STANDARD OPERATING PROCEDURES

MADAGASCAR FBF

PURPOSE OF STANDARD OPERATING PROCEDURES (SOPs)

Reducing the impacts of extreme weather events and imminent disasters is a fundamental part of building longer-term climate resilience. The Start Network and Welthungerhilfe (WHH) have built a Forecast-based Action (FbA) system addressing drought risk in Madagascar. _This project_ will quantify drought risk and issue forecasts, which will enable NGOs on the ground to act early and mitigate the negative impacts of a predicted drought. A predictive model will trigger when an impact of a drought on food security is predicted. Based on this trigger, funding will be released to NGOs (Start Network members) for specific pre-developed Early Action Protocols (EAPs) to implement pre-agreed early actions that will save lives and minimize the predicted impact on food security.

This document outlines the process of how funding will be released, accessed and disbursed to Start Network members in Madagascar, in the event of a predicted drought in Madagascar.

These SOPs begin with an explanation of our approach, the pilot project in Madagascar and the work done in phase 1 of the project (design), and a brief explanation of the scientific triggers (what they are, how they were set and agreed, and what they represent). Then begins the central section of the SOPs: which outlines how funding will be released to Start Network members in Madagascar when triggers are met, i.e. when a drought that meets pre-set danger thresholds is predicted. These SOPs outline how the funding will flow from Start Network (hosted by Save the Children UK) to implementing members in Madagascar (and link to the relevant documentation that will initiate this movement of funds), how it is determined which agencies will be implementing in each of the region(s) predicted to be affected by drought, and what reporting, accountability and audit requirements exist towards the Start Network (as the upstream donor of implementing partners).

Note: These SOPs outline how funding is disbursed to Start Network members, so that they can then implement _Early Action Protocols (EAPs)_ at regional level. These EAPs outline the specific early actions (e.g.: cash transfers, or short cycle seed distribution in advance of lean season) that will be taken by implementing partners.

01 OVERVIEW OF THE START NETWORK

START NETWORK IS MADE UP OF:

50+ HUMANITARIAN AGENCIES

ACROSS 5 CONTINENTS

RANGING FROM LARGE INTERNATIONAL ORGANISATIONS TO NATIONAL NGOS

TOGETHER, OUR AIM IS TO TRANSFORM HUMANITARIAN ACTION THROUGH:

INNOVATION

FAST FUNDING

EARLY ACTION

LOCALISATION

THE START NETWORK WORKS THROUGH THREE SOLUTION AREAS TO ENABLE THE MOST EFFECTIVE INTERVENTIONS TO REACH COMMUNITIES.

01 LOCALISATION
Building a de-centralised network of national and regional hubs to manage locally-led solutions.

02 NEW FINANCING
Enabling fast and early action for overlooked crises, with easily accessible, reliable and risk-based funds.

03 COLLECTIVE INNOVATION
Enabling stakeholders, including people affected by crises, to collaborate on solving problems that affect humanitarian action at local and global levels.

WE'RE TACKLING WHAT WE BELIEVE ARE THE BIGGEST SYSTEMIC PROBLEMS THAT THE SECTOR FACES – PROBLEMS INCLUDING SLOW AND REACTIVE FUNDING, CENTRALISED DECISION–MAKING, AND AN AVERSION TO CHANGE, MEANS THAT PEOPLE AFFECTED BY CRISES AROUND THE WORLD, DO NOT RECEIVE THE BEST HELP FAST ENOUGH, AND NEEDLESS SUFFERING RESULTS.

02 WHAT IS DISASTER RISK FINANCING (DRF)

DISASTER RISK FINANCING AIMS TO INCREASE THE RESILIENCE OF VULNERABLE COMMUNITIES.

Extreme weather events, such as: floods, droughts, heatwaves, and cyclones threaten the opportunity to save lives and build long term resilience to the effects of climate change. By quantifying risks in advance of disasters, pre-positioning funds, and releasing them according to pre-agreed plans, to pre-agreed implementing agencies (e.g.: Start Network members and local partners) could enable earlier action and cut the costs of disasters considerably. Such systems delivered more than $100m of support in 2017 alone; they are fast becoming a key part of the crisis financing architecture.[1]

Disaster risk financing is about having plans, systems (incl. implementing agencies) and finance in place before an event to ensure that adequate finance can flow rapidly and effectively in an emergency, reducing impacts and speeding recovery. Through creating greater certainty about what finance will be available, and by linking finance to national and local systems, risk financing can enable better preparedness, empower government and local actors, and facilitate coordination. This leads to national systems that are more resilient to climate, disasters and other crises.

The Start Network is developing new funding instruments – one of which is the FBF mechanisms developed with WHH in Madagascar - to enable humanitarians to mobilise collaboratively, predictably, to manage risks rather than react to crises. These mechanisms are based on:

01

THE USE OF SCIENCE AND DATA TO **MODEL AND QUANTIFY RISKS** IN ADVANCE IN THE AREAS IN WHICH WE OPERATE.

02

WORKING TOGETHER TO **PRE-PLAN** AND PRE-COST DIFFERENT CRISIS RESPONSE ACTIVITIES NEEDED TO SUPPORT COMMUNITIES.

03

PRE-POSITIONING FUNDS ACCORDING TO PRE-AGREED PROTOCOLS FOR RELEASE, SO THAT WHEN THE CONDITIONS ARE MET, FUNDING IS RAPIDLY RELEASED TO PRE-AGREED IMPLEMENTING AGENCIES.

1 DRF in Concert, 2019

03 FBA MADAGASCAR
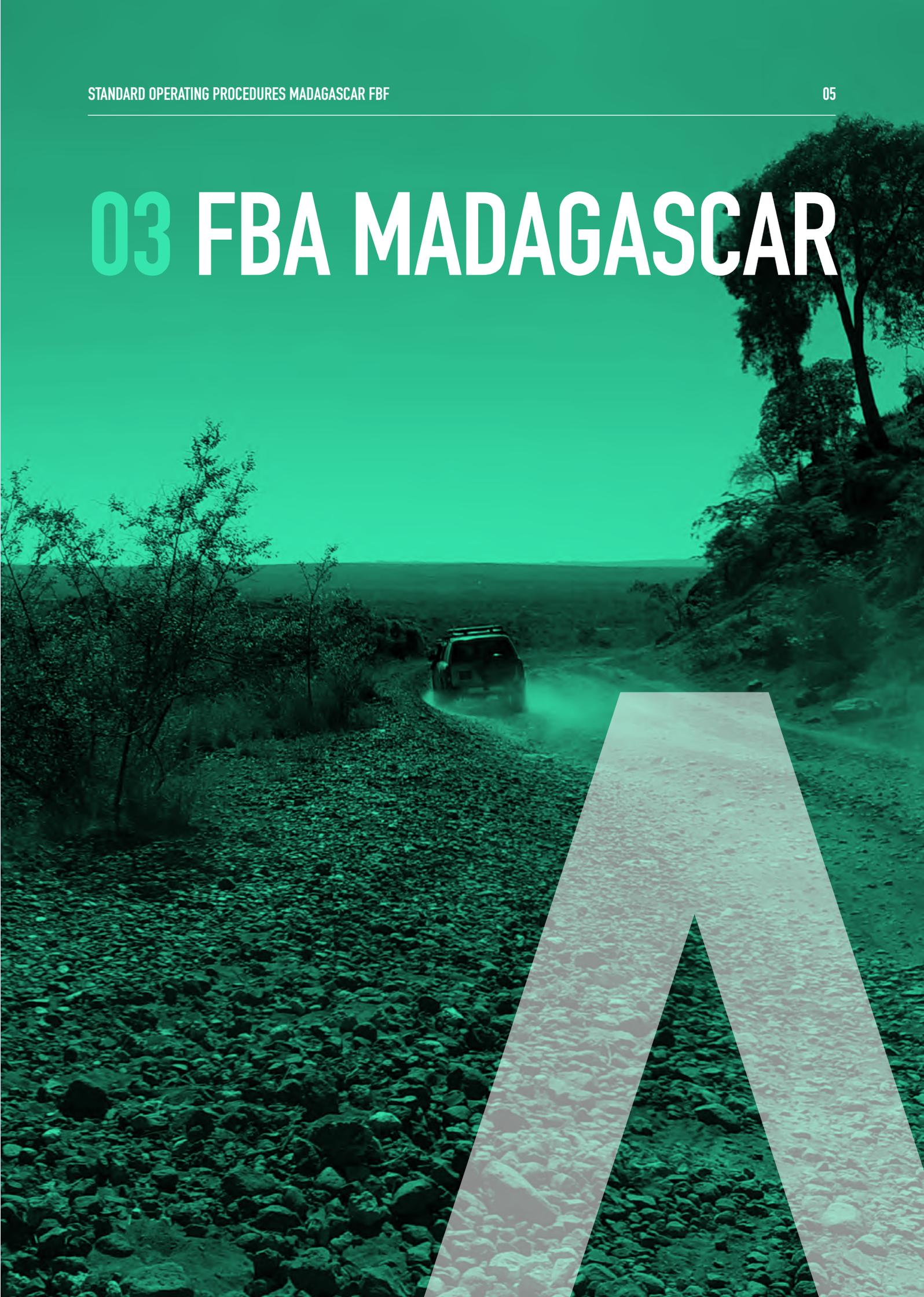
IN MADAGASCAR, START NETWORK MEMBERS – SPEARHEADED BY WHH - ARE MODELLING AND PREDICTING DROUGHT IN ORDER TO ACCESS FUNDING AND ACT EARLY.

A FLYER ABOUT THE PROJECT CAN BE FOUND HERE.

A. WHAT IS *THIS PROJECT*:
FBA: MODELLING DROUGHT FOR EARLY ACTION IN MADAGASCAR?

Welthungerhilfe and Start Network have built a scientific model which predicts drought in 3 regions of Madagascar. When the model predicts an agricultural and/or meteorological drought, funding is released. With this funding, pre-agreed early action protocols (EAPs) at district level are activated and operationalized by pre-agreed implementing agents -- allowing humanitarians to act early and prevent or mitigate the harmful impacts of a predicted drought.

B. HOW DOES IT WORK?

In 2019 WHH conducted a detailed HEA (Household Economy Analysis) in the three regions relevant to this project. This data is being used to understand the vulnerability levels in each district and assess the cost of an early intervention. The vulnerability analyses must be updated and verified regularly to account for changes in people's resilience.

Based on these findings, and in advance of rainy season, Early Action Protocols (EAPs) were developed at district level. These EAPs outline which coping mechanisms people employ in order to deal with drought - and when ideally, humanitarians should intervene in order to curb negative coping mechanisms and encourage positive ones. These coping mechanisms vary regionally and therefore the EAPs are specific to each.

Using rainfall data and monitoring this throughout the rainy season, allows us to input live data into the drought model every ten days. If rainfall falls below the agreed threshold (see section below on thresholds and triggers), funding is released for early action in the regions predicted to be affected by drought.

C. TRIGGERS & THRESHOLDS

The financing instrument is underpinned by:

01

SCIENCE-BASED RISK MODELLING
TO UNDERSTAND THE HISTORICAL PRECEDENT AND LIKELIHOOD OF DROUGHT IN SELECTED AREAS OF THE COUNTRY.

02

CONTINGENCY PLANNING
THAT MITIGATES THE IMPACT OF DROUGHT ON VULNERABLE COMMUNITIES.

03

PRE-POSITIONED FINANCING
THAT ENABLES PRE-AGREED IMPLEMENTING AGENCIES TO ACT EARLY.

The agreed trigger thresholds are set using WRSI (Water Requirement Satisfaction Index) in combination to the HEA vulnerability score. WRSI is an index developed by the FAO which is based on a water balance model (the ratio between the water needs of a crop and the water available in the soil) and allows us to quantify the negative impact of the water deficit suffered by the crop during the seeding, vegetation and reproductive phases. Historical WRSI figures for the 3 regions being monitored have been assessed in order to set the thresholds with a specific probability of triggering in mind.

The functioning of the models and the triggers and thresholds set ahead of each season are done in a separate document. Please see _this LIVE document_ for further details on the model and the triggers set ahead of the monitoring season.

FUNDING AVAILABLE FOR 2021:
500,000 EUR.
IF THRESHOLDS ARE MET, UP TO THE FULL AMOUNT WILL BE RELEASED ACCORDING TO THE BUDGET REQUESTED IN THE EAP PRESENTED BY THE EAP CUSTODIANS.
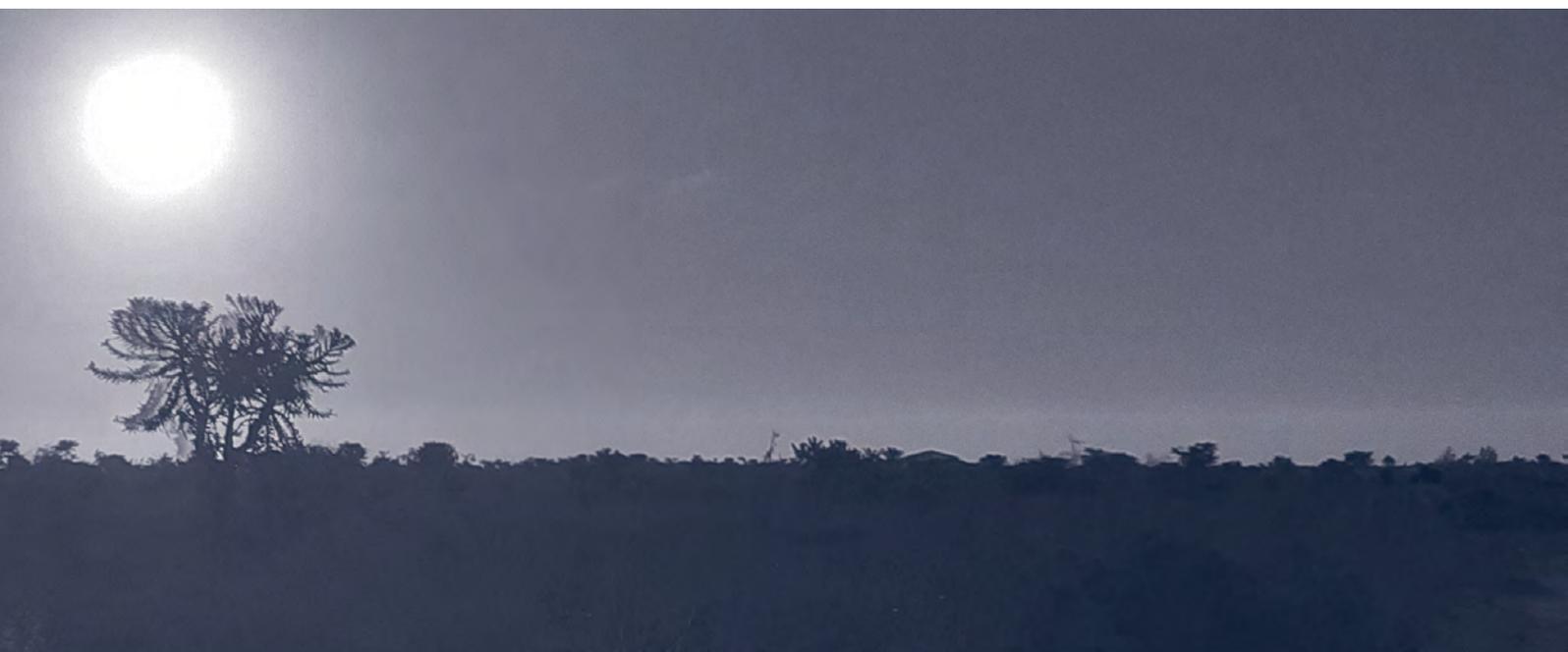
04 FUNDING RELEASED AND ACCESSED

ROLES & RESPONSIBILITIES

Agencies that wish to be eligible to receive funding from this project, will participate in the preparation phase for this mechanism. This is consistent with all Start Network programmes (e.g.: _Start Fund, ARC Replica_) where network members provide staff resources to run the mechanism or members are involved from the inception of the project -- regardless of whether there is funding disbursed at the end or not.

Agencies put forward one nominated staff member, who will act as focal point for that agency's participation in the initiative. Agencies may also be asked to nominate technical staff to participate in relevant workshops and/or trainings.

In Madagascar Start has one staff member in country, who can facilitate any exchanges between members. This staff resource is a _FOREWARN_ coordinator, hosted by CRS, and tasked with support any/all early action initiatives. In the remit of this project, the FOREWARN coordinator will support any allocation/coordination meetings and act as a neutral facilitator – thereby freeing up WHH to focus on technical development of the model, knowledge sharing on the EAP development, and capitalizing on the knowledge gained in phase 1 and adapting this for phase 2 of the program.

The lead agency (WHH) currently has three main functions:

- **TECHNICAL MODEL DEVELOPMENT, MAINTENANCE AND RUNNING OF THE MODEL**
- **TECHNICAL REPRESENTATION:** KEY INTERLOCUTOR WITH THE GOVERNMENT BRANCHES AND TECHNICAL PARTNERS
- **PROGRAMME MANAGEMENT:** IMPLEMENTING AND COORDINATING FBF PROGRAMME ACTIVITIES, AND THE DEVELOPMENT AND IMPLEMENTATION OF EAP IN PILOT REGIONS.

The FOREWARN coordinator is responsible for:

- COLLECTIVE **REPRESENTATION OF THE START NETWORK** IN COUNTRY
- **COORDINATING** THE WIDER MEMBERSHIP IN THE EVENT OF TRIGGERED FUNDING, TO ENSURE THAT FUNDING IS ALLOCATED IN LINE WITH START NETWORK PRINCIPLES AND WAYS OF WORKING.

WHH and the FOREWARN coordinator will work together throughout the duration of the project, ensuring transparency and accountability. Please see below for a list of Start Network principles to which both parties, as well as the other Start Network members must abide by.

TIMELINE OF OPERATIONS ONCE A TRIGGER IS MET

TRIGGER IS MET AND WITHIN 10 WORKING DAYS THE PROPOSED PROJECT PLAN (PPP) IS SENT TO START NETWORK

THE PPP IS COMMUNICATED AND SHARED TO MEMBERS OF THE NETWORK IN MADAGASCAR, WHERE A PREDEFINED GROUP WILL EVALUATE IT

THIS GROUP WILL RETURN COMMENTS AND SUGGESTIONS FOR IMPROVEMENT IN THE 72 HOURS FOLLOWING RECEIPT OF THE PPP

THE IMPLEMENTING AGENCY THEN HAS 48 HOURS TO INTEGRATE THESE CHANGES AND RESUBMIT

IN THE THREE WORKING DAYS FOLLOWING RECEIVING THE EAP AND PPP, AWARDED MEMBER ORGANISATIONS WILL RECEIVE A GRANT LETTER BY EMAIL WHICH WILL CONFIRM THE FUNDING AMOUNT (IN EUR) AND THE START DATE OF THE PROJECT

THE GRANT LETTER MUST BE SIGNED AND RETURNED BY THE AWARDED AGENCY WITHIN 5 WORKING DAYS

ORGANIZATIONS CAN BEGIN TO IMPLEMENT THE PROJECT FROM THIS POINT, IN THE KNOWLEDGE THAT THEY WILL RECEIVE FUNDS

AGENCIES WILL PROVIDE MONTHLY REPORTS TO START DURING IMPLEMENTATION, WHICH WILL INCLUDE UPDATES ON THE PROGRESS OF THE ACTIVITIES

THE MEETING WILL ORGANISE AND FACILITATE THE CLOSE DOWN MEETING 15 DAYS BEFORE END OF THE PROGRAMME IMPLEMENTATION PERIOD

THE AGENCY WILL PROVIDE TO THE START NETWORK COORDINATOR IN MADAGASCAR A CLOSE OUT REPORT. THIS SHOULD BE SENT WITHIN TWO MONTHS OF THE IMPLEMENTATION CLOSEOUT

PRE-AGREEING IMPLEMENTING AGENCIES

At the start of the project, Start Network members in country are requested to express their interest to be part of the project. Among those who put their name forward, members will be selected and assigned to each region according to pre agreed selection criteria outlined here, among others their capacity and their past experience of working in the geographical and sectoral area. The selected agencies will take ownership of the EAPs in these regions, becoming 'EAP custodians' and keeping them up to date on a yearly basis and adapting them as needed post-trigger.

If a trigger is met in any of these regions during the risk season, the EAP custodian responsible for the specific region will send the updated EAP and a "Proposed Project Plan" (PPP) to the Start Network within 10 working days of the trigger being met. The PPP (template _here_) will include exactly which of the EAP activities will be rolled out the number of beneficiaries that will be served, the updated budget, and when the activities will take place – bearing in mind this project is early action focused so all activities should start before lean season.

Once received by the Start Network FOREWARN coordinator in Madagascar, the PPP should be sent to Start Network CARF HQ team, and then shared with Start Network members in Madagascar – a pre-agreed group of Start Network members either currently or those who have expressed interest to be involved, should evaluate the appropriateness of the PPP and the proposed adaptations made to the pre-agreed EAP. The objective of this review round is, to ensure the quality and appropriateness of the updates and account for current circumstance in the current context of a trigger. The group does not have a decision-making power on whether the implementation can go ahead but rather plays a quality assurance role which ensures that the activities are tailored to the needs of the people in a specific affected region, at a specific point in time. EAPs are generally agreed upon and verified by the Start Network before the start of the risk season.

The FOREWARN coordinator will send the provided documents to the members and they should revert with comments and any suggestions for improvements within 72 hours of receiving the project proposal. The implementing agency should then revert back with a finalized adapted version 48 hours after receiving the comments from the group (via the FOREWARN coordinator). This serves to ensure the appropriateness of updates in the EAP, accounting for changed circumstances and new developments and not if early actions are implemented or not. EAPs are generally agreed upon and verified by the Start Network after finalization.

PROJECT PRINCIPLES

THERE ARE A NUMBER OF PRINCIPLES THAT START NETWORK MEMBERS MUST ABIDE BY THROUGHOUT THE PROJECT SET UP, REVIEW OF PROPOSALS PHASE, AND IMPLEMENTATION OF THE OPERATION. REGARDING INTERACTIONS WITH EACH OTHER:

01   **Transparency: members must act in a transparent and honest way in their interactions with the government, with communities, and amongst themselves;**

- Collaboration & mutual respect;
- Participation & inclusion without discrimination;
- Identify and respect our individual added value: recognise the added value that each agency brings and outline clear roles and responsibilities based on these. We need to work together in a complementary way rather than in a competitive way;

02   **Accountability: members must be accountable to the communities we are seeking to serve, placing their interests first;**

- Reliability: members must do what they say they will do and respect timelines

03   **Programme Quality: members commit to continual improvement of structures and processes for continual improvement of the Forecast Based Financing Programme. Also, the program should be aligned with the existing coordination system in the region.**

- Include gender perspective: in our work with communities as well as amongst the members;
- Iterative learning: develop and roll out efficient monitoring and evaluation processes that help us learn in real time
- Peer review: implementing agencies will quality check each other's implementations to ensure operations are adequate and efficient and can be improved as needed year on year.

05 DISBURSEMENTS

FLOW OF FUNDS

As a hosting entity of the Start Network, Save the Children UK will transfer funds to the awarded agencies (via their Start Network signatory branch). Save the Children will transfer the funds to the relevant organisations, via the office that is the signatory member of the Start Network. It will be the responsibility of the member office to transfer the funds internally to the implementing office in Madagascar.

An example of funding flow

SCUK UK
START NETWORK MEMBER HQ OFFICE (E.G. ACTED FRANCE)
START NETWORK MEMBER MADAGASCAR OFFICE (E.G. ACTED MADAGASCAR)

AWARD LETTERS (incl. sub-grantees)

- **Within 3 working days of a the final updated EAPs and the PPP being received by the FOREWARN Coordinator, agencies who have been pre-agreed to roll out EAPs will be sent a Start Network award letter by email confirming the amount of funding allocated as well as the dates of the project period.**

- **Agencies are required to sign the award letter and return this within 5 working days. To ensure that we adhere to the principles of early action, agencies are encouraged to align relevant signatories as soon as a notification of trigger is announced to mitigate the risk of any delays in the signing of the letter.**

The award letter is a guarantee that the funding allocated and the amount documented will be honored. This means that an agency can begin spending before funding arrives, as the grant is legally guaranteed. To ensure that we adhere to the principles of early action, agencies are encouraged to align relevant signatories as soon as a notification of trigger is announced to mitigate the risk of any delays in the signing of the letter.

These award letters also stipulate where the money is to be sent – this should be the bank account which is registered under the Start Network Membership Consortia Agreement.

SUB GRANTEES

Implementing agencies are responsible for partners receiving funds through a sub-grant. Where partners decide to deliver activities through another organisation via a sub grant agreement, a clear distinction must be made to document on the agreed transaction and activities being undertaken. The proposal narrative and budget must also reflect this. Members are expected to ensure that their internal procedures with sub-grantees are rigorous and sub grantees follow a high standard of financial, administrative and due diligence procedures. Members are urged to share a portion of their indirect support costs with any local organisations that they sub-grant to, in line with the Start Network's localisation commitments.

01 PROGRAMME MANAGEMENT
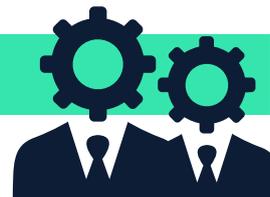
Overall grant management of any triggered funding will remain with the Start Network. Once implementation begins, the programme management will shift to the Start Fund team within Start Network.

The Start Fund team and FOREWARN Coordinator will ensure programme quality, strong financial management, and compliance together.

The FOREWARN Coordinator will coordinate the implementation phase: e.g.: helping the various implementing members to link up when and where appropriate, organising peer monitoring visits, and collating the various project reports into an overall programme report. In doing so, the Coordinator must exhibit the values and principles of the Start Network in all work they carry out.

RESOURCE MANAGEMENT

This section is designed to guide the Start Network team at HQ level (Start Fund) and implementing agencies in the management of resources.

The Start Team will support partners to plan and report expenditure progress. The approach will be "light touch" and transparent. The aim will be to ensure that planned programmes are realistic and deliverable and reporting demonstrates a good use of resources. In addition to this guidance, it is assumed that partners will maintain their own high standards, financial stewardship, administrative and due diligence procedures and practices whilst delivering projects with the Start Network.

The Start Network is liable for the overall implementation of the programme, particularly in terms of procedures and processes. However, as it will be clearly stated in the overarching consortia agreement signed by the members that they are liable for implementing their projects according to the parameters presented in their proposals and with principles of transparency and accountability towards the Start Network and the donor (_GFFO_). In line with this, Start Network member agencies will be responsible for any breach to their Award letters, including for instance the recovery of any ineligible costs that have been claimed during the implementation of their project.

REPORTING

Following receipt of triggered funds, implementing agencies are required to conduct ongoing monitoring and reporting of the implemented activities. They are required to:

- Interact with Start Network staff at HQ or in host agency, on a regular basis to discuss the implementation process and difficulties encountered during the implementation phase.
- Submit to the Start Fund team during the implementation period, monthly reports in the form of a situation report that provides an update on the ongoing activities
- Close out report at the end of the implementation phase to be submitted to Start Network coordinator in Madagascar. This is to be delivered 2 months after close out of operations.

Templates for these reports will be provided in due course.

VISIBILITY

In all external publications and communication materials, implementing agencies will include reference, as agreed with Start Network, to the funding provided.

Agencies should seek to coordinate with each other and any other relevant stakeholders on technical messaging wherever possible.

CLOSE DOWN MEETING

All implementing agencies will be required to send at least one representative to a close-out meeting. This meeting will take place in country 15 days before the end of the programme implementation period. This meeting will cover all components of close down and compliance measures.

NO-COST EXTENSIONS

This mechanism intended for early response to a physical drought, meant to provide protective activities to mitigate the impact of the resulting humanitarian drought. Responses will typically begin in April or May, in consideration of the respective identified "window of oppoertunity" outlined in the EAP. No-cost extensions would only be granted in exceptional cases, with the approval of Start Network HQ.

02. BUDGETING AND FINAL REPORTING

OVERHEADS

Member overhead rates to cover indirect support costs associated with implementing a project will be up to 10% **of the Operational and Implementation costs combined**. This is standard for all Start Network programmes.

ASSETS

An asset is any non-consumable item of programme equipment purchased under the grant with an initial value of more than 800 € and a useful life of more than one year may remain the property of the donor and must not be disposed of except as the Start Fund directs. Members must compile an inventory of such assets and submit it to the team together with a proposal for the future use of each asset post the end of the project.

Assets that will be procured during the implementation period must be detailed in the budget and approved by the Start Network coordinator in country. Members will complete asset registers at designated reporting stages (see below)

CONTRACTING

Once the projects are selected, successful agencies will receive a package that will detail the project reporting dates and total amount allocated to each member. Other documents in this package include:

- Award letter including amount awarded, payment schedule, and bank details of the member
- Their final budget and proposal and a cohesive logframe
- Reporting templates (Narrative, financial, output tracker)
- Asset Management guidelines and register
- Copy of contract between the donor and the Start Network, which will include significant compliance guidelines for the agency's reference.

Payments to partners will be made to members within 10 business days of the award letter's start date. Members will have provided their correct bank details when they sign the award letters, which will prevent delays in payment.

FINANCIAL REPORTS

< Will be shared in due course>

EXCHANGE RATES

All implementing agencies can use their own internal policy on exchange rate calculations as long as they give the Start Network an outline at the beginning of the programme and provide all financial reports in EUR. Foreign exchange rate risks therefore lie with the implementing agencies.

BUDGET REVISIONS

Financial planning for humanitarian response is often challenging and may require revisions and adjustments in order to guarantee efficiency throughout the programme. If a budget revision is required, implementing agencies should email the Start Network with budget amendments and commentary: the reasons for revision/reallocation, what the revision/reallocation will be and the potential impact on outputs or beneficiary numbers.

By the final report members should have already reported any budget changes, reallocations or reductions +/- 20% to the Start Network. Revisions greater than 20% not pre-approved may result in ineligibility of expenditure, for which the member would need to cover those ineligible costs with their own funds.

UNDERSPEND AND OUTSTANDING INVOICES

Interim reports will be thoroughly analysed by the Start Team and implementing agencies will commit to inform the Start Team if they will not need all the funds awarded. In case any underspending is identified, the Start Team will enquire to the relevant implementing agency about the reasons for not performing certain tasks that were planned, the reasons for underspending as well as the potential need for funds re-allocation either within the project or to another project being implemented under the payout.

Partners must indicate to the Start Team if any funds are likely to be unspent a minimum of 30 calendar days prior to the project end date. The Start Network will ensure that unspent funds are reallocated, sent back, or in exceptional cases, the agency is given an NCE.

06 MONITORING DURING IMPLEMENTATION (incl. Spot checks)

PROJECT LEVEL MEAL

Each implementing member is responsible for conducting appropriate MEAL activities and processes for their project. They must respect the reporting timetable provided in the project proposal template, with the project end-date and the relevant reporting date agreed upon at the time of activation. In order to strengthen NGO DRF projects implemented with Start Network (or other) funding, the process will be reviewed against a quality framework and a model design. As this review will include technical and operational components, implementing partners should also engage as much as possible in peer monitoring and/or learning workshops, as and when organized the Start Network MEAL team. Any output from these sessions will be mutually beneficial to implementing partners as well as Start Network, and will be generated collaboratively where possible.

SPOT CHECKS

The Start Team may decide to conduct spot checks of members' projects. In order to do this, implementing agencies shall in turn cooperate by providing the support required in terms of administrative and accounting information.

Projects should make available records they keep for:

- Funds received for Start Network funded projects
- Accounting records of related expenditure
- Current financial procedures and policies
- Documents relating to contract grant, service level agreements, etc.
- Most recent financial reports, budgets and forecasts

For more information on agencies' responsibilities with regards to spot checks, please consult Clause 6 of the Network Membership Agreement between your agency and Start Network.

CLOSE OUT & FINAL REPORTS

Implementing agencies are required to submit a final report. The project end-date and report due date will be agreed upon when the activation occurs. Evidence of compliance and supporting information should be retained by the implementing agency and made available for inspection when required for evaluation or audit.
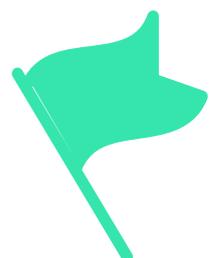
FINANCIAL RECORDS

All documentation used to complete financial reports should be retained and kept with a copy in partner files including other project related financial records for a minimum of 7 years.

ASSET REGISTERS AND DISPOSAL

On completion of the project, implementing members will detail their asset disposal plans in the register. If partners are proposing to retain assets the disposal plans should include:

- the asset will be put to a good developmental/humanitarian purpose
- the recipient has adequate resources to maintain and operate the asset, including purchase of any consumables
- the item will not be sold or disposed of, or diverted for another purpose, within a reasonable time period
- the recipient has adequate controls in place to ensure that the assets are used as intended
- any local requirements, regarding duties and taxes, or any other formalities, on transfer will be met
- IT Equipment is disposed of in line with EU Waste Electrical and Electronic Equipment Regulations and all personal data will be removed

As stipulated in the _Asset Management Guidelines_, implementing agencies will send their asset registers to the Start Network at the end of the project along with a signed note that confirms that they will dispose of them as per the agreed plan between Start Network and the member.

AUDIT

As explained above, the Start Team can do spot checks during the implementation of the grant; however, the donor will be responsible for audits according to its own rules. Implementing agencies must ensure they have adequate systems to record expenditure against specific projects.

The Start Network will share any specific auditing requirements as detailed by the donor prior to the start of the project.

GLOSSARY

FORECAST-BASED ACTION (FBA)	Forecast-based Action (FbA) releases humanitarian funding based on forecast information for pre-agreed activities which reduce risks, enhance preparedness and response, and make disaster risk reduction within the humanitarian assistance overall more effective.[2] See *here* for more information on the concept
IN-COUNTRY COORDINATOR	A staff member that reports into the Start Network HQ team and is responsible for coordinating programme implementation in- country. In 2020 this position is a FOREWARN coordinator.
START TEAM (HQ)	Start Network staff that have supported the project to date alongside WHH and facilitate governance procedures on behalf of members. The Start Team creates the space for members to collaborate.
START FUND	Multi- donor pooled fund managed by Start Network Members.
TRIGGERS	A predefined scientific value, which when met, indicates an oncoming drought and therefore a subsequent release of funds for early humanitarian intervention.
EARLY ACTION PROTOCOLS	A set of detailed rules for each region in which the FBF project operates.
FOREWARN	The Forecast-based, Warning, Analysis, and Response Network, a network of multi-sectoral experts that coordinate to collectively analyse risk

FRAUD, SERIOUS INCIDENTS, SAFEGUARDING AND COMPLAINTS REPORTING

All agencies are responsible for their own internal procedures including reporting, risk assessments, and due diligence on implementing partners (sub-grantees) to mitigate the risk that Start funds are misappropriated or inappropriately used by the agency and/or its employees or partners. All internal procedures must be in line with the Network Membership Agreement.

In addition to internal reporting and investigation, **members are required to report incidents or concerns related to fraud, safeguarding and serious incidents[3] as soon as reasonably practicable to the Start programme team and in any event within 48 hours** of the designated function responsible for the Members response learning of such a breach. For example, the designated safeguarding or fraud lead.

Anonymised summary reports related to fraud, safeguarding and serious incidents are shared by the Start programme team with the Start Network Board on a quarterly basis. Serious incidents reported to the Charity Commission by the Grant Custodian will be reported to the Start Network Platform.

Any incidents that include more than one Start Network Members should be reported by each Member, following the same process.

FRAUD

For incidents or concerns related to fraud, terrorism financing, money laundering bribery or corruption, internal misconduct or any other losses of funds or resources (e.g. the destruction of assets by accident), relating to their Start Network funded activities, members are expected to report to the Start Programmes fraud inbox (*fraud@ startprogrammes.org*). There is no minimum amount on fraud, theft or losses.

Initial reports should outline the following information, if available:

- **A description of the allegation/incident including the source of funds, country/place, date and as much information as possible on the circumstances (including but not limited to whether the person is a staff member, volunteer, partner, beneficiary or other stakeholder of the member, any reasons for delayed reporting if any, any gaps identified in procedures/processes of the member that could have led to the incident);**
- **The source of the allegation/incident (e.g., internal audit, whistle-blower, subgrantee, etc.);**
- **An initial calculation of the approximate value of the suspected loss of money or resources;**
- **Whether there are any reasons to suspect links to or the involvement of a terrorist or terrorist group (i.e., any individual or organisation listed as a designated, proscribed or prohibited party by any of the UK, EU, UN or US);**
- **Whether a Crisis Management Team has been initiated**
- **Whether or not the (local) police and/or any relevant regulatory authority (e.g. the Charity Commission for England and Wales) have been informed;**
- **A description of the planned next steps, including investigative steps, whether the investigation will be carried out by in-country staff or other agency staff; or external resources, and/or disciplinary action, and an estimated timeline for further updates.**

Please **do not** wait to notify, even if all the information required is not immediately available.

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3 Please refer to the **Charity Commission guidance on what is a serious incident**: A serious incident is an adverse event, whether actual or alleged, which results in or risks significant:
  • harm to your charity's beneficiaries, staff, volunteers or others who come into contact with your charity through its work (who are collectively referred to throughout this guidance as people who come into contact with your charity through its work)

Once the Start Programmes fraud inbox has been notified, the grant custodian (Save the Children UK) and donors that were contributing to the Start Network at the time of the report will be notified in order for proper procedures to be followed. Reports will be handled confidentially by designated staff members and will only be disclosed to third parties, including regulators, where there is an obligation to do so.

The reporting member agency will further provide the Start Network / programmes team with regular updates on each allegation/incident as well as a final report describing the actions taken to investigate, the findings of the investigation, any remedial steps taken, and a final assessment of the value of any associated losses.

It is imperative that even the suspicion of misuse of funds is reported to the Start Network to ensure accountability to our stakeholders (crisis affected people, Start Network members, and donors). If you have any doubt over whether a matter is reportable, you should email the Start Programmes fraud inbox (*fraud@startprogrammes.org*).

SERIOUS INCIDENTS

In addition to the above reporting requirements for fraud, Start Network members are asked to notify the Start team of serious incidents relating to their Start funded activities. This can include serious security incidents resulting in risks to staff security, reputation, and other areas that could impact the Start Network, grant custodian or donors funding the programmes. Members are asked to report serious incidents through the Start Programmes fraud inbox (*fraud@startprogrammes.org*).

SAFEGUARDING

For incidents or concerns related to safeguarding as defined by the Charity Commission of England and Wales, relating to their Start Network funded activities, members are required to report to the Start Programmes safeguarding inbox (*safeguarding@startprogrammes.org*) as soon as reasonably practicable. and in any event within 48 hours of the designated function responsible for the Members response learning of such a breach. As per the Grant Custodian policy, this covers incidents or concerns related to:

- **Allegations of mistreatment or abuse (including but not limited to emotional abuse, physical abuse, neglect, sexual abuse, and/or exploitation) of a child or an adult in the implementation of a Start funded programmes.**
- **Death of a child or adult connected to a Start programme related activity due to malpractice, unexpected or unexplained deaths in a medical setting, accident, abuse or misconduct**
- **Suspicions of, or actual incidents where someone (child or adult) has been abused, harassed, exploited or mistreated (alleged or actual) and this relates to the activities, Governance or Culture of Start Network or Start Programmes team (including members and partners activities), or to projects funded by Start**
- **Start Network Staff breaches of the code of conduct**

Initial reports should outline the following information, if available:

- **A description of the allegation/incident including country, location(s), date(s), any reasons for delayed reporting if any, whether the incident/concern is about a staff member, volunteer, partner, beneficiary or other stakeholder of the member, source of information, Identification of any failure of systems or processes in the governance or handling of the incident) and the source of funds;**
- **If the name of the alleged perpetrator and nationality are known or not; and if the perpetrator is a UK national or resident;**
- **The age of the victim(s), and their status following the incident;**
- **Outline of the action(s) taken locally including steps taken to protect the victim;**
- **Initial mitigation measures undertaken, including any staff/volunteer suspensionsIf the incident is potentially criminal locally or in the UK. And if it is a crime, confirmation it has been reported to the local authorities. Confirmation of whether the relevant (local) authorities and/or any other relevant regulatory authority (e.g. the Charity Commission for England and Wales) have been informed, and any results;**

- A description of the planned next steps, including investigative steps and/or disciplinary action, and an estimated timeline for further updates.

Please **do not** wait to notify, even if all the information required is not immediately available.

Once the Start Programmes safeguarding inbox has been notified, the grant custodian (Save the Children UK) and donors that were contributing to the Start Network at the time of the report will be notified in order for proper procedures to be followed, as per the standard operating procedure. Reports will be handled confidentially by designated staff members and will only be disclosed to third parties, including regulators, where there is an obligation to do so.

If you have any doubt over whether a matter is reportable, you should email the Start Programmes safeguarding inbox (*safeguarding@startprogrammes.org*).

COMPLAINTS

Start Network member agencies can raise complaints relating to Start Network activities by emailing the Start Programmes complaints inbox (*complaints@startprogrammes.org*).

Complaints will be handled by designated staff members who will work together with relevant decision-makers from the Start Network membership when formulating responses to individual complaints. In addition to this, the Start team will summarise complaints and present them in the quarterly Start Fund Committee meetings for broader strategic and operational consideration.

Start Network Mandatory Requirements:

- All agencies are responsible for their own internal procedures including reporting, risk assessments, and due diligence on implementing partners (sub-grantees) to prevent the risk that Start funds are misappropriated or inappropriately used by the agency and/or its employees or partners. All internal procedures must be in line with the Network Membership Agreement.
- Members are expected to report:
  - Incidents or concerns related to fraud, terrorism financing, money laundering bribery or corruption, internal misconduct or any other losses of funds or resources to the Start Programmes fraud inbox (*fraud@startprogrammes.org*).
  - Serious incidents through the Start Programmes fraud inbox (*fraud@startprogrammes.org*).
  - Incidents or concerns related to safeguarding to the Start Programmes safeguarding inbox (*safeguarding@startprogrammes.org*).
    All concerns should be reported, and all reports should be made as soon as reasonably practicable. The grant custodian (SCUK) and donors are notified of all reports, and reports are shared with the Start Network in anonymised summary reports where possible, on a quarterly basis.
- Members can raise complaints relating to Start activities by emailing the Start Programmes complaints inbox (*complaints@startprogrammes.org*).
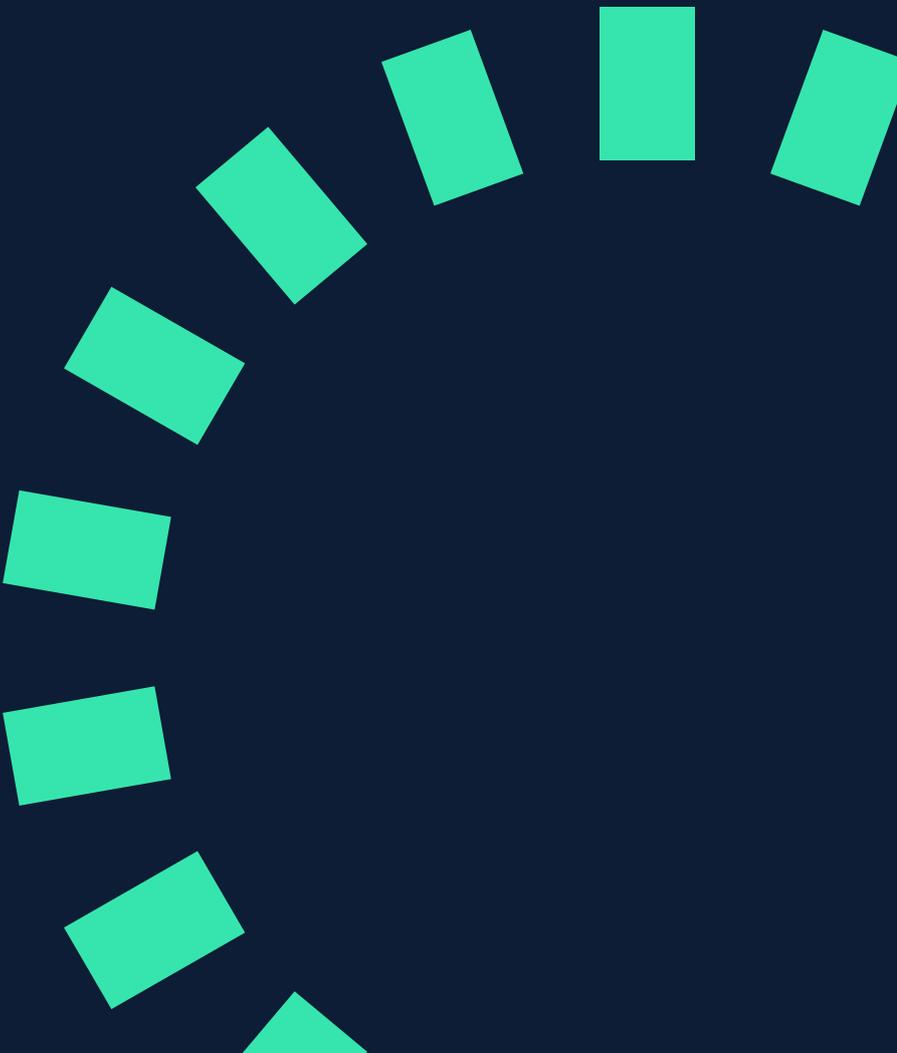
START

NETWORK

Start Network is made up of more than 40 aid agencies across five continents, ranging from large international organisations to national NGOs. Together, our aim is to transform humanitarian action through innovation, fast funding, early action, and localisation.

We're tackling what we believe are the biggest systemic problems that the sector faces - problems including slow and reactive funding, centralised decision-making, and an aversion to change, means that people affected by crises around the world, do not receive the best help fast enough, and needless suffering results.

CONTACT US AT info@startnetwork.org

startnetwork.org **@startnetwork** **facebook.com/startnetwork1**

ACTED ACTION AGAINST HUNGER ACTIONAID ALIMA AGE INTERNATIONAL AFEDEM ARAB RENAISSANCE FOR DEMOCRACY & DEVELOPMENT AFPDE BRIGHT STAR DEVELOPMENT SOCIETY BALOCHISTAN CADENA CAFOD CARE INTERNATIONAL CARITAS BANGLADESH CARITAS GOMA CARITAS INDIA CARITAS SRI LANKA CATHOLIC RELIEF SERVICES CHRISTIAN AID COMMUNITY WORLD SERVICE–ASIA CONCERN WORLDWIDE CORDAID DOCTORS OF THE WORLD DORCAS AID GOAL HANDS HELP FOUNDATION HUMANITY & INCLUSION IDEA INTERNATIONAL MEDICAL CORPS ISLAMIC RELIEF MERCY CORPS MIDEFEHOPS ASBL MINES ADVISORY GROUP MUSLIM AID NEADS OXFAM PARC PLAN INTERNATIONAL PRO–VIDA QATAR CHARITY RELIEF INTERNATIONAL SAVE THE CHILDREN SOLIDARITÉS INTERNATIONAL SEEDS TEARFUND TRÓCAIRE WAR CHILD WELTHUNGERHILFE WORLD JEWISH RELIEF WORLD VISION YUGANTER