Ukraine Local Pooled Fund

Background

In November 2022, a <u>Disasters Emergency Committee (DEC) commissioned report</u> on local humanitarian action in Ukraine highlighted that less than 1% of humanitarian contributions were transferred directly to local and national non-governmental organisations (NGOs) in Ukraine. The DEC Members, many of them Start Network Members, specifically wanted to explore the recommendation to establish a new pooled fund accessible to local and national actors, with more accessible, and tiered, due diligence requirements in Ukraine. The DEC has seed-funded a project to resource this recommendation, and and for Start Network to develop a local pooled fund, with National Network of Local Philanthropy Development (NNLPD), a Start Network Member which has been identified to host the fund. A secretariat team, within NNLPD, will have day-to-day responsibility for the implementation of the initiative. The purpose of this fund is to increase the amount of humanitarian funding to local and national actors, resulting in locally led humanitarian action reaching people in need.

A co-design workshop took place over 17th and 22nd January, with 70 participants representing diverse local and national NGOs from across Ukraine. Over the course of the workshop sessions, participants identified priorities for humanitarian action, and designed processes for fund disbursement. A focus group discussion on 26th January, consisting of 10 participants out of those who had attended the workshop, validated recommendations from the workshop and enabled the completion of the design of the fund. This document outlines the outcome of these discussions, of which significant outcome is the recommendation that the fund is disbursed through two parallel mechanisms:

a. Rapid response mechanism: Funding is disbursed rapidly after, or in anticipation of, an emergency event, to finance 30-day responses.

b. Regular fund disbursements: Funds are released each month at set times, to finance proposals submitted during 14-day windows. These funds will finance 90-day projects addressing ongoing humanitarian need, in recognition of the protracted nature of crisis across Ukraine.

The fund will demonstrate full real-time transparency in its decision-making. Notifications of activations and a minutes of decision-making meetings will be communicated with all relevant stakeholders (organisations eligible to access the fund, donor organisations, interested partner organisations) via email in addition to informal coordination channels.

A handbook will be published in due course, which will provide further details on access to the fund, including proposal templates, reporting requirements, and allowed and disallowed costs.

Eligibility to access the fund

Local and national Ukrainian non-governmental organisations will be invited to submit applications to join the fund. The applications will be reviewed by a committee of decision-makers, and selected organisations will undergo due diligence. Once due diligence assessments are complete, the selected organisations will be eligible to access the fund. Initially, a small number of organisations will be selected. As the fund grows, it is expected that more organisations will be able to join.

The application form is expected to be shared in the middle of February on the following channels alongside other information such as selection criteria, and a deadline for application submission. The selection process may take up to a month.

https://www.instagram.com/philanthropy.com.ua?igsh=ampyeW05OG10NGN3
https://www.facebook.com/filantropy.ua
https://philanthropy.com.ua

Rapid response mechanism

1. **Activation** The rapid response mechanism can be activated in the event of a new emergency (within the context of the wider, protracted crisis). In order to arrive at a shared understanding of the term "emergency" in relation to the rapid response mechanism, the following was collaboratively defined:
The occurrence of an unexpected (for the majority of those impacted) event, with some of the following critical consequences/features (noting that this is not an exhaustive list):

- Destruction of infrastructure (hospitals, schools, roads, bridges)
- Sudden loss of access to basic needs (food, water, healthcare)
- Environmental disaster (e.g. destruction of oil refineries)
- Epidemics
- Food insecurity crisis
- Sudden loss of communications with local authorities
- Human rights violations
- Lack of protection from extreme cold

2. **Notification to secretariat** All agencies eligible to access the fund, and other actors (such as partner organisations) will be added to a coordination forum created on Telegram. In the event of a new emergency, any actor aware of the event will notify the coordination forum of the event.

3. **Verification**:
The secretariat will verify the event using third-party data, expected to be available on Telegram and Facebook channels of trusted sources such as news agencies and local authorities. If the event is too small-scale to have been publicised through such channels, two separate organisations with presence close to the crisis context will be requested to verify the event, by sharing photographs and relevant details.

4. **Notification of activation:**
The secretariat will send an email notification to all relevant stakeholders (all organisations eligible to access the fund, partner organisations, donor organisations), announcing that the mechanism has been activated, and inviting all organisations operational close to the crisis to submit proposals to respond, and the proposal deadline. The proposal deadline will be 36 hours after the formal announcement via email.

5. **Hours of operation:**
While informal communication and coordination can take place any time, the mechanism will formally operate between 0800 and 2300. Formal notifications will be sent, and decision-making meetings will take place, between these hours.

6. **Decision-making process** A roster of decision-makers will be developed and maintained by the fund secretariat. Following activation of the mechanism, the secretariat will schedule a decision-making meeting for 24 hours after the proposal deadline. Three decision-makers will be required for quorum. The decision-making committee will therefore have 24 hours to review any submitted proposals against a proposal evaluation framework, and share reflections during the meeting. A member of the secretariat will join in order to ensure a fair and robust review, and to take minutes. Each proposal will be reviewed by two decision-makers.

7. Decision-making criteria: Current Start Fund decision-making criteria will be trialled for reviewing proposals. These have been slightly adapted for this fund (see Annex).

8. **Profile of decision-makers:** The roster of decision-makers will be developed based on the following considerations:
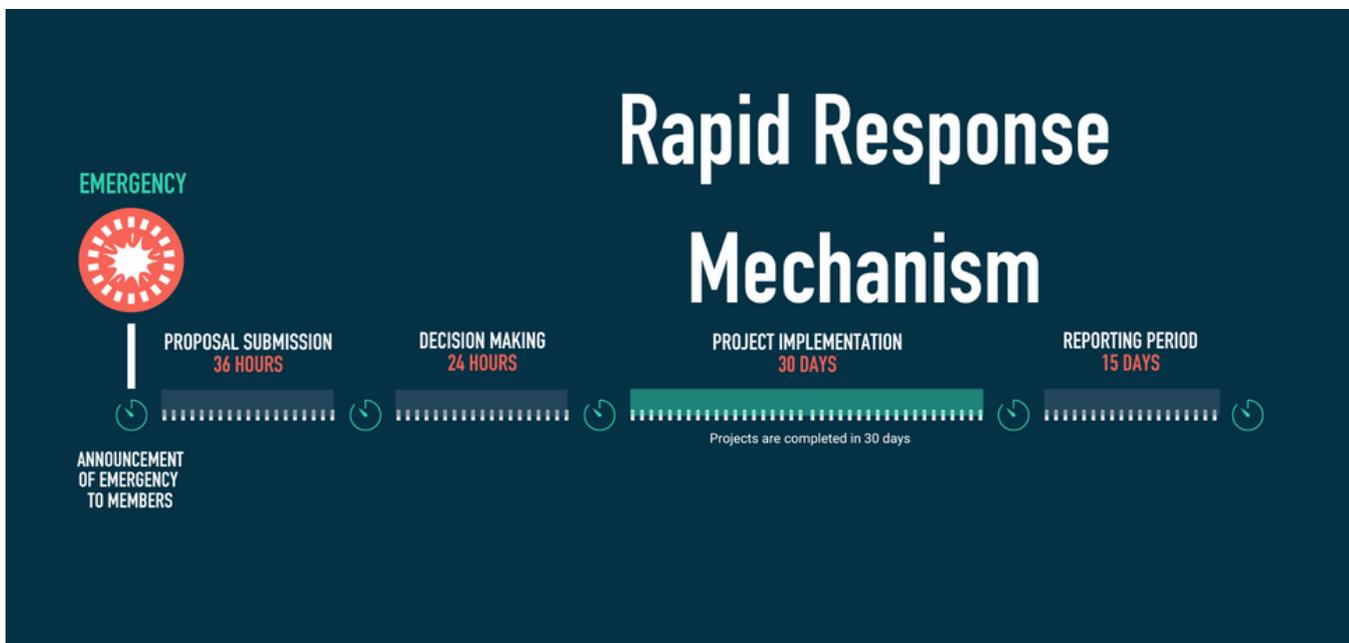
- The roster must have cross regional representation, and when a decision-making committee is convened, the individuals selected to take part in the meeting should be as close to the crisis context as possible.
- Decision-makers must have at least two years' experience working in humanitarian programmes.
- Decision-makers should ideally be part of the local humanitarian coordination architecture
- There should not be reputational concerns regarding any individuals (e.g. affiliation with political parties)

In addition, the secretariat will ensure that individuals representing organisations planning to submit a proposal for funding do not take part in the committee.

In the immediate aftermath of a new emergency, there may not be information available in the public domain around restrictions on accessing the crisis-affected location, and the emergency state services' current and planned activities. A representative from the local emergency state services will therefore be invited to join the meeting in an advisory capacity, for a short period of time, to add relevant information. The representative will be requested to leave the meeting before the proposal review discussion begins.

9. **Project implementation and reporting**: Following project award, implementation will begin immediately, and project activities must be completed within 30 days. Following project completion, awarded agencies will submit a report within 15 days
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10. Award threshold: A maximum amount of 950,000 UAH (20,000 GBP) can be awarded for proposals submitted under the rapid response mechanism, but the committee will have delegated authority to exceed this threshold up to 1,900,000 UAH (40,000 GBP) in exceptional circumstances.

Regular fund disbursement

An 'open call for proposals' mechanism disbursing regular, predictable funding to meet ongoing humanitarian need will complement the rapid response mechanism.
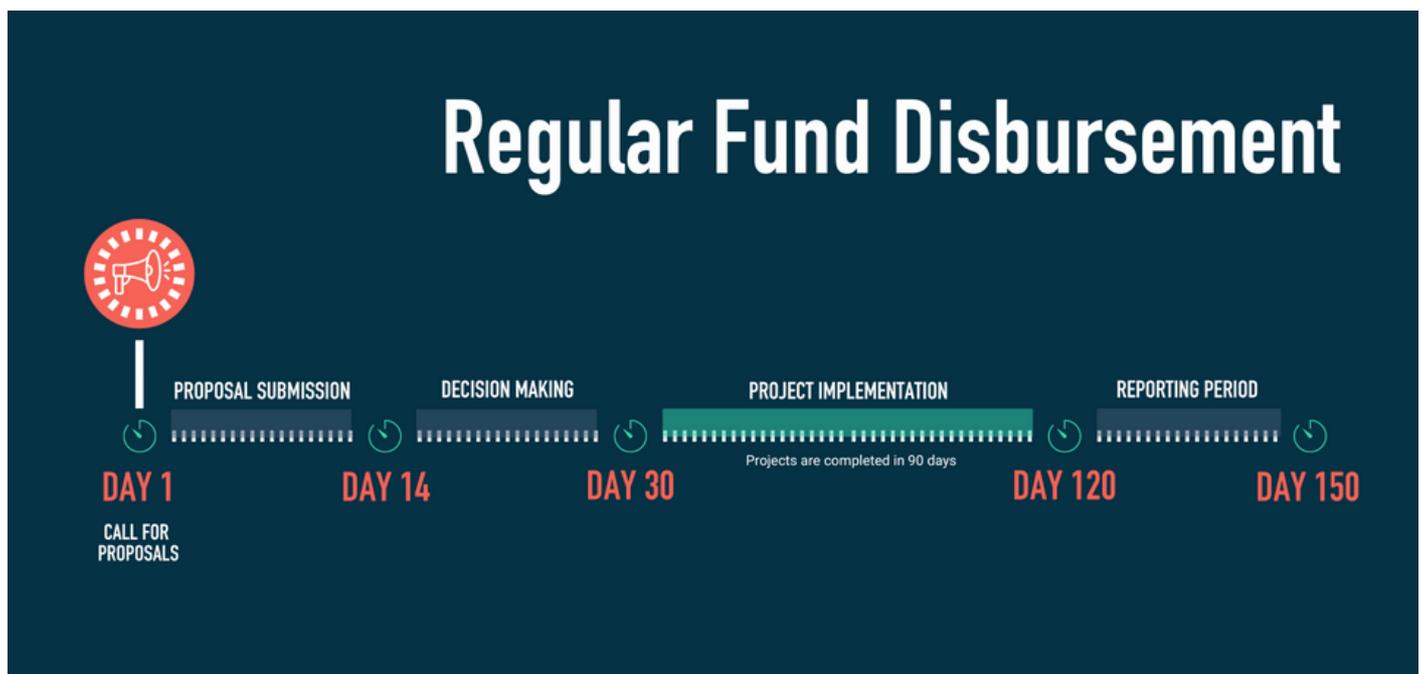
1. Application window Each month, proposals can be submitted within a 14-day window (exact dates to be determined). The secretariat will send a reminder each month to eligible organisations, of these dates. Proposals submitted during this window will be send to decision-makers after the deadline.

2. Decision-making process: Ten days after each proposal submission deadline, a proposal evaluation committee of five experts will convene and make award decisions. During the meeting, a member of the secretariat will join in order to ensure a fair and robust discussion and to take minutes.

3. Decision-making criteria: As with proposals submitted through the rapid response mechanism, current Start Fund decision-making criteria will be trialled for reviewing proposals. These have been slightly adapted for this fund (see Annex).

4. Profile of decision-makers: Decision-makers will be drawn from the same roster as that developed for the rapid response mechanism. And similarly, the secretariat should ensure that each proposal evaluation committee excludes individuals representing organisations which have submitted a proposal for review.

5. Award threshold: A maximum of 2,300,000 UAH (50,000 GBP) can be awarded per project.

Other activities

Beyond access to humanitarian financing, workshop participants expressed a desire for there to be regular learning sharing, and for financing of relevant research (e.g. on topics such as integration of internally displaced people, reintegration of veterans, psychological impacts of conflict) and capacity-strengthening. A lack of access to administrative and adequate operational costs had been highlighted as a general problem faced by many local actors. The secretariat will provide training on incorporating operational and overhead costs into proposal budgets. It is expected that resource mobilisation efforts will be made to secure funding for learning, research and capacity strengthening.

Annex: Proposed Project Selection Criteria

Relevance

[For emergency assistance] The project meets immediate life-saving needs and protects livelihoods and/or is filling gaps whether these are financial, geographical, sectoral or gaps in time

[For anticipatory projects] The intervention is based on an assessment and forecast impact of the anticipated crisis.

[**For early recovery]** The intervention restores capacity to recover from crisis, and strengthens resilience to further impacts

The intervention is based on an assessment and identifies and meets priority needs of the affected communities, including the most vulnerable of those affected by the crisis, such as women and girls, children, or people with disabilities

The intervention is technically sound and based on relevant standards (e.g. SPHERE, CHS, etc) and/or locally agreed cluster guidelines and follows a do-no harm approach

Value for Money

The proposal evidences reasonable value for money, considering speed, cost, quantity and quality of the items and activities proposed

Procurement of items is appropriate to the context

There is an appropriate split between the implementation and operations budget, considering the local context

[For anticipatory projects] The intervention enhances at-risk communities' capacity to mitigate the impact, risks and potential losses of the anticipated crisis.

Effectiveness

Proposed activities are appropriate, can be commenced swiftly and completed in the required time.

The proposal demonstrates contextually appropriate integration and coordination in the humanitarian relief effort (e.g. cluster, NDMA etc)

The proposal demonstrates a locally led approach by working/partnering with local communities / other local organisations for the implementation of the project

The organisation and/or their consortium partner(s) have the capacity to implement the project and has a presence in the affected area

[For anticipatory projects] The project prioritises where possible anticipatory activities, that aim to prevent or mitigate impacts (see here for other relevant activity types).

Accountability

The proposal describes how information will be shared with communities, highlighting what types of information will be shared, and different ways of information sharing

The proposal describes opportunities throughout the project life cycle for communities, including vulnerable groups, such as women and girls, children and people with disabilities, to actively participate and take part in decision-making

The proposal describes how the feedback and complaints mechanisms are both pro-active and reactive, safe, and accessible to vulnerable groups, especially women and girls, children, people with disabilities, etc.

Additional criteria

[*Context-specific criteria for consideration*]

The project demonstrates adequate awareness of possible risks (including safeguarding risks) and has plans in place to mitigate these risks