LESSONS LEARNED: 
NGO Perspectives on the 2016 Second Standard Allocation of the Iraq Humanitarian Pooled Fund

Following the Second Standard Allocation of the Iraq Humanitarian Pooled Fund (IHPF), the NGO Coordination Committee for Iraq (NCCI) commissioned a study to document lessons learned on behalf of the NGO community in Iraq. The overarching purpose is to enable NGO expertise and know-how, particularly as the first responders and primary operational actors on the ground, to contribute to ongoing discussions to ensure the IHPF is fit for purpose.

Oxfam GB is a co-chair of the NGO Dialogue Platform on Country-based Pooled Funds (CBPFs), alongside OCHA, and the organizations work closely together to identify and track global trends on CBPFs. In its co-chair role, Oxfam GB ensures that issues of critical importance to the NGO community are raised and addressed by OCHA. In this capacity, Oxfam GB agreed to undertake the review on behalf of NCCI, which sought to:

a) Capture the perspectives of all agencies engaging in the IHPF and document any recurring reflections of their experiences in the lead up to and following allocations of IHPF funding;
b) Identify areas of opportunity and concern; and
c) Provide recommendations for ways to strengthen future allocations and the IHPF mechanism overall.

This review operated in parallel to a review led by OCHA in country, which looked to document lessons learned from the Humanitarian Financing Unit’s perspective in Iraq. The rationale for having a separate, NGO-led review was to capture a broader range of experiences with an aim to improve the overall functioning of the fund and enhance humanitarian coordination, transparency, and response to better meet the needs of vulnerable populations in Iraq.

The reviewer conducted 16 one-to-one interviews and five focus group sessions with representatives of the humanitarian community including International NGOs, Local/National NGOs, Clusters, Resident Coordinator/Humanitarian Coordinator, IHPF Advisory Board (AB), OCHA staff (both in Iraq and in New York), UN Agencies and donors. In total, over 38 hours of consultations took place, both in Erbil and remotely.

The primary audience is NGOs in Iraq and key decision-makers and managers of the IHPF, including the HC, AB, Clusters and donors. Additionally, the 'lessons learned' will contribute to the NGO Dialogue Platform on CBPFs.
Executive Summary

Iraq Humanitarian Pooled Fund is a cornerstone of humanitarian response in Iraq

The Iraq Humanitarian Pooled Fund (IHPF) is one of the key financing mechanisms available to frontline responders trying to reach an estimated 10 million people in need of humanitarian assistance with critical relief services. Under the stewardship of the Humanitarian Coordinator (HC), it serves as a key opportunity for donors to channel resources to partners in support of areas of greatest need.

2016 IHPF Allocations

In 2016, the IHPF received the second largest dollar value amount in contributions across all other country-based pooled funds (CBPFs). Two standard allocations and a handful of reserve allocations were made from the IHPF to fund humanitarian programs based on the Humanitarian Response Plan and other key planning frameworks developed and agreed to by the humanitarian community.

With the impending launch of military operations for Mosul City and relatively low funding for the Mosul Flash Appeal, the IHPF issued one reserve and one standard allocation, both of which predominantly focused on preparedness. The reserve allocation provided $4.26 million to four UN agencies (WHO, UNFPA, UNICEF, and WFP) to support preparedness for Mosul City emergency response, specifically supply chain and prepositioning of stock. The Second Standard Allocation – which was issued, rescinded, revised and reissued as Clusters and Non-Governmental Organizations (NGOs) collectively raised serious concerns regarding the lack of guidance in the first strategy paper and prohibitively short timelines – provided US$49.9 million to 45 partners. (See Table One)

Table One: Second Standard Allocation distribution of funds

<table>
<thead>
<tr>
<th>Type</th>
<th>Funding Received</th>
<th>Percentage against Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red Cross</td>
<td>$953,031</td>
<td>2%</td>
</tr>
<tr>
<td>NNGO</td>
<td>$5,611,056</td>
<td>11%</td>
</tr>
<tr>
<td>INGO</td>
<td>$20,459,827</td>
<td>41%</td>
</tr>
<tr>
<td>UN</td>
<td>$22,897,936</td>
<td>46%</td>
</tr>
<tr>
<td><strong>Total Contribution:</strong></td>
<td><strong>$49,921,651</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: OCHA Grant Management System (as of January 2017)

NGO partners of the IHPF overwhelmingly expressed frustration with the Second Standard Allocation process, reflecting that it was not clear, disorganized and unfair. Key challenges identified include: short and shifting timelines; conflicting and changing programmatic advice; too heavy and confused technical advice; and lack of transparency in decision-making, from strategy-setting to selection of partners and projects.

Additionally, NGOs held the perception that UN Agencies received the lion’s share of funding from the IHPF and conveyed the perspective that was not fair for UN Agencies which received funding during the reserve allocation to be able to compete with NGOs in the Second Standard Allocation. While this perception might have been colored by bilaterally funding received, the trends for distribution of IHPF funds support the

---

1 2016 HRP
2 AB Meeting – Minutes, 7 September 2016
3 OCHA’s Grants Management System
supposition. (See Table Two) NGOs questioned not only the equitability of fund distribution but also efficiency of channelling significant funding via the UN Agencies which often rely upon sub-contracting NGOs for implementation.

**Table Two: Second Standard Allocation distribution of funds trends**

- Of the **largest five grant distributions, all went to the UN**: $6.4m (WHO); $6.2m (UNFPA); $4.3m (UNHCR); and $2.7m (UN-HABITAT).
- **13 Local/National NGOs** accessed the fund receiving an average grant of $431,620 with a range of $174,835 to $908,476.
- **26 International NGOs** accessed the fund receiving an average grant of $786,909; however the range in size varied from $150,000 to $2,311,782.
- **Six UN agencies** accessed the fund, receiving an average grant size of $3,816,323 with a range of $1,000,000 to $5,400,000.¹
- **When data is combined for both the reserve allocation and Second Standard Allocation, six UN agencies** received funding with an average grant size of $4,526,121 ranging from $1,000,000 to $6,400,000.

**Collapsed timelines during the 2016 Second Standard Allocation exposed systemic challenges**

The timelines were expedited and consolidated as humanitarians prepared for the scenario that "Mosul would be happening any minute". Ultimately, the process was extremely rapid, with the country team processing 72 projects in thirty days. Yet, this approach exacerbated existing weaknesses, including: an under-resourced and under-empowered Humanitarian Financing Unit (HFU); gaps in systems to facilitate funding for preparedness activities as well as multi-cluster/-sector projects; limited knowledge of CBPF policies and procedures and accountability for roles and responsibilities by key stakeholders, including the Advisory Board (AB), OCHA, Inter-Cluster Coordination Group (ICCG)/Clusters and partners; and inequitable access to information.

**OCHA’s Humanitarian Financing Unit and Grants Management System**

The HFU faced a number of challenges with regards to staffing throughout 2016. The speed at which the fund grew contributed to a need to rapidly scale up. Most NGOs expressed high levels of frustration with lack of accessibility of team members and communications problems despite valuing individual staff. Surge staff brought in to support the Second Standard Allocation process had limited knowledge about procedures/policies unique to the IHPF and applied their own fund criteria while vetting and providing feedback to partners on proposals. The lack of consistency applied during the budget review stage, including for bank charges and BOQs, resulted in a high number of transactions – increasing the workload for both the HFU and partners as multiple changes were required to finalize budgets – and contributed to the perception that allocations under the Second Standard Allocation process were not equitable across partners.

The Grants Management System (GMS) remains challenging for end users. The commenting/review mechanism for feedback was poor. No automatic alerts were provided when new documents or information was made available. Partners also struggled to find information, such as contracts. Amending projects on the platform is difficult and happened frequently for partners during the Second Standard Allocation. Many local organizations faced challenges with accessing and using systems/technology for the IHPF, such as the GMS.
Additionally, the GMS is prohibitive in dealing with preparedness and multi-cluster/-sector projects. The inclusion of multi-sectoral activities was not clarified across clusters and submissions did not link properly in the GMS. There was no guidance developed to enable joint vetting of interdependent project proposals, leaving partners to harmonize comments received by different Clusters or to reconcile acceptance by one and rejection by another. No preparedness indicators existed in the GMS platform.

**Focus on preparedness**

Limited understanding, guidance, and system requirements exist to support the use of pooled funds for preparedness activities. While there is ample literature on the benefits of investing in preparedness for environmentally-induced disasters, the literature is relatively slim on early action in fragile and conflict-affected states. As preparedness was not understood by many partners, NGOs were either rendered effectively unable to participate or reliant upon the interpretation and range of guidance provided by each Cluster Coordinator. Inconsistency across the Clusters in defining what constituted a preparedness activity, if response activities should be included and how long activities should last, increased the challenges facing NGOs in developing projects.

Projects were developed while scenarios remained unclear and the allocation paper did not provide enough flexibility for partners to develop and adjust proposals appropriately in such highly dynamic situation. Therefore, once awards were issued, projects were often rendered inappropriately matched to the needs, as operational realities had shifted due to unanticipated population flows. In addition to the delays in implementation as partners re-programmed to meet the needs, NGOs (and HFU staff and Cluster Coordinators) were required to process multiple amendments, including No Cost Extensions, to ensure programming was suitable to the context.

**Accountability and coordination of key stakeholders**

Pooled funds ultimately rely upon the strong performance and coordination of all of its parts, requiring strong relationships, open dialogue, and joint planning across a range of actors, particularly, the RC/HC, OCHA Head of Office and the HFU team, the AB, ICCG/Clusters and NGOs. The most acute concerns raised during the Second Standard Allocation were regarding the AB's role. Critical issues which should have been flagged by this body prior to sign-off appear not to have been raised, such as the need for elaboration of strategic guidance for preparedness, feasibility of timelines and consolidated processes. Further, engagement with key constituencies seems not to have occurred as there was insufficient time for joint strategizing and debates. A key gap was that outcomes of the decision making process of the AB were not shared or discussed with the Cluster Coordinators or the broader NGO community prior to the release of the Second Standard Allocation paper. As the HFU and ICCG are not members of the AB – the HFU serves a secretariat function and the ICCG does not have a dedicated seat – as outlined in the Global Guidelines minimum standards, the role they might have played to provide advice to the AB regarding strategy development and planning timelines for the Second Standard Allocation was missing. NGO voices were not raised in a coordinated and meaningful way as active partners of the IHPF after the initial strategy paper was revised.

**Access to information**

Generally, there was a perceived lack of transparency and equitability around processes of the IHPF. A pronounced difference was perceived between UN and NGOs' access to information. Participants from different representational bodies, including donors, UN and NGOs, reflected that UN members always...
Lessons Learned:

NGOs seemed to be more informed than NGOs during the AB and other coordination meetings – notably regarding the focus of the conversation, rationale informing decisions and access to key information. UN proposals submitted to the AB were overall more coherent and aligned with the HC and AB vision than proposals submitted by NGOs. Not surprisingly, UN Agencies generally experienced more favorable outcomes in the Second Standard Allocation process, particularly when considering the funds allocated to four UN Agencies via the reserve allocation issued for Mosul preparedness.

Overall, NGOs reflected that agencies and organizations with strong formal networks – such as, the UN Emergency Cell, Iraq Humanitarian Country Team and Inter-Cluster Coordination Group - and informal networks – such as UN Agencies’ proximity to the HC and bilateral funding relationships with donors – had better understanding of the strategic vision, funding thresholds, thematic/sectoral priorities and nuances of geographic areas of interest; thus, these organizations performed better during project selection and, as noted below, this systemic weakness is particularly acute for local organizations

**Local organizations**

Short timetables largely disadvantaged local/national NGOs (L/NNGOs) and, potentially, new partners of the IHPF which did not have sufficient time to go through due diligence process. Many local organizations reflected the need for improved or more elaborated strategic guidance by the Clusters and HFU on how to prepare the proposals. Additionally, NGOs were adversely affected by submission dates which coincided with the Eid Al-Adha holiday as key national staff may not have been available to support the process.

**Timelines were too short to effectively engage the system**

The reduced timeframes precluded substantive dialogue between mandated stakeholders and eroded a sense of joint ownership and the sense that “all humanitarian partners are contributing to a solutions-based dialogue about best ways to meet observed needs”

4 Lack of participatory and consultative engagement of Clusters and NGOs to define the strategy and priorities ahead of the allocation launch was perceived as a weakness. This "complete breakdown in communications" was attributed as causing a lack of mutual understanding, inconsistent advice provided to partners and a high volume of communication later on in the allocation process.

**Gaps in understanding and consistency**

One of the major points of frustration for partners was the extent and number of changes requested to projects that were selected to move forward in the process – common experiences include project intervention site and geographic location changed to areas the partner did not operate in; funding contingent on mandated partnerships between organizations; drastic budget changes—slashes followed by increases; changes to the entire scope of the intervention, notably from procurement to distribution. Any changes to project scope, location, amount, and such, increased the administrative burden on implementing agencies, since all proposal documents needed to be continually updated and reposted to OCHA GMS. The merged strategic and technical review did not effectively speed up the process, as the same number of proposals required comments and feedback, and feedback provided to partners was confusing. Though implementation varied across the clusters, the compressed timeline resulted in significant revision to proposals without sufficient time for consultation with partners. As a result, organizations felt they spent more time reviewing and redeveloping proposals than focusing on implementation and response.

4 CBPF Global Guidelines
Voices of frontline responders muted

The most important concern for NGOs was the perceived balance of power in decision-making and the inability to influence strategic priorities. Typically, the process for developing an allocation paper would be driven from the ground up, with an initial draft prepared by the OCHA HFU to share with Cluster Coordinators in order to consult partners – implementing partners, notably local organizations working closely with communities, then are able to offer valuable insights into operational realities, project performance and relevance of interventions for beneficiaries. The timelines did not allow this consultation, and while opportunities existed to provide feedback, they were described as perfunctory in nature rather than perceived to add value. Yet, NGOs did not proactively seize any and all opportunities to provide their feedback and, therefore, contributed to the quelling of the NGO voice.

Key opportunities to boost overall effectiveness of the IHPF humanitarian

Revision of the IHPF Operational Manual

One critical opportunity for the humanitarian community in Iraq is to conduct a joint review of IHPF processes with agencies directly accessing the fund, including Clusters and NGO community, as part of the anticipated revision the IHPF Operations Manual, ahead of the next allocation. Iraq’s Operational Manual was developed in July 2015. According to its Operational Manual, the IHPF aims to support the timely disbursement of funds to the most critical humanitarian needs as defined by the HRP, while retaining flexibility to allocate funds to unforeseen emergency needs and critical gaps as they emerge. Part of the IHPF Operational Manual includes a Risk Management Framework, which was revised separately and approved by the AB on 11 August 2016. The newly revised framework will form part of the next revision of the manual and provides insight into key potential risks of the fund. NGO reflections in the lessons learned exercise suggest some of the risk levels should be adjusted following experiences with the Second Standard Allocation.

Creative and systematic engagement of local NGOs by international community

In Iraq, there seems ample opportunity for international humanitarian actors to creatively and systematically engage with local and national NGOs with more conscientious planning. The following surmountable barriers to enhanced inclusion of L/NNGOs identified via lessons learned in the Second Standard Allocation are not specific to this allocation: (i) limited awareness and knowledge of pooled fund mechanisms; (ii) limited organizational capacity/staffing to attend meetings, engage in coordination mechanisms and opportunities for informal networking; (iii) inadequate space and support for meaningful dialogue and partnership; and (iv) language and cultural barriers. It’s worth noting that a number of small and medium sized NGOs also flagged the struggle to find adequate time and human resources to participate in coordination meetings, which precluded them from valuing strategic intelligence—such as funding thresholds, thematic or sectoral priorities, and geographic areas of interest—that could have been used to aid in project design and proposal development.

Additionally, new goals set in 2016 for humanitarian and development actors regarding how to achieve localization are applicable, including earmarking 25 percent of humanitarian funding to local and national frontline responders\(^5\) and provision of tailored assistance for L/NNGOs regarding the pre-qualification and capacity assessment process.

---

\(^5\) Grand Bargain
Recommendations

Ensure timelines for IHPF processes enable robust consultation and transparency by:

- Adhering to timelines set forth in the Global Guidelines to provide sufficient time for consultation between Cluster Coordinators and NGOs. For example, set the cluster prioritization exercise no less than one month before developing an allocation paper.
- Providing all AB members sufficient time to review and reflect on proposals submitted for scoring and adequate time to consult with constituent bodies. Best practice would be at least several days – not hours or concurrent with fund allocation decisions.
- Revising the “cluster defence” process to increase and promote transparency or bringing its workflows into alignment with the standard and reserve workflows as set out within the Global Guidelines (which do not mandate such a process).

Facilitate equitable access to information by:

- Increasing overall communication about IHPF decisions and rationale. The proximity of the UN Lead Agencies to the RC/HC and strength of informal communication channels must be offset by accountable communications protocols and practice by the IHPF.
- For reserve allocations, in particular, ensuring that defined procedures are followed, such as, involving appropriate stakeholders, review processes and clear dissemination of information.
- Establishing more formalized linkages between AB representatives and the wider community in terms of reporting out to constituencies. Update the AB ToR to ensure accountability.
- Institute a two-way feedback mechanism by which partners can participate in directing the overall strategy of the fund.
- Timely rollout of information. For example, OCHA HFU needs to flow down BOQ Standard Operating Procedures, which were shared in early 2016, to all partners.
- Excluding ICCG/Cluster Coordinators from the scoring process to promote transparency.
- Appointing different NGO representatives to serve on the AB than those that sit on the HCT, as one mitigation measure for inequitable access to information between NGOs – as increased accessibility to strategic information can provide an edge in proposal development. Notably, it would also create space for a broader group of NGOs to build skills in interacting with strategic and operational coordination mechanisms. *It should be noted that UN Agency representatives will also have a seat in both bodies, as well as a close link to Cluster Coordinators for UN Lead Agencies.
- Promoting use of the complaint mechanism. Partners who believe they have been treated incorrectly or unfairly during any of the Fund’s processes can, at any time, also raise formal complaints via the grievance and complaint mechanism, which is mandatory for all CBPFs.
Address systemic issues within CBPFs by:

- Appropriately resourcing the IHPF. Linking the size of an office to the size of the fund should: enable appropriate stewardship of funds; provide support to those accessing the fund; and also enable a healthy-working environment for its staff.

- Developing more formalized on-boarding processes for surge staff, whether surge/emergency roster staff or staff who are assigned to shadow another fund, specifically.

- Aligning IHPF Operational Manual with Global Guidelines minimum standards, including: shifting the HFU from an administrative role into a managing and coordination role.

- Resolving the issue of whether UN agencies should be allowed to continue to access CBPFs or if restrictions should be put in place to cap the amount of funds UN agencies can receive from a given pooled fund.

- Updating OCHA’s GMS to: allow user access over documents uploaded; improve the commenting/reviewing mechanism; and to make amendments easier by adding automatic alerts when new documents or information is available.

- Identifying ways to expedite the disbursal process following initial payments.

- Developing guidance to assist CBPFs to manage the use of funds for large-scale preparedness activities in conflict settings, including the definition of preparedness activities and how they translate in OCHA’s GMS as each cluster needs to set predefined outcomes, outputs and indicators.

- Promoting L/NNGOs as operational partners to INGOs or other L/NNGOs by scoring proposals with these partnerships higher than agencies which implement directly and unilaterally.

Enhance collective influence of frontline responders with the IHPF by:

- NGOs assuming responsibility to increase knowledge and understanding of Country Based Pooled Funds Global Guidelines and the IHPF Operational Manual.

- Strengthening advocacy of frontline responders. Leverage existing coordination platforms, such as NCCI, to coordinate and prioritize key messages ahead of decisions and meetings, such as the HCT, ICCG, IHPF AB, and such. Country directors of large INGOs can try to jointly lobby on common issues of importance, where possible, as a supplementary mechanism to the process.

- Ensuring that NGO representatives appointed to attend meetings have a method to feedback information to the wider group.

- Developing stronger alliances between NGOs, as well as allocating more time to bilateral conversations with key stakeholders of the IHPF, particularly UN Lead Agencies, Cluster Coordinators and donors.

- Instituting regular meetings between NCCI – and representatives of its international and national NGO constituency – and OCHA HFU quarterly, or as needed, to discuss overall fund performance and flag any potential issues.

Strengthen engagement with and capacity of local organizations by:

- Enhancing the capacity of local actors through identification and systematization of approach to capacity building. Develop a clear plan to address these needs, including: assisting L/NNGOs with the
due diligence process; helping organizations gain confidence in coordination bodies; explicitly soliciting their feedback in coordination meetings; and assisting with interpreting or correcting proposal feedback.

- Strengthening L/NNGOs understanding of how to participate in coordination and high level meetings, as a responsibility of the entire international humanitarian community.

- Investing in L/NNGOs learning shuttle diplomacy, i.e. developing stronger alliances – across the community of local agencies, as well as bilaterally with key actors, such as donors and the UN – to stay informed about potential positions and strategies that may emerge during meetings.

- Cultivating an open space for dialogue during AB meetings, taking into account power dynamics and culture. Increase the number of seats for L/NNGOs to offset/balance power dynamics in AB.

- Diversifying partner base of UN Lead Agencies to engage and strengthen capacity of a wider range of local actors.

- Fostering greater engagement of L/NNGOs with NCCI or identifying whether they should create a local coordination platform.