

April 2021

The paper intends to clarify the Vision and the general direction for priorities of the Ethiopia Humanitarian Fund (EHF). It aims to provide guidance on the principles of engagement and programmatic focus of the EHF to eligible implementing partners, the Advisory and Review Board members, and cluster/sector representatives.

The Strategy or Vision Paper will be closely monitored by the Humanitarian Coordinator (HC) and be revisited every 12 months by the EHF Advisory Board. The Strategy/Vision Paper is an accompanying document that should be read in the context of the EHF Operational Manual.

## **I. Context**

Humanitarian financing is one of the core functions of OCHA. Established in 2006, the EHF is a Country Based Pooled Fund (CBPF) instrumental in delivering OCHA's mandate to mobilize and coordinate effective and principled humanitarian action in partnership with national and international actors.

The EHF is managed by the HC with the operational support of OCHA. The EHF is one of the principal sources of humanitarian financing in Ethiopia, contributing, on average, 10 to 12 per cent of the total non-food funding received against needs articulated in the Humanitarian Response Plan (HRP), supporting life-saving projects for the most vulnerable communities.

The EHF is designed to respond to disasters triggered by natural hazards, such as floods, droughts and outbreaks of diseases, as well as to situations of complex conflict-related crises. It facilitates rapid humanitarian responses in the event of slow or sudden-onset disasters to save lives or protect threatened livelihoods to needs identified in the HRP and its Mid-Year Review (MYR).

## **II. Rationale/ Vision of the EHF**

The EHF primarily focuses on life-saving, critical, and short-term humanitarian needs response and works to establish linkages with development projects. The EHF is not intended to respond to chronic problems that could be better addressed through development funding channels.

The EHF, however, without losing its primary focus on life-saving projects, remains open to support Nexus/Disaster Risk Management (DRM) efforts including 'preparedness', 'mitigation' and initial steps towards rehabilitation/resilience building on case-by-case/contextual basis, depending on project value, plausibility, cost effectiveness and availability of sufficient resources as well as the contribution to emergency alleviation.

The Fund strives to be agile, remaining flexible in responding to emerging situations. The EHF continues to adjust, as required, the systems and processes to ensure its responsiveness with the changing context. The volatile humanitarian context in the last few years, due to increased incidence of complex inter-communal and/or inter-ethnic conflicts, required a shift in focus, expertise and approach.

It also explores opportunities to create structured linkages and / or initiate possibilities for parallel support systems with other funding mechanisms ensuring synergy and coordination of in-country humanitarian response to achieve the greatest impact.

## **III. Objectives of the EHF**

The EHF supports the delivery of humanitarian response identified under the HRP and supporting cluster strategies, while retaining the flexibility to allocate funds to unforeseen events. The EHF reinforces the leadership and coordination role of the HC by driving funding to needs-based priority sectors and geographic areas. It also promotes an inclusive approach by working with a variety of partners in a complex operational environment. The EHF has the following main objectives:

- i. Support timely, flexible and effective humanitarian financing.
- ii. Promote needs-based assistance in accordance to humanitarian principles.
- iii. Strengthen coordination and leadership primarily through the function of the HC and the cluster system.
- iv. Improve the relevance and coherence of humanitarian response by strategically funding priorities as identified under the HRP and emerging unforeseen needs.
- v. Improve partnerships between UN & non-UN actors.
- vi. Act as a catalyst to improve the overall humanitarian system.

#### **IV. Principles of engagement of the EHF**

The EHF is guided by the fundamental humanitarian principles of humanity, impartiality, neutrality and, independence.

In addition to the fundamental humanitarian principles that guide CBPFs and all humanitarian actions, the EHF is grounded in the following five specific principles that underpin its functioning.

- **Inclusiveness:** A broad range of humanitarian partner organizations (UN agencies and NGOs) participate in EHF processes and receive funding to implement projects addressing identified priority needs.
- **Flexibility:** The programmatic focus and funding priorities of the EHF is set at the country level and may shift. The EHF adapts rapidly to changing priorities and allow humanitarian partners to identify appropriate solutions to address humanitarian needs in the most effective way.
- **Timeliness:** The EHF allocates funds and save lives as humanitarian needs emerge or escalate.
- **Efficiency:** Management of all processes related to the EHF enables timely and strategic responses to identified humanitarian needs. The EHF employs effective disbursement mechanisms, minimizing transaction costs, while operating in a transparent and accountable manner.
- **Accountability & risk management:** The EHF is managed responsibly and according to established guidelines; and ultimately, achieving its main objectives. Allocations are monitored, and funds go to partners with capacity and receive oversight and assurances.

#### **V. Allocation**

The Fund **has two windows** for allocating funds - Standard Allocation and Reserve Allocation. Standard Allocations support humanitarian priorities and funding gaps identified and agreed by the Inter-cluster coordination forum in the context of the HRP and the MYR. Reserve Allocations assist in funding emerging and unforeseen humanitarian needs within and/or outside of the HRP.

The EHF, depending on fund availability, aspires to organize a minimum of two Standard and one Reserve allocations in a given year, following the launch of the HRP and its mid-year review, and to address any developing needs in between the appeals.

Through its allocations, the Fund prioritizes funding International and National NGOs, and to the United Nations agencies only in circumstances where they add value such as logistics, coordination and procurement.

The maximum allowable grant amount will be determined and disbursed in tranches based on project duration, partner capacity and risk levels as outlined in the EHF operation manual.

*Expectation 2021 – funds allowing there will be 2 standard allocations and up to three reserve allocations due to rapidly changing needs and the requirement for rapid adjustment.*

#### **VI. Engagement with Sectors**

The generic approach of the EHF to sectoral programming is aligned with international standards and country level strategies/ policies as supported by the sectors in the context of the HRPs and MYR. The major areas of intervention supported by the EHF include water and sanitation, health, nutrition, education, emergency shelter and NFIs, agriculture, protection and coordination. The generic approach of the EHF to sectoral programming is aligned with international standards and country level strategies/ policies. The projects should have a “light touch” methodology, employing the minimum required support to existing government approaches/ structures considering sustainability.

To maximize the impact of the highly limited resources available, the EHF is increasingly engaging with integrated response, targeting the most vulnerable communities with multi-sector response. Through the identification of Convergence Areas, woredas with multiple cluster priorities, will be prioritized with the humanitarian community bringing a more robust response and hence contributing to improved living conditions of targeted communities.

Aligned to the global guidance on Cash Transfer Programming (CTP), the EHF applies cash as a prioritized response modality, while adhering to in-country sectoral/Cash Working Group (CWG) and government regulations on CTP. Additionally, the EHF supports CTP as long as the globally set minimum requirements are met relating to partner performance and experience in CTP, cash feasibility (market assessment), availability of clearly detailed cash distribution processes, and the existence of post distribution monitoring (PDM) mechanism. The Fund also advocates the use of other cash transfer mechanism options including cash in-hand, vouchers, and mobile phone payments.

In the event of a serious **refugee** crisis/influx, the EHF engages to provide seed money to projects supported by the Office of the *United Nations High Commissioner for Refugees* (UNHCR) which are in line with its strategic goals to kick start the response. UNHCR is the agency coordinating the response to refugee situations in the country. The EHF does not engage in “care and stabilization” of refugee camps.

The EHF does not support general or blanket distribution of food rations since the needs in this sector are huge that the Fund could be absorbed without noticeable additional impact on the situation.

## **VII. Localization**

The EHF is increasingly committed to ensure inclusive partnership and strong engagement of all humanitarian actors involved in response, including NGO partners which are critical to effective humanitarian response. Understanding the comparative advantage of national and local actors, the EHF is committed to support the meaningful and coordinated engagement of NNGOs in humanitarian operations. This tenet is translated into action by expanding the NNGOs’ partner base and supporting enhance their operational and financial capacity through various approaches including representation, participation, coaching and resource allocation. The EHF is particularly keen to partner with prominent Women-Lead NNGOs and NNGOs whose focus is on the under-served members of the community (women, girls, people with disabilities, the elderly). Implementing partners are encouraged to establish/ use existing partnerships with NNGOs to ensure continued delivery of services given the current movement restrictions.

Allocation decisions will be guided by sub-national cluster input to the extent feasible and considering the strength of such structures in place.

*Expectation 2021 – The pool of direct partner eligible NNGOs will be increased from nine partners to 12.*

- *Standard allocations will explicitly encourage NNGO participation*

## **VIII. Under-funded sectors – Four strategic steers**

The ERC’s Four Priority Areas for Humanitarian Financing are support for women and girls, including tackling gender-based violence, reproductive health and empowerment; programmes targeting disabled people; education in protracted crises; and other aspects of protection.

The EHF recognizes that these areas are under-funded and lack appropriate consideration and visibility when funding is allocated to humanitarian action. The steers are mainly about good programming and the EHF continues to promote their consideration and implementation throughout the programme cycle, starting from needs assessments to response. Practically, the EHF includes these under-funded sectors as part of the main principles of prioritization in the Allocation Strategy Documents.

*Expectation 2021 – Standard allocations will include an amount for at least 2 of the strategic steer activities.*

- *Project monitoring for protection activities will be enhanced. The Advisory Board will be approached to support a budget amendment that will include an additional field monitor with an explicit protection role.*
- *Projects with cross cutting elements will include indicators to support measurement of progress.*

## **IX. Monitoring**

The EHF undertakes a 'risk-based' monitoring approach, where projects are prioritized for monitoring based on risk level assigned to implementing partners, duration of the projects and the project budget. Accordingly, all projects implemented by high risk partners are prioritized for monitoring. Projects implemented by medium and low risk partners prioritized according to duration and size of the project budget. In situations where physical access of projects is not possible, the EHF implements Remote Call Monitoring (RCM).

*Expectation 2021: EHF plans to monitor 100 per cent of the high and medium risk projects through a hybrid approach of physical and remote call monitoring.*

## **X. Conflict Sensitivity**

Over the last few years, conflict has been a significant driver of humanitarian needs in Ethiopia, and continues to fuel a growing protection crisis. Both inter-communal violence and violence by armed groups has been reported in different regions, causing large scale displacements. With general elections planned for June 2021, based on trends from previous elections and recent incidents, there is increased risk that tensions may lead to more intercommunal conflict, additional displacement and other protection-related concerns. Accordingly, the EHF will ensure that consideration of conflict and 'do no harm' approach will be required of supported projects.

*Expectation: All allocation documents will include the requirement of consideration of the risk of conflict among other risk management issues. Only projects that are designed with 'do no harm' approach will be supported.*

## **XI. AAP**

In addition to the existing assurance mechanisms and overall accountability framework, the EHF provided due consideration for accountability to affected population (AAP) to ensure clear communication about EHF projects, the donor, targeting criteria and entitlements. The EHF requires implementing partners to establish and maintain beneficiary compliant mechanisms to receive feedback about their response. One of the critical evaluation areas in conducting capacity assessment of candidate partners (INGOs/NNGOs) is the existence and practice of strong AAP mechanisms, including community engagement and meaningful participation in all stages of the project cycle. In addition, feedback/complaint reporting platform also exists for the EHF stakeholders that is managed by the senior leadership of OCHA country office: [feedback-ehf@un.org](mailto:feedback-ehf@un.org)

*Expectation 2021 – AAP will continue to form part of the EHF capacity assessment, application review and monitoring processes.*

## **XII. Protection from Sexual Exploitation and Abuse (PSEA)**

Noting the increasing trend of sexual exploitation and abuse in the country following growing incidences of conflict, social unrest and the lockdown effects of COVID-19, the EHF, in collaboration with existing PSEA mechanisms in-country, is committed to uphold PSEA in different fronts. These include ensuring partners' awareness and compliance to associated articles in the EHF Grant Agreement documents, safeguarding the existence of PSEA policies and codes of conduct as key compliance references during capacity assessment and financial spot checks of prospective/applicant organizations. The EHF further encourages implementing partner engagement in interagency PSEA mechanisms for coordinated and collaborative approach.

*Expectation 2021 – EHF will continue to advocate for increased considerations of protection through support to standalone and/or inclusion of indicators in its programming.*

## **XIII. Complementarity with CERF**

The EHF and the Central Emergency Response Fund (CERF) allocations, including the Anticipatory Action funds, operate in tandem to ensure complementarity and coherence in many ways including using similar processes in identifying needs and priorities, and strategic use of the funds according to their respective comparative advantages.

Recognizing and building on the respective comparative advantages of each funding mechanism, and their unique added value, it has been locally organized for the EHF to prioritize funding to NGOs as the CERF can only be accessed by the United Nations agencies.

*Expectation 2021 – EHF will continue to consider CERF grants in order to ensure maximum appropriate synergy.*

**XIV. Incident / Fraud Management**

The EHF recognizes that at any stage of a project cycle, an adverse incident may happen that may affect project supplies or material or the implementing partners' ability to account for the use of certain funds or goods. These incidents include (but are not limited to) theft by third parties, diversion of humanitarian assistance by a third party (for example, a third-party actor diverts aid at a roadblock), the looting of offices or warehouses belonging to the IP, damage to IP property, or the loss of documents. When an incident in an implementing partner's operation occurs that results in a loss of funds or goods to Implementing Partners (IPs), this must be reported to EHF for the purposes of ensuring oversight of funding entrusted to OCHA. The incident reports (formal available) provide important information for accountability of IPs as well as recommendations and analysis to prevent foreseeable events from recurring. The IP should inform the EHF in writing as soon as the incident has occurred, after which the incident report and supporting documents should be submitted within 30 days.

*Expectation 2021 – EHF will ensure the identification and follow up of incidents in compliance with SoP. EHF continues the practice of sharing incidents with Advisory Board members for recommendation.*

**XV. Reference to the Global CBPF Policy Instruction and CBPF Guidelines**

This strategy paper is in line with the Global CBPF Guidelines available at [www.unocha.org/what-we-do/humanitarian-financing/](http://www.unocha.org/what-we-do/humanitarian-financing/).

**XVI. Grant Management System**

The EHF uses an online grant management system (GMS) for project management cycle: <https://gms.unocha.org/>

**XVII. Contact information**

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**XVIII. Review date**

This Strategy/Vision Paper will be reviewed by the Advisory Board no later than 31 December 2021.