

This paper presents the strategy for the first allocation round of the 2016 Iraq Humanitarian Pooled Fund (IHPF). The elements of the paper are based on consultations with the IHPF Advisory Board, clusters and the HCT.

Overview

1. During 2015, US\$22.3 million was disbursed to partners based on recommendations made by the IHPF Advisory Board; an additional \$1 million was allocated for Multi-purpose Cash Assistance, to be disbursed as soon as sufficient funds were received. By year-end, Germany, Ireland, Netherlands, Sweden and the United Kingdom had contributed a total of \$56.7 million to the IHPF. As of 20 February, the IHPF has received additional pledges for \$7,665,176.
2. The purpose of this paper is to outline a strategy for disbursing the \$32 million currently in the fund plus the notional figure of \$7,665,176 for a total allocation of \$39,682,349.

Contribution status (source: OCHA, as of 15 February 2016)

Donor	Commitment (in US\$)	Paid (in US\$)
Germany	5,464,480.88	5,464,480.88
Ireland	1,122,334.46	1,122,334.46
Netherlands	19,980,050.31	19,980,050.31
Sweden	943,841.43	943,841.43
United Kingdom	29,122,740.96	29,122,740.96
Total	56,633,448.04	56,633,448.04

Contributions, pledges, allocations and fees

Description	Remarks	Amount (in US\$)
Total income	Contributions	56,633,448.04
Allocation 2015	Allocation 2015	- 22,280,042.14
	Audit and administration fee	- 1,266,232.21
	Reserved for MPCA from 2015 allocation	- 1,000,000.00
	Audit and administration fee	-70,000.00
Pledges	Germany	5,668,934.00
	Sweden	1,996,242.00
Total balance		39,682,349.69

3. A notional figure of \$39,682,349.69 is considered for this allocation. It is proposed that \$5 million is set aside as an emergency reserve intended for rapid and flexible allocations in the event of unforeseen emergencies, or contextually relevant needs, as outlined in the IHPF Operational Manual. Out of the \$5 million reserve, \$2 million will be set aside for the special window for national NGOs.
4. In accordance with OCHA's global guidance, the following administrative and auditing fees will be applied: a) 3 per cent of all funds will be provided to OCHA to cover the costs of fund administration; b) 1 per cent of all funds allocated to NGO projects will be used by OCHA to cover the costs of an external audit; and c) 1 per cent approximately of all project costs will be provided to OCHA to cover monitoring costs including remote monitoring, third party monitoring and interlocutor training.

Allocation modalities

5. During meetings in 2015, the Advisory Board agreed on two allocation modalities for 2016: 1) a standard allocation open to all potential partners including national and International NGOs, organizations of the Red Cross/Red Crescent movement, IOM and UN agencies; and 2) an emergency reserve including a dedicated window for national NGOs (NNGOs). The dedicated window for national NGOs is administered under the protocols for the emergency reserve since these are the fastest and most flexible. Partners seeking funding under the standard modality must adhere to the IHPF Operational Manual, as well as the guiding principles and strategic priorities outlined in this paper.

Allocation modality	Window	Cluster	Eligible agencies	Amount (in US\$)
Standard allocation 2016	General	All	INGOs, NNGOs, UN agencies, IOs, Red Cross/Red Crescent	32,698,232.21
Reserve allocation 2016	General	All	INGOs, NNGOs, UN agencies, IOs, Red Cross/Red Crescent	3,000,000.00
	Specialized	All	NNGOs	2,000,000.00
Audit and administration fees				1,984,117.48
Total				39,682,349.69

6. The dedicated window for national NGOs, which will initially be capitalized at \$2 million of the \$5 million in the reserve, will be open to national NGOs which do not have projects in the 2016 Humanitarian Response Plan and are not members of the clusters, but whose projects are in accordance with the strategic priorities in the Humanitarian Response Plan and the priorities agreed for the IHPF. National NGOs that apply for funding through the emergency reserve special window need to be sponsored by a relevant cluster and must agree to become an active member of the cluster. This window can be replenished depending on the availability of funds in the emergency reserve.

Allocation strategy and rationale

Situation overview

7. Over 10 million Iraqis, nearly one third of the population, currently require some form of humanitarian assistance. In the year ahead, this number may increase sharply. Currently, at least 4 million people are displaced across Iraq including more than 3.3 million who have been forced from their homes since the rise of the Islamic State of Iraq and the Levant. As of 16 February, over 534,000 people had returned to their home areas and 400,000 more people are expected to return in the coming months. By year-end, depending on the status of the military campaign, an additional 500,000 people may return. Military operations in Anbar, Salah Al-Din, Kirkuk and Ninewa are ongoing and expected to cause additional displacement.
8. Vulnerabilities are increasing across Iraq. Inter-agency and cluster assessments confirm that 8.5 million people require health care, 8.2 million protection support and 6.6 million water and sanitation. Three million children need education support, including 2 million who are out of school. About 2.4 million people are food insecure, while 2 million people need shelter and household goods. Social tensions are expected to impact at least 1.7 million people.

Humanitarian Response Plan (HRP)

9. During 2016, humanitarian partners are committed to upholding and defending humanitarian principles in the midst of conflict and violence and will do everything possible, using the most efficient and effective modalities, to reach 7.3 million people and contribute to international minimum standards of care, assistance, and protection by providing emergency support packages sequenced across first-line, second-line and full cluster responses.
10. In planning for 2016, humanitarian partners have focused on: *reaching* families cut-off from assistance, including in besieged cities and enclaves; *supporting* families whose income and assets are exhausted, knowing that many households may see migration as their only option; *advocating* for dignified and safe returns and helping highly vulnerable returnee families when return areas are secure; *bridging* critical gaps in the

Government's social protection floor for brief periods and only for acutely impacted households and communities; and *alleviating* the long-term consequences of brutalization by providing specialized protection support to survivors of gender and sexual-based violence and highly at-risk children.

IHPF strategic priorities

11. The aim of this standard allocation round is to channel funding in support of the key components of the HRP, in particular, projects which cover first- and second-line responses in each cluster's emergency package. During its review, the Advisory Board will take into account the following factors:

- The need to increase operational capacity in areas with acute needs.
- The need to build the capacity of national partners to reach at-risk populations in difficult and under-served areas.
- The need to develop a range of operational modalities including flexible and mobile emergency response capacity.
- The increase in the number and pace of returns into areas newly secured by Government forces.
- The need to continue service provision to displaced people and other vulnerable groups already receiving assistance, but unable to cope adequately without it.
- The need to support efficient, rights-based programming..

12. The Advisory Board, in accordance with section two in the Operational Manual and the decisions taken during its 1 December 2015 meeting, recommends giving priority to first and second-line programmes:

- a) at risk of shut-down or contraction in KR-I and other areas hosting extremely vulnerable people;
- b) in areas, specifically in Anbar and Ninewa Governorates, with newly displaced persons or where displacement is expected imminently;
- c) in underserved areas where IHPF funding will be decisive in achieving greater impact.

The Advisory Board also recommends that priority is given to:

- d) first-line response projects in hard-to-reach areas which include partnerships with national NGOs;
- e) national NGOs, and other partners, which have on-the-ground presence and are preparing to support the Mosul operation.

Prioritization of projects

13. Clusters are asked to take the following criteria into consideration during the preparation of their funding dossiers and to give preference to projects that:

- are aligned with the strategic priorities of the 2016 HRP
- meet the IHPF allocation strategic priorities
- can be implemented within the period of up to a maximum of 12 months
- include a gender mainstreaming component
- demonstrate better cost-effectiveness where: a) for comparable activities and outputs, the total cost is less; b) the cost per beneficiary ratio is reasonable; c) support costs are reasonable and in line with accepted levels for a given type of activity; and d) the proposed period of implementation represents the best use of resources at that time

14. In addition:

- Partners are required to indicate the amounts and sources of any co-funding of proposals.
- Projects that have other sources of funding for similar activities are required to demonstrate how IHPF funding will be complementary and not duplicative.
- In cases where clusters wish to endorse more than one proposal for the same activities within the same district, robust justification must be made for the efficacy of such arrangements.
- Whenever possible, and in order to limit overheads and administrative costs, implementing partners should not enter into subcontracting agreements.

Criteria for strategic review of projects

15. To ensure full due diligence, project proposals will undergo both a 'strategic' and a 'technical' review process using the Grant Management System (GMS). For the strategic review, each cluster will convene a Strategic Review Team composed of Cluster Coordinators, UN, INGO and NNGO representatives with support of HFU to score each proposal on a scale from 0 to 100 points, distributed among five key categories and summarized as follows:

Strategic relevance	35
Assess the alignment of the proposed project with the HRP and the allocation strategy	
Programmatic relevance	25
Assess if the proposed activities are adequate to meet the proposed objective	
Cost effectiveness	15
Assess if the cost of the proposed projects is commensurate to the intended outputs and outcomes	
Management and monitoring	15
Assess the effectiveness of arrangements in terms of management and monitoring	
Engagement with coordination	10
Assess if partners engage on humanitarian coordination in country	

16. Based on the outcomes of the strategic review, clusters will present their funding portfolios to the Advisory Board at a cluster defence. The names of applying organizations will be withheld to help ensure unbiased decision-making. Following the defences, the IHPF Advisory Board will recommend allocations to the HC. The HC will confirm the allocations and notify the clusters of the outcome.

Criteria for technical review of projects

17. In addition to the strategic review, all projects will also undergo a technical review. Technical review teams (TRTs) will include technical experts from the relevant cluster and HFU staff and will assess the technical soundness of project proposals submitted after passing the strategic review. The TRTs will agree on the relevant cluster and technical criteria to assess projects. TRT feedback will be consolidated and presented to the applying organization through the GMS.

18. In addition, the following guidelines apply:

- This allocation will be open to national and international NGOs, organizations of the Red Cross/Red Crescent movement, International organizations and UN agencies that successfully pass the capacity review process. In consultation with the IHPF Advisory Board, OCHA's Humanitarian Financing Unit will conduct NGO capacity reviews and due diligence assessments of selected partners.
- OCHA's online Grant Management System will be used to administer this allocation (online proposal submission, review of proposals and submission of reports).
- The maximum programme support costs (PSC) to be charged per project is 7 per cent of the approved direct expenditures incurred by the implementing partner. PSC typically include corporate costs (i.e. headquarters and statutory bodies, legal services, general procurement and recruitment etc.) not related to service provision to a particular project.
- Contingency budget lines are not permitted.
- The maximum project implementation period is 12 months. Project duration is to be determined by the nature of the proposed activities. However, depending on the prevailing operational situation, no-cost extensions (NCEs) can be considered on a case-by-case basis.

Contacts and feedback mechanism

19. All correspondence regarding the Iraq Humanitarian Pooled Fund should be sent to ihpf@un.org. Feedback and complaints from stakeholders regarding the IHPF allocation process should be sent to feedback-ihpf@un.org. The OCHA Head of Office will receive, address and refer any critical issues to the HC for decision-making.

Timeline and procedure

Phase	Step	What	Who	Key dates	
PREPARATION	1	Open capacity assessment applications	Capacity assessments	Potential implementing partners (IPs)	
	2	Agree on cluster priorities	Cluster priorities	Cluster Coordinators OCHA HFU	
	3	Draft allocation paper	Draft allocation paper	OCHA HFU	
	4	Share draft allocation paper with HCT, Advisory Board and Cluster Coordinators	Draft allocation paper	Advisory Board, CCs	
	5	Approve allocation paper	AB meeting/ allocation paper	HC	1 March
	6	Call for proposals and release allocation paper	Allocation paper/ call for proposals	HC, OCHA HFU	6 March
	7	Deadline for capacity assessments	Capacity assessments	IPs	11 March
	8	Provide training sessions for Cluster Coordinators and partners on the allocation process and the use of GMS	Training	OCHA HFU, IPs	6-21 March
	9	Submit proposals in GMS Deadline COB 28 March	Proposal submission	IP, OCHA HFU	6-28 March
	10	Conduct strategic reviews and prepare for cluster defences	Strategic review (using score cards in GMS)	SRTs, CCs, HFU	28 March – 4 April
	11	Prepare Annex 1 (summary of proposal) and power point presentation	Annex 1, power point presentation	CCs, HFU	5 April 2016
	12	Convene cluster defences	Cluster defences at Advisory Board	HC, CCs, OCHA HFU	6 April
	13	Inform Cluster Coordinators on defence outcomes Preapprove proposals for technical review	HC debriefing Eligible proposals	HC, OCHA HFU	7 April
REVIEW PROCESS	14	Provide feedback to partners	Cluster briefings	CCs	7-10 April
	15	Resubmit project proposals	Revised proposals	IPs	10-17 April
	16	Conduct technical and budget review (TR)	Feedback to IP; revised proposals	CCs, IPs, OCHA HFU	17 April – 1 May
	17	Prepare grant agreement (GA)	GA	OCHA	from 28 April
	18	Sign grant agreement	HC	HC	from 2 May
DISBURSMENT	19	Counter-sign grant agreement	IP	IPs	from 4 May
	20	Sign grant agreement OCHA	OCHA	OCHA	from 6 May
	21	Disburse	Payment request	OCHA	within 10 days from signature

List of acronyms

Acronym	Full name
CBPF	Country Based Pooled Fund
CERF	Central Emergency Response Fund
GMS	Grants Management System
HC	Humanitarian Coordinator
HFU	Humanitarian Financing Unit
HPF	Humanitarian Pooled Fund
HRP	Humanitarian Response Plan
IOM	International Organization for Migration
INGO	International Non-Governmental Organization
MPCA	Multi-Purpose Cash Assistance
NNGO	National Non-Governmental Organization
OCHA	Office for the Coordination of Humanitarian Affairs
UN	United Nations