexual Exploitation in Humanitarian Crises (2002)
- Growing the Sheltering Tree: Protecting Rights Through Humanitarian Action (2002)
- Frequently Asked Questions on International Humanitarian, Human Rights and Refugee Law in the Context of Armed Conflicts (2002)

25. The Humanitarian Coordinator is responsible for promoting gender mainstreaming and women's rights at the policy, planning and implementation levels as part of their strategic coordination and humanitarian accountability functions.

26. The Humanitarian Coordinator is responsible for supporting effective evaluations of the overall relief efforts, especially the coordination aspects.

Rehabilitation/reconstruction

The Humanitarian Coordinator is responsible for cooperating with entities responsible for planning and implementation of rehabilitation and development activities to ensure that rehabilitation actions begin as soon as they become feasible (which will often be simultaneous with relief efforts), and that relief actions are planned and undertaken with the perspective of their longer-term continuation and impacts.

Annex 9: Terms of Reference for DRC multi-donor fund study

ENGAGEMENT OF DEVELOPMENT INITIATIVES (JUDITH RANDEL) UNDER TERMS AND CONDITIONS OF CALL DOWN CONTRACT CNTR 04 5993 – GOOD HUMANITARIAN DONORSHIP & ANALYSIS OF GLOBAL HUMANITARIAN ASSISTANCE

ADDITIONAL ANNEX: DEMOCRATIC REPUBLIC OF CONGO

1. Since the original Terms of Reference for the engagement of Development Initiatives (Judith Randel) under DFID contract CNTR 04 5993 – “Good Humanitarian Donorship & Analysis of Global Humanitarian Assistance”, covering work in Sudan were agreed, we are planning a Pilot Scheme in Coordinator in the Democratic Republic of Congo (DRC). In the development of this, a number of donor countries - Canada, Ireland, Netherlands, Sweden and United Kingdom, have written to the UN Humanitarian about a planned pilot for support to the UN humanitarian effort in DRC in 2006. A copy of that letter is attached.

2. The DRC Pilot follows the same principle as that in Sudan. The overall purpose is to improve the humanitarian outcomes and well-being of people in DRC and improve the effectiveness and impact of donor funding. This will be done by enabling the UN Humanitarian Coordinator (HC) to allocate funding in a timely way, in order to help meet the most urgent unmet humanitarian needs. The HC can use the position to take an overview of the humanitarian situation, in consultation with the UN country team, put that together with information about the areas expected to be covered by other donors, and thus draw conclusions about priorities for utilising the available resources.

3. The letter outlines some of the key elements for pooled funding in DRC, which include: that early funding should be made available to the UN Humanitarian Coordinator by participating donors through contributions to a common UN account; and that the support is for humanitarian programmes of the Consolidated Appeal (CAP), but is otherwise non-earmarked; while the contracting of the operational agencies should be undertaken through the UN system.

4. During a visit to London in June 2005, Ross Mountain agreed with DFID representatives that it would be a good idea if the Development Initiatives (Judith Randel) study of Sudan were to be extended to include a visit to DRC. The Consultancy should use the same methodology used to look at systems in Sudan when pursuing the Mission objectives for DRC (which in substance are the same as those for Sudan), that is:

Scope of assignment

5. The assignment has three main objectives:

- to identify the conditions under which a consensus with key UN partners and donors can be reached on the establishment of a multi donor fund for the humanitarian elements of the 2006 UN DRC Consolidated Appeal and the impact of establishing the fund on the strength HC and the humanitarian response.
- **If such conditions leading to a consensus are identified**, to outline how a multi-donor fund, managed by the HC, can be set up in DRC in the short term.
- To work with the UN team to identify ways in which such a fund could best meet equity and rapid response goals, as well as identifying and filling strategic gaps in provision of humanitarian goods and services. As such, it will be important to identify ways in which the management of such a pool:

- relates to existing humanitarian processes and funding mechanisms, including the CHAP, CAP, Flash Appeals, HAG and Emergency Humanitarian Intervention pots;
- allows it to be utilised to meet urgent humanitarian need across whole territory of DRC

DRC Mission

6. It is important that the consultant meets a good cross section of those involved in the provision of humanitarian support, including NGOs, donors and relevant UN staff.

7. The consultant should consider offering to do a presentation to the key actors in the humanitarian community at the outset of the mission, if this can be arranged, which could reflect on some of the Sudan experience/process.

Reporting requirements

8. Within two weeks of the end of the field mission the consultant will produce and present a draft report of no more than 10 pages, plus annexes including 1 page executive summary covering for comment, within two weeks. Following comments revised version for review by DFID one week later, providing for a potential third draft drawing on comments of wider group of stakeholders:

- Key operational requirements of the fund, including decision-making processes, minimum level of commitment by the fund, monitoring and reporting arrangements;
- Additional needs for UNHCR's office for managing the fund;
- Process for establishing the fund;
- Recommendations as to monitor the success of the pilot and draw lessons learned from it;
- Annex of notable concerns raised by interlocutors.

Contact Points

Ivan Parks, Deputy Programme Manager, Sudan Unit, has responsibility for oversight of the overall assignment.

Bill Kilby, Programme Manager, DRC in DFID London is responsibility for oversight of the DRC element, together with Ros Cooper, Policy Adviser in DFID Kinshasa

Research Team

The research will be led and managed by Judith Randel and undertaken by a Development Initiatives team of Tasneem Mowjee, Tony German and Judith Randel. The work in DRC will be done by Tasneem Mowjee.

Great Lakes and Horn Department
DFID
1 Palace St, London



18 October 2005

Dear Jahal,

As part of our agreed follow-up on the proposed Good Humanitarian Donorship Fund for the DRC, we have completed due diligence on the length of time required to disburse monies channeled through the Fund.

Based on consultations with OCHA and UNDP, we are able to confirm that OCHA will take up to ten days to clear funds in cases where the agency or NGO already has a financial partnership with OCHA and up to twenty days when agency or NGO does not yet have a financial partnership with OCHA. UNDP, with a fully dedicated staff person, will take only three days to clear funds.

Since rapid disbursement of funds is one of highest priorities for this initiative, the best option is to use UNDP to disburse funds and for financial oversight.

Sensitive to some of the concerns that have been raised in the Humanitarian Advocacy Group, we wish to stress that UNDP will in no way be involved in any other aspect of Fund management, including the selection of projects and programmes, nor will it be involved in the Rapid Response Mechanism. UNDP has also confirmed that it will recruit a full-time staff person to be responsible for the Fund's financial oversight.

I have every confidence that this arrangement is in the best interests of the Fund and will be advising DFID and Tasneem Mowjee of this decision. I would ask that OCHA work directly with donors who may have misunderstood the basis of the suggested arrangement so that we may move forward with this important initiative.

Sincerely yours,

Ross Mountain
Humanitarian Coordinator

Mr. Jahal de Meritens
Chief of Office for the Coordination
of Humanitarian Affairs
Kinshasa