

# DERF

## Danish Emergency Relief Fund



## Annual Progress Report 2023

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## Abbreviations

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AA	Anticipatory Action	MEAL	Monitoring, Evaluation, Accountability, & Learning
AB	Advisory Bord	MFA	Ministry of Foreign Affairs
AC	Assessment Consultant	MT	Management Team
BIMS	Business Integrity Management System	NFI	Non-food Item
CBA	Cash-Based Assistance	PSHEA	Protection against Sexual Harassment, Exploitation and Abuse
CBO	Community Based Organisation	RMSP	Risk management strategy and plan
CCAM	Climate Change Adaptation Modality	RR	Rapid Response
CHS	Core Humanitarian Standard	SCD	Save the Children Denmark
CoC	Code of Conduct	WASH	Water, Sanitation & Hygiene
CSO	Civil Society Organisation	QA	Quality Assurance
DERF	Danish Emergency Relief Fund	QI	Quality Improvements
FSL	Food Security & Livelihoods	QMS	Quality Management Systems
GC	Grant Committee	oPt	Occupied Palestinian Territory
HQAI	Humanitarian Quality Assurance Initiative		
IDP	Internally Displaced People		
M&E	Monitoring and Evaluation		

**Photo:** Cover page: Pernille Bærendtsen

## Statement by the DERF Steering Committee

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In 2023, the DERF showed once again its high efficiency in providing flexible humanitarian funding to crisis-affected people around the world. The DERF managed to deliver services of high quality and proved its solid relevance for civil society led assistance to people affected by humanitarian crises.

The number and nature of alerts received, and calls opened confirm the large conflict related humanitarian crises, i.e. the armed conflict in Ukraine and the humanitarian crisis in Palestine. The number of conflicts in the world increased during 2023, and this is also visible at the DERF, where four out of eleven calls were related to conflicts. The DERF demonstrates its strategic relevance by delivering rapid and flexible humanitarian support to people affected by these conflicts.

Another globally visible source for crises continues to be the changed patterns in the climate. The severe weather-related disasters already noted in previous years did continue and, in many places, worsened in 2023. They affected the Horn of Africa, Southern Africa and parts of Central and Southern America, where heatwaves, drought, floods and cyclones affected numerous countries. The global El Niño phenomenon exacerbated this situation. Also here, the DERF continues to be highly relevant for its users, responding to the weather-related crises, or supporting people in anticipation of those.

Danish CSOs and their partner organisations are deeply engaged in providing humanitarian assistance to crisis-affected people. Through existing partnerships, they demonstrate to be in a good position to deliver localised assistance. Their long-term presence gives them knowledge about people's needs and access to the most vulnerable. The ability to provide localised responses is one of the cornerstones of the DERF and is - besides being anchored around local CSOs - also seen from the continued comparatively high percentages of funds being used and managed locally. Civil society is capable of delivering the humanitarian assistance that people need, at the time they need it the most.

The funding gap in responding to humanitarian crises around the world is growing. The DERF can only make a small difference when looking at the overall picture. But for the people reached with DERF funding, such provisions make a huge difference. This report is a documentation of this impact.

The DERF is geared to scale up its services. The CSOs have the experience and capacity to implement more and larger projects, if more funds were available. The DKK 25 million annually allocated to the DERF has stayed the same since its inception in 2017, which must be considered in a wider context with recent inflationary increases and that overall the global humanitarian needs have increased, as well as the fact that the capacity of civil society to do more has improved. The DERF does therefore continue its efforts to lobby for more funds to be available for its work.

Together for locally led humanitarian action, delivered by strong civil society actors!

The Steering Committee of the DERF

**Signe Atim Allimadi**

Save the Children Denmark

**Jeef Bech Hansen**

CISU - Civil Society in Development

## Introduction to the report

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The Danish Emergency Relief Fund (DERF) provides humanitarian funding to Danish Civil Society Organisations (CSOs), not receiving other humanitarian funds from the Danish Ministry of Foreign Affairs (MFA), enabling the CSOs to provide emergency relief around the world in partnerships with local CSOs. The DERF is a rapid and flexible funding mechanism, originally established in 2017 by the Danish MFA.

The aim of the DERF is to contribute to saving lives and alleviate suffering of people affected by humanitarian crises. The pool of funds has been designed to be in line with current humanitarian trends, the Danish strategy for development and humanitarian aid, as well as international humanitarian principles and standards, such as the Core Humanitarian Standard (CHS) and the commitments expressed under the Grand Bargain.

The fund is managed in a consortium of CISU – Civil Society in Development (lead) and Save the Children Denmark (SCD).

This document reports on progress of the DERF during the year 2023. It consists of four chapters:

- Chapter one: General data on grants provided
- Chapter two: Performance against the result framework
- Chapter three: Highlighted topics
- Chapter four: Statement of accounts

At the end of the report a short outlook paves the way forward and highlights some perspectives of importance for the DERF in 2024 and beyond.

Further details about the annual accounts of the DERF are made available as annexes to the report.

## Chapter one: General data on grants provided

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In 2023, DERF grants supported a total of 43 different interventions.

Of these, three were interventions under the Anticipatory Action (AA) modality albeit the DERF, with the intention of nudging its potential users to make use of the AA modality, opened a ‘Special Call for the Horn of Africa’ in November 2022 with nine successful applications receiving anticipatory action grants in early 2023.

The remaining 31 interventions received grants as part of DERF’s Rapid Response modality through ten specific calls for applications.

The following table provides an overview of the calls opened in 2023 and the number of interventions supported through grants under each call.

The AA interventions, including the Special Call for the Horn of Africa, are also described. The table also shows the amount of the DERF funds allocated under each call.

Table 1: Name & type of calls, amount spent per call, number of interventions and countries per call

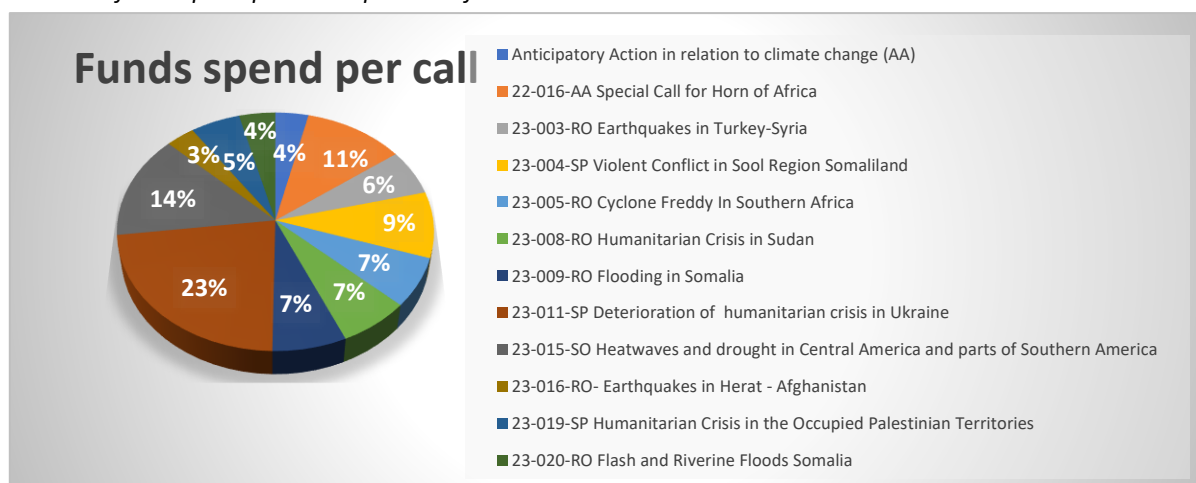
Calls	Amount granted DKK	# of grants	Countries supported
Anticipatory Action in relation to Climate Change	889.240	3	Somaliland, Somalia, Zimbabwe
Special Call for Horn of Africa (Anticipatory Action)	2.695.754	9	Somaliland, Somalia, Ethiopia
Earthquakes in Turkey-Syria	1.494.004	2	Turkey
Violent Conflict in Sool Region Somaliland	2.148.594	5	Somaliland
Cyclone Freddy in Southern Africa	1.603.395	2	Mozambique, Malawi
Humanitarian Crisis in Sudan	1.600.000	2	Sudan
Flooding in Somalia	1.666.127	4	Somalia
Deterioration of the humanitarian crisis in Ukraine	5.479.472	5	Ukraine
Heatwaves and drought in Central America and parts of Southern America	3.395.729	4	Bolivia, El Salvador, Honduras
Earthquakes in Herat – Afghanistan	778.481	3	Afghanistan
Humanitarian Crisis in the Occupied Palestinian Territories	975.297*	1	Palestine / oPt
Flash and Riverine Floods Somalia	1.335.806	3	Somalia
<b>Total:</b>	<b>24.061.899</b>	<b>43</b>	

\*) Three additional grants were granted under this call in early 2024.

Under the Rapid Response modality, four calls were opened in response to weather-related disaster events (Horn of Africa, Southern Africa, Central-/South America), four were related to conflict (Somaliland, Sudan, Ukraine, Palestine), while two were in response to severe earthquakes (Turkey-Syria & Afghanistan).

Except for the Special Call for the Horn of Africa, calls were opened based on alerts the DERF received from its users. In 2023, the DERF received 20 alerts – an increase compared to 15 in 2022 – with 13 activated. The total number of calls included in Table 1 is ten, given the fact that three calls (landslides in Georgia, conflict in Nagorno-Karabakh, earthquake in Morocco) did not result in any grant approvals.

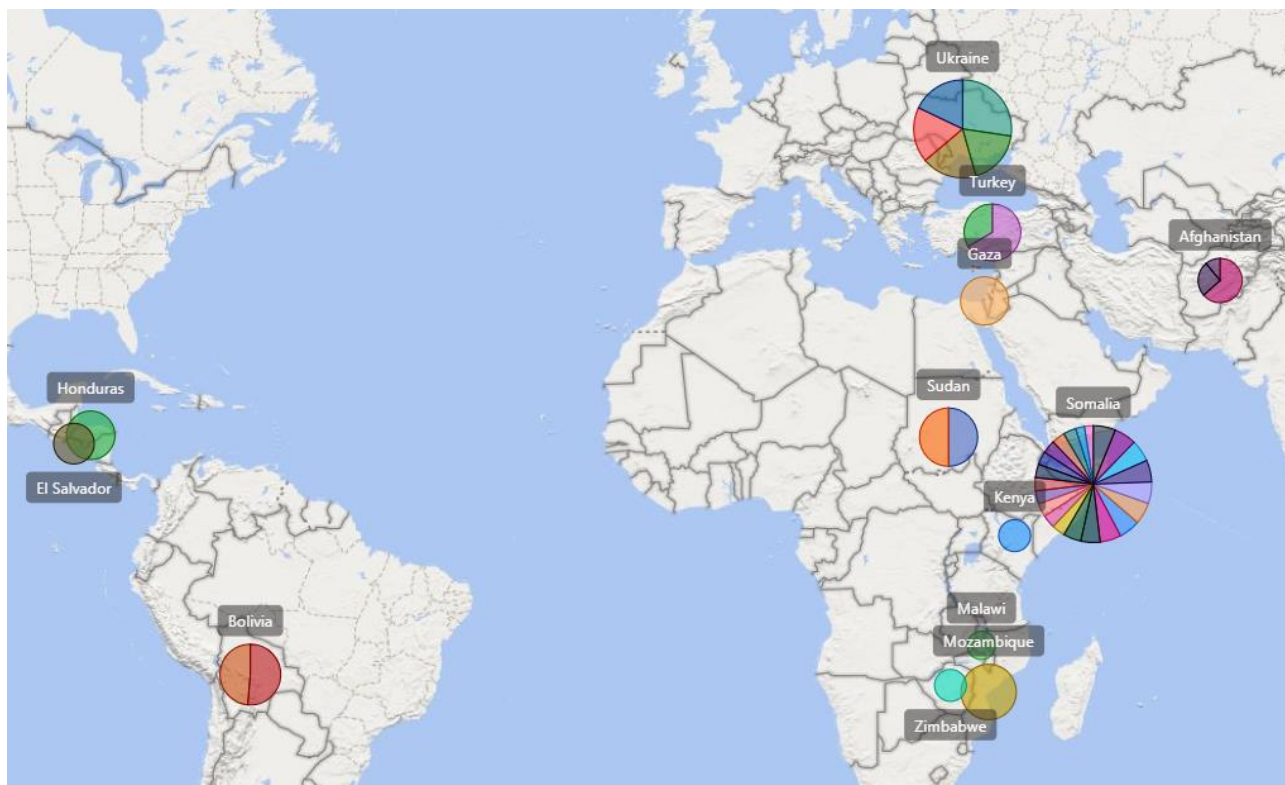
Illustration 2: funds spend per call in percent of total





The world map below shows the interventions supported per country. The size of the circle demonstrates the proportion of funds granted to a country compared to other countries. Each slice of the circle is one intervention. The size of the slice demonstrates how large a percentage each intervention is out of the total of amount granted to that country.

*Illustration 3: World map with 2023 grants per country*



The map visualises that Somalia/Somaliland, when counting the respective calls together, received the largest amount of funds (DKK 8.135.820), followed by Ukraine (DKK 5.479.472). Also, Somalia/Somaliland clearly received the highest number of grants (22).

The DERF operates with funding ceilings to align the requirements of small and large interventions. Less experienced organisations can relatively simply qualify for implementing interventions below DKK 200.000. Organisations that apply for above DKK one million need a trackrecord of similar-sized interventions and demonstrated humanitarian experience.

In 2023, five interventions were approved below DKK 200.000, while three interventions were above DKK one million. The majority of interventions, namely 35, were in the middle funding ceiling bracket between DKK 200.000 and DKK one million.

An explanation for the small number of grants below DKK 200.000 may be that these are seen as entry level grants. If an organisation has applied the DERF before or is new to the DERF but demonstrates capacity to apply for more, they will typically apply under the middle funding ceiling.

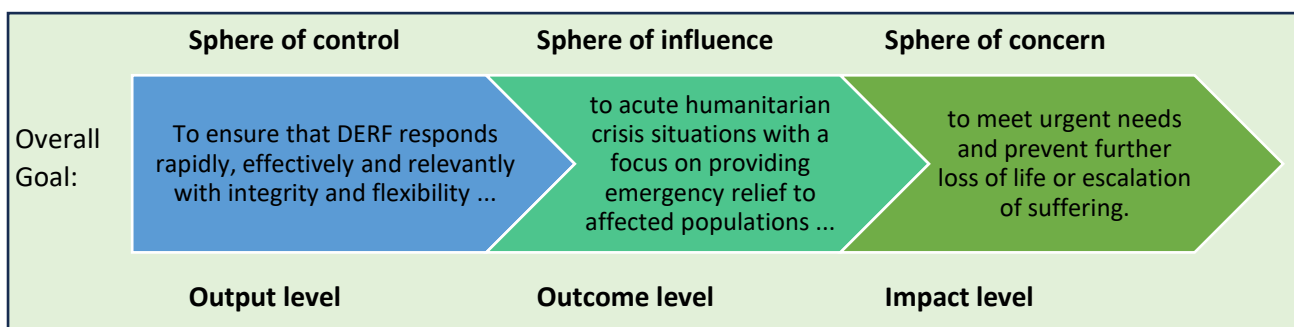
An explanation for the small number of grants above DKK one million is likely that the DERF had restricted many calls for applications below one million only, and in order to accommodate a more diverse group of applicant organisations.

## Chapter two: Performance against result framework

In this chapter the DERF reports on achievements within the result framework formulated in the agreement between the DERF and the Danish MFA. The result framework operates with indicators on impact level, outcome level and output level. The three levels form the following three sub-chapters.

The result framework follows the logic of the Theory of Change, which divides the overall goal of the DERF into three different spheres. Each sphere forms a level in the result framework, where the administration of the fund, calls and modalities form the output level, the crises and criteria for applying to the DERF form the outcome level, and the beneficiaries and content of the interventions constitute the impact level.

Illustration 4: Summary of the Theory of Change of the DERF



### 2.1 Results on impact level

Table 5: impact level of the result framework

Impact level	2021	2022	2023
<b>Impact 1: Further loss of lives and escalation of suffering have been prevented</b>			
<i>Indicator 2:</i> Total and composition of target group reached, disaggregated by gender/age	111.354 people 62.538 women 69.693 youth 84.692 refugees	132.542 people 72.394 women 91.454 youth 53.871 refugees	102.026 people 57.625 women 50.285 youth 29.221 refugees
<i>Indicator 3:</i> Modes of assistance supported by the DERF	Cash: 4 grants Voucher: 2 grants Goods: 9 grants Services 3 grants	Cash: 11 grants Voucher: 4 grants Goods: 27 grants Services 22 grants	Cash: 10 grants Voucher: 2 grants Goods: 20 grants Services: 21 grants
<b>Impact 2: DERF funded interventions contribute to meet urgent needs of people affected by crisis</b>			
<i>Indicator 4:</i> % of implementing organisations who are part of coordination	82%	72%	81%
<i>Indicator 5:</i> Humanitarian sectors engaged in through DERF grants interventions	WASH: 4 grants FSL: 5 grants Health: 5 grants Nutrition: 8 grants Shelter: 3 grants Education: 2 grants Protection: 1 grant	WASH: 20 grants FSL: 11 grants Health: 17 grants Nutrition: 25 grants Shelter: 15 grants Education: 0 Protection: 10 grants	WASH: 16 grants FSL: 11 grants Health: 8 grants Nutrition: 14 grants Shelter: 8 grants Education: 1 Protection: 6 grants
<i>Indicator 6:</i> # of interventions that manage to adjust to changing needs	8 grants (73%)	31 grants (86%)	26 grants (81%)
<b>Impact 3: Particularly vulnerable groups have been reached</b>			

<b>Indicator 7:</b> # and type of vulnerable persons targeted through DERF interventions	86.812 vulnerable people (mix of all types)	114.174 vulnerable people (mix of all types)	84.621 vulnerable people (mix of all types)
<b>Indicator 8:</b> # of DERF interventions that include refugees / IDPs / host communities	8 grants included this target group	25 grants included this target group	22 grants included this target group

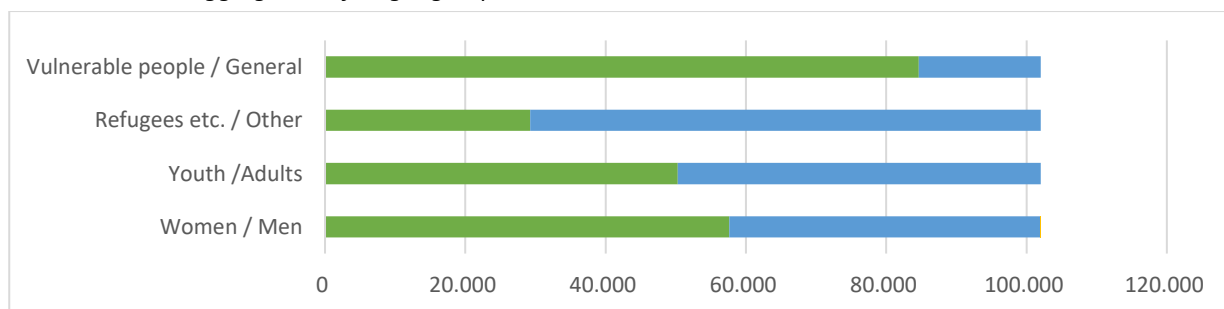
The dataset used to qualify the impact of the DERF in 2023 comes from the reports of DERF interventions, meaning that all interventions which submitted final reports and got these duly approved in 2023 have delivered data to this section. It must be noted that these are different interventions than those granted in 2023, where many of them have not yet reported on their achievements due to the actual intervention implementation periods as well as the ensuing reporting deadlines of these interventions.

### Target group reached

As illustrated in table 5, the number of people reached is smaller than last year. This is caused by the fact that the figures are based on 32 interventions / reports, while it was 36 the year before.

When looking at the composition of the target group, 57% of the people reached were women while 49% were youth (including children). These groups do also form part of the vulnerable groups which most interventions do an extra effort of providing assistance to. 83% of the people reached were vulnerable.

*Illustration 6: Disaggregation of target groups*



Looking into the types of vulnerability, each intervention has its unique description of them. Women, girls, female headed households, as well as women with small children are most often mentioned as part of the vulnerable group. It is with this in mind that more than half of the total target group are indicated as women. Interventions therefore made an extra effort to include them as part of intervention activities.

Other vulnerable groups include persons living with disabilities, elderly people, mentally or physically challenged people. Most interventions utilise an assessment of vulnerabilities as a selection criterion for support, while a few describe entire communities as vulnerable and assist these collectively.

29% of the target group were refugees, Internally Displaced People (IDPs) or host communities. These are also most often mentioned as part of the vulnerable groups. The number of refugees reached has to be seen together with the number of grants which included refugees as part of the beneficiaries, which were 22 out of 32 (69%). While the number of refugees reached is not so high, they are part of a large number of interventions. The grants that included refugees as (part of) their target group were, perhaps not surprisingly, implemented in Somalia, Somaliland, and Ukraine.

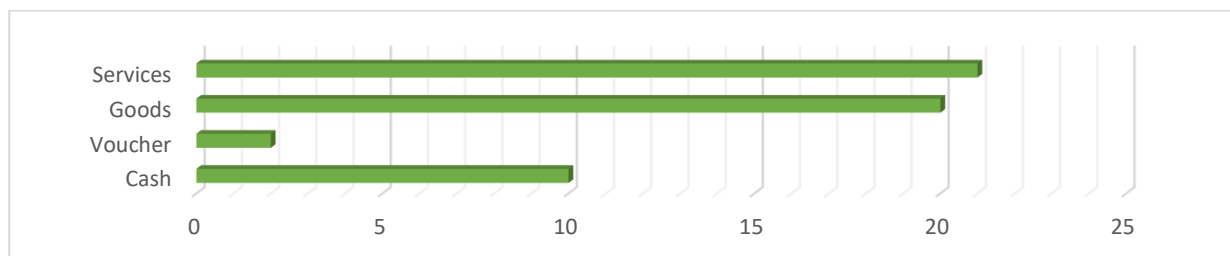
It is possible that some grantees do forget to include the host communities when reporting the number of refugees and IDPs reached. Therefore, the correct number of people reached under this category is likely to be higher than indicated.



### Modes of assistance

31% of the grants that reported during 2023 did include cash-based assistance in their interventions. This is close to the figure of the year before (30%). 63% decided to provide goods, while 66% included services as part of their intervention.

Illustration 7: Number of grants which included a particular mode of assistance



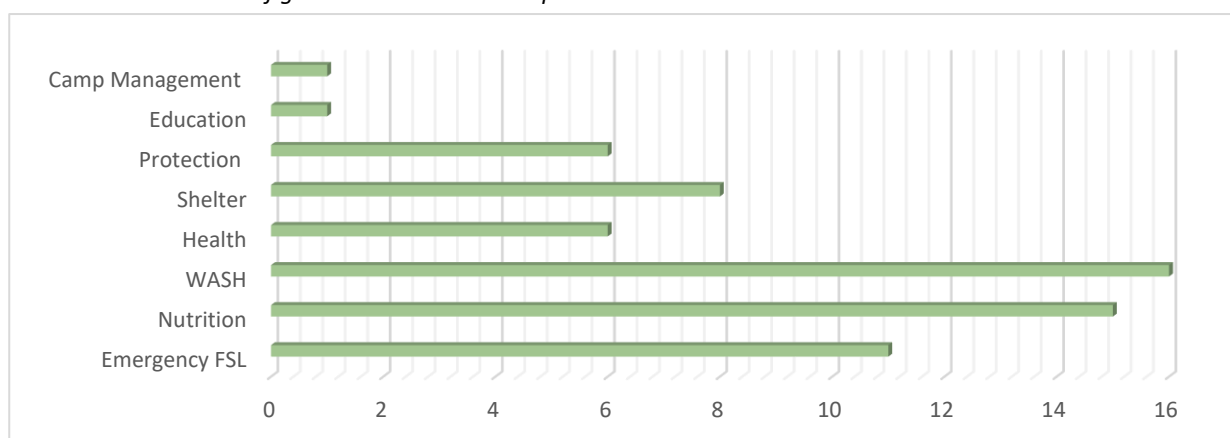
22% of the grants chose to focus their intervention on a single mode of assistance. The rest combined two or more of them. 66% of interventions combine either cash, vouchers, or goods with services. The DERF regards services as support in the form of response team or assistance delivery training and distribution setup, whereas a broader definition may be applied by grantees and implementors to include transport of goods (e.g. food, water & NFIs) and well as information material related to WASH practices.

The DERF has no preferences as to whether interventions apply one or several modes of assistance. However, applicants need to justify their choice of mode of assistance when applying to the DERF. As an example, the DERF team has more than once learned that cash-based assistance does not always work seamlessly for some of the poorest target groups or in very remote areas. Also, the lack of experience with cash-based assistance among the implementing organisations is still, to some extent, influencing the chosen mode of assistance.

### The humanitarian sectors

The numbers of grants within the different humanitarian sectors have to be seen in the context of which crisis they responded to. The largest amount of grants included WASH (16 grants) and food (11 FSL and 15 Nutrition) as part of their intervention. All grants provided in a drought context have included one or both of these sectors. The high number of grants including Emergency Shelter sector support are those responding to the conflict in the Ukraine and the earthquake in Turkey/Syria.

Illustration 8: Number of grants which included a particular humanitarian sector



84% of the interventions included two or more sectors in their response, following a practice to address several needs of their target group.

In the following illustration, quotes from a few interventions supported by the DERF provide an idea of the work done. The section has been included in this report in order to provide some qualitative information.

*Illustration 9: Examples of DERF grants, extracted from the resumes provided by grantees*

**Rajo Organisation & Al-Raham Charity**

*Somaliland*

The intervention rehabilitated a medium earth dam of 50m long, 30m wide and 4m deep at *Idhankadeeroyahanka* village providing sufficient water for drinking and domestic use throughout the year for a population of 3,240 people and 5,500 to 6,000 livestock.

**ORGANISATIONEN FOR FRED OG UDVIKLING I DET SYDELIGE SOMALIA (OFUSS) & Development Action Network (DAN)**

*Somalia*

The project contributed to food security by improving households' immediate access to food through provision of multipurpose unconditional cash assistance to 150 crisis and displacement affected households (900 persons) in 4 villages of *Beletweyne* district.

**IAS Denmark & Free Pentecostal Fellowship in Kenya (FPFK)**

*Kenya*

The project addressed the impact of the spike of the drought in *Turkana County* through supplying food to the most vulnerable in the community, rehabilitating broken down water points and addressing GBV in drought contexts.

**OFROSOM & GARDO**

*Somalia*

The intervention assisted 500 households residing in the two IDP camps in south *Galkayo, Mudug* region. Our response of humanitarian assistance included the distribution of food packages and clean drinking water, which were sustained for a period of two months.

**Charity for Life & Saqib Tasneem**

*Turkey*

This intervention delivered a total of 326 hygiene kits, 350 food packages, 80 beds, and 16 container houses to the victims of the *Kahramanmaraş* earthquake.

**Danish Muslim Aid & Violet Organization for Relief & Development**

*Turkey*

The intervention provided immediate relief assistance to those affected by the earthquake in *Türkiye*. It addressed the immediate impacts of the earthquake by providing cash assistance directly to orphan families. The cash assistance empowered orphan families and gave them the flexibility to prioritize their most urgent needs which was determined by their unique circumstances.

**GAME & Center for Street Culture**

*Ukraine*

The intervention delivered emergency supplies (food, WASH, medicine, blankets, basic clothing) to people in the *Kharkiv* region. The beneficiaries were persons unable to access food items and NFIs on their own.

**LGBT+ Danmark & STAN & Insight**

*Ukraine*

The intervention provided instant relief and immediate safety to LGBTIQ+ IDPs in Ukraine, through setting up a shelter in *Chernivtsi*, and providing psychosocial, physiological, and humanitarian support.

## 2.2 Results on outcome level

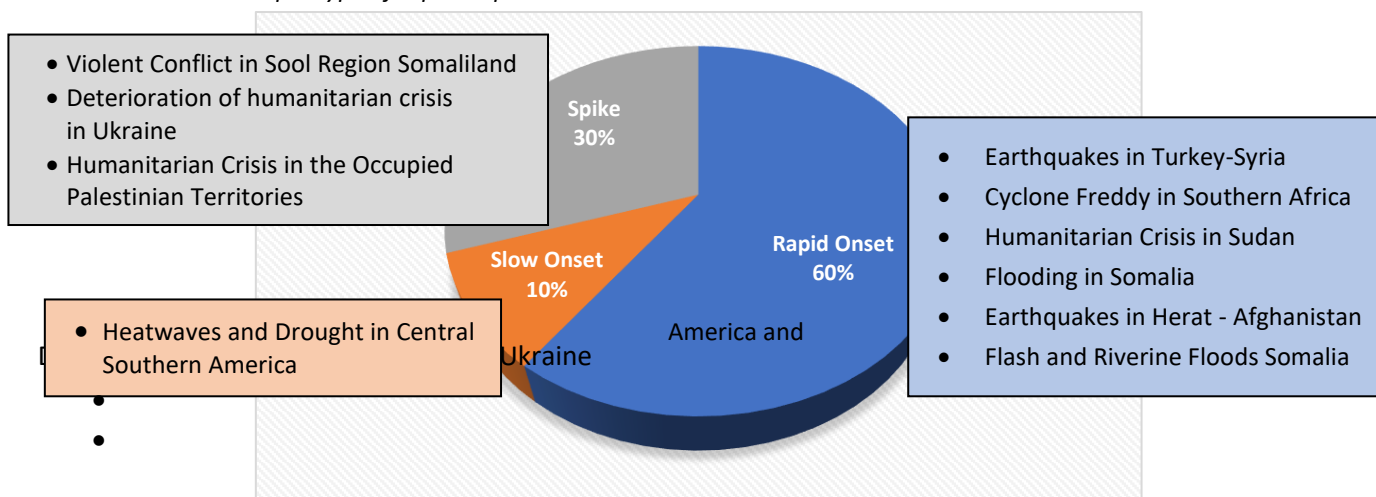
Table 10: Outcome level of the result framework

Outcome Level	2021	2022	2023
<b>Outcome 1: Civil Society Organisations are responding to humanitarian crisis</b>			
<i>Indicator 9:</i> # and type of humanitarian crisis the DERF is responding (disaggregated by climate / conflict related and rapid onset / slow onset / spike)	3 climate related 3 conflict related 0 rapid onset 1 slow onset 3 spikes	6 climate related 2 conflict related 5 rapid onset 1 slow onset 2 spikes	5 climate related 4 conflict related 6 rapid onset 1 slow onset 3 spikes
<i>Indicator 10:</i> # and size of CSOs that manage to access grants	5 small CSOs 2 medium CSOs 3 large CSOs	14 small CSOs 8 medium CSOs 5 large CSOs	11 small CSOs 8 medium CSOs 11 large CSOs
<b>Outcome 2: Humanitarian Principles are followed by grantees</b>			
<i>Indicator 11:</i> # of grantees who in their application clearly commit to the humanitarian principles	All (but not mentioned in particular)	All (but not mentioned in particular)	All (but not mentioned in particular)
<i>Indicator 12:</i> Level of compliance with CHS commitments as described in applications	All approved grants did comply. Approval rate: 55% 11 appl/ approved 9 appl/ rejected	All approved grants did comply. Approval rate: 71% 36 appl/ approved 15 appl/ rejected	All approved grants did comply. Approval rate: 51% 43 appl/ approved 41 appl/ rejected
<b>Outcome 3: Localisation is strengthened through DERF supported responses</b>			
<i>Indicator 13:</i> % of DERF grants spent in crisis area	89%	89%	88%
<i>Indicator 14:</i> % of DERF interventions which are implemented through local partner organisations	73%	94%	98%

### Crises responded to

The rapid response modality of the DERF responded in 2023 to six rapid onset crises, one slow-onset, and three spikes in a protracted crisis. In the illustration below you can see the specific calls opened under each category.

Illustration 11: Calls per type of rapid response



The distribution between types of crises follows the trend of previous years. The DERF is difficult to activate in slow-onset crises, because one of the criteria for opening a call is that it must be possible to start implementation within the first three months of the crisis or the spike. This is often difficult to determine in a slow-onset crisis.

The crises responded to include those with a high media exposure, such as the Earthquakes in Turkey/Syria, the Cyclone Freddy in Southern Africa, the Ukraine conflict, as well as the crisis in the Occupied Palestinian Territories (oPt). The DERF did however also respond to less visible / overlooked crises, hereunder some in Somalia and the consequences of El Niño in southern and central America.

The number of climate related crises responded to was in 2023 slightly lower than in 2022 (four + the AA call, compared to six in 2022). This is most likely caused by the fact that conflict dominated crises were on the rise in 2023. This was also visible through the types of calls the DERF opened in 2023, with four being related to conflicts (Ukraine, Sudan, Somaliland, Palestine), compared to two in 2022.

### Type and size of DERF users

In 2023, 30 different Danish CSOs received DERF grants. This is slightly higher than in 2022 and demonstrates that the DERF continues to be relevant to many CSOs. The fund also continues to be equally accessible for small as for large CSO.

In the context of this report, the chosen definition of who is a small or a large CSO is based on their annually turnover: small CSOs have an annual turnover below DKK 200.000, medium-sized have a turnover between DKK 200.00 and 1,5 million, and large CSOs have an annual turnover from DKK 1,5 million and above.

Applying this definition means that many of the DERF users who applied for funding as a small CSO during the previous years, have now moved to the medium-sized CSO category. For the same reason, the number of large CSOs has increased compared to the previous years.

Table 12: Names of grantees per size of CSO

Small CSO	Medium CSO	Large CSO
Bevar Ukraine	Aktion Amazonas	Cross Cultures Project Association (CCPA)
Charity for Life	Action for Relief and Development (ARD)	Dansk Folkehjælp
Dansk Afghanistan Komite	Danish Support Group Ukraine	Dansk International Bosætningservice (DIB)
Dansk Afghansk Humanitær Forening	Dansomala Forening	Danish Muslim Aid
Guryasamo	Iftin Organisation	Danner
Organisation for Fred og Udvikling i det Sydlige Somalia (OFUSS)	Landsforening for Økosamfund	Game
Rebuild Aid Foreningen	Rajo Organisation	International Aid Services (IAS)
Somali Rehabilitation and Development Association (SORADA)	Somalisk Forening for Genopbygning (OFROSOM)	Miljøbevægelsen NOAH
SRNF		Seniorer uden Grænser (SUG)
Ulandshjælp fra Folk til Folk – Humana People to People		Vedvarende Energi
Ungdom med Opgave		Viva Danmark

### Humanitarian principles followed by DERF users

The DERF has integrated the humanitarian principles and the commitments of the Core Humanitarian Standard (CHS) in the assessment criteria applicable to the funding proposals. This is noticeable in the funding guidelines as well as in the questions asked in the application format. Therefore, all approved grants follow the humanitarian principles and the CHS to a satisfactory degree. In accordance with the principle of proportionality, the threshold for compliance for small grants is lower than for the larger grants <sup>1</sup>.

With the above in mind, it becomes interesting to assess the approval rate of applications received. Though reasons for rejecting an application may be many, the compliance with each of the nine commitments of the CHS is a key element. With an approval rate of 51%, almost half of the received applications were rejected, not living up to one or more of the assessment criteria. This is a comparatively high number of rejections, compared to the year before. It is however the guarantee for the compliance of the humanitarian principles and adherence to the CHS in the approved applications.

Please refer to table 18 in chapter 3.4 for further details about the approval rate per call.

### Local leadership and localised responses

The DERF has from its beginning in 2017 been a frontrunner when it comes to supporting locally led disaster or crises response. This includes focus on implementation through mutual partnerships, a comparatively high percentage of funds reaching the beneficiaries, as well as other conditions in support of local leadership.

In 2023, 98% of the grantees implemented their interventions through local partner organisations. Only one single grantee was self-implementing intervention activities. The high quantity of local implementing partnerships demonstrates the strength of the DERF to reach the local CSOs or CBOs close to the crises affected populations. At the same time, the amount of the funds that directly reaches the affected people is substantial.

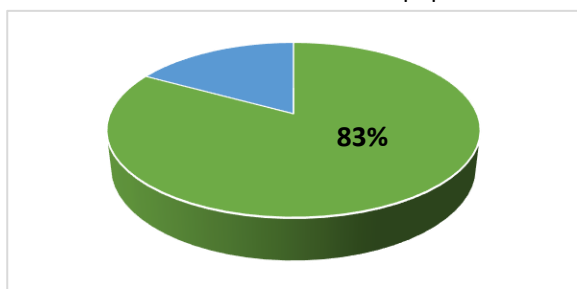
The DERF requirements concerning the percentage of the granted amount to reach the affected populations are unambiguous. The minimum targets for ensuring approval of an application are that:

- at least 60% of the budgeted funds benefit the crisis-affected population,
- at least 80% of the budgeted funds are spent in the crisis area.

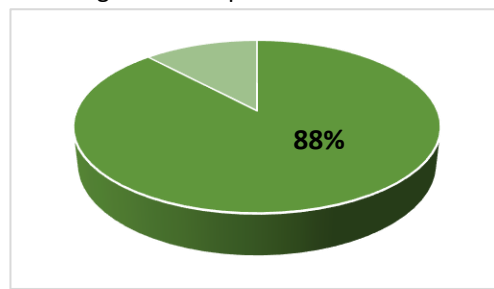
In 2023 the DERF surpassed these targets. 83% of the funding benefited the crisis-affected population and 88% of the funds were spent in the crisis areas.

*Illustration 13: % benefitting crisis affected populations / spend in crisis area*

% of funds benefit the crisis-affected population:



% of budgeted funds spend in the crisis area:



<sup>1</sup> In Danish: Princippet om kravsafstemthed.



Besides the formulated indicators we report on, the DERF also commits to local leadership by ensuring that implementing organisations are part of the development of the actual intervention. Local CSOs may have different capacities and are only sometimes the ones writing the entire application. As a minimum (required by the DERF), they write the description of the local context and describe the emergency need of the affected people. When submitting an application, both organisations in a partnership acknowledge the partnership application by signing the cover page.

The DERF is also piloting new ways of strengthening localisation. Read more about this in chapter 3.2 of this report.

## 2.3 Results on output level

Table 14: Output level of the result framework

Output Level	2021	2022	2023
<b>Output 1: Humanitarian Funding provided for Rapid Responses (RR)</b>			
<i>Indicator 15:</i> # of calls opened for rapid response modality	4	8	13 (3 of them without grants approved)
<i>Indicator 16:</i> # of rapid response grants provided per call	Average of 2,8 grants per call	Average of 4,5 grants per call	Average of 3,3 grants per call
<b>Output 2: Humanitarian funding, responding in anticipation of crisis related to climate change</b>			
<i>Indicator 17:</i> # of grants provided responding to situations related to climate change	8 out of 11 (73%)	28 out of 36 (78%)	25 out of 43 (58%)
<i>Indicator 18:</i> # of grants approved with a particular focus on innovation	0	0	0
<b>Output 3: Support services provided to DERF grantees</b>			
<i>Indicator 19:</i> # of grantees using the online service for technical backstopping	Support through phone, mail, advisory support	Support through phone, mail, advisory support	Support through phone, mail, advisory support
<i>Indicator 20:</i> Satisfaction rate among participants of capacity building activities	See narrative description	See narrative description	See narrative description

For the ease of reading this report, the overall information about the rapid response calls opened and grants approved in 2023 (indicators 15 and 16) has already been provided in chapter 1 of this report. Looking deeper into the figures, it stands out clearly that in 2023 the average of 3,3 grants' approval rate per call is low. This average is influenced by the fact that three calls were opened with no funds granted, as applications received under these calls were all assessed not to meet the assessment criteria. The three calls which did not lead to the approval of grants were:

- Landslides in Georgia (one applicant)
- Earthquake in Morocco (two applicants)
- Conflict in Nagorno-Karabakh (one applicant)

### Grants related to climate change

In 2023, 58% of the grants provided can be said to be related to climate change, hereof 12 grants in anticipation of, and 13 in response to, a humanitarian crisis. This is a decrease compared to the previous years, which could be explained by the fact that the number of crises caused by conflict have increased. Conflicts in many parts of the world push the problems caused by climate changes into the background. However, it should be noted that crises are more commonly made up of a number of key drivers converging to become full-blown disasters, with the Horn of Africa as a pertinent example where aspects of conflict, prolonged drought and sudden flash floods constitute the birth of complex disaster events.

Table 15: Number of grants and amounts granted in relation to/or worsened by climate change, per call

Climate related crisis	# of grants	Amount granted
<b>Anticipatory Action in Relation to climate change</b>	12	DKK 3.584.994
<b>Cyclone Freddy in Southern Africa</b>	2	DKK 1.603.395
<b>Flooding in Somalia</b>	4	DKK 1.666.127
<b>Heatwaves and drought in Central and Southern America</b>	4	DKK 3.395.729
<b>Flash and Riverine Floods Somalia</b>	3	DKK 1.335.806
Total	<b>25</b>	<b>DKK 11.586.051</b>

It must be noted that only 20 of the 25 grants indicated themselves to be climate related. The two grants responding to cyclone Freddy for instance did not indicate this. We have however corrected those figures by assessing each intervention. Aspects of hydrometeorological disaster events and attribution to climate change are however immensely complex to determine and as such beyond the scop and capability of the DERF and its setup.

Among the weather-related disasters on the Horn of Africa, two calls were related to severe flooding events and the special call on anticipatory action was related to drought, underlining the vulnerability of particularly Somalia and Somaliland to climate change with the potential of intensifying adverse weather-related events in the region.

The Anticipatory Action modality provided funds to 12 grants in 2023. Nine of these where part of the special call for anticipatory action at the Horn of Africa, preparing communities to the effects of an expected hunger crisis by e.g. rehabilitating wells and water catchments as well as providing food supplementary support.

The remaining three AA grants used the opportunity for ongoing submission of applications under this call. These grants were for Somalia, Somaliland, and Zimbabwe and all had focus on WASH (drought and/or flash floods) to avert the crisis or suffering for the affected people.

The DERF does not define how much of the fund should be granted to rapid response or anticipatory action. However, the rapid response modality is meant to be the largest, while annually up to DKK 4 million are set aside for anticipatory action. In 2023 DKK 3.584.994 were spent on anticipatory action, which is close to the amount set aside for the AA modality.

### Support services provided

In 2023, the online function for support services on the DERF website has not been used by the DERF users, as they find it easier to write us an email or call the DERF team directly.

- The grant managers spent most of their time on administrative support to grantees. This is often done though the DERF mail or by phone.
- The team of DERF advisors, which also includes the two members of the management team who are on an advisory contract as well as the financial management specialist, provide support to applicants through phone (particular technical questions) or through advisory sessions (feedback on draft

applications or on decision notes when an application is rejected etc.). In 2023, 25 advisory sessions have been held, compared to 21 in 2022.

Another form for support service is the call information meetings, which are held when there is a critical mass of potential applicants likely to respond to a call. If not, the content of such meeting is provided through advisory sessions. In 2023, five call meetings were held.

Table 16: Participation in call information meetings

Call information meeting	# of participants	Satisfaction
Earthquake in Turkey/Syria	4	Generally high satisfaction. Questions about sectors, partnerships and how to reach the Syrian target group
Cyclone Freddy in Southern Africa	2	High satisfaction. Focus was on the context in Malawi. Lots of room for direct Q&A
Conflict in Sudan	5	Exceptionally good feedback on satisfaction. Broad group of new DERF users with particular questions
Humanitarian Crisis in Ukraine	6	Feedback was positive. Some difficulties in understanding the concept of the DERF for new users
Conflict in Palestine	8	High satisfaction with the DERF to open this call. Questions about how to reach Gaza with help

Capacity building is also part of the services provided. In 2023, the DERF team held the training: *How to write a good DERF application*. This training was conducted both physically and online. It provided an introduction to the humanitarian principles and the core elements of the CHS, as well as a section about *do's & don'ts* in a good DERF application. 14 participants from seven different organisations attended.

Participants evaluated the training to have been highly relevant and were satisfied with the format. The section where participants learn from anonymised previous applications (both good and bad examples) was highlighted as the most positive learning part. It was assessed that time was not enough (2 hrs).

Other training sessions organised by CISU with relevance for DERF users included the following. Note that these were conducted as part of the CISU general capacity building training offers for all CISU members and grantees.

- Safety training
- Travel Security in theory and practice
- Monitoring evaluation and learning
- Managing grants from CISU
- How to comply with CISU requirement for financial management
- Economy
- The good monitoring visit
- Introduction to PSHEA
- Code of conduct: prevention of corruption and misconduct
- Digital security

## Chapter three: Highlighted topics

### 3.1 Timeliness of the DERF

The DERF operates with a number of clearly defined targets in order to bring the assistance out to the affected people as fast as possible and within the first three months of the start of a crisis / spike.

*Illustration 17: Timeliness in the rapid response process*



Concerning the response to the 20 alerts received in 2023, the average responding time is three days. If an alert ends with the opening of a call for proposals, the DERF manages to open the call the same day as responding to an alert. Thus, the timeliness of opening calls is also within three days.

A call is usually open for a period of two to three weeks. If timeliness allows (the requirement of starting implementation within the first three months of a crisis/spike), the application period may be longer.

Processing applications within 12 working days: The process starts when we receive an application and includes the assessment of the application by an assessment consultant, decision by the grant committee (1<sup>st</sup> and 2<sup>nd</sup> reader), responding on conditions if any, until the final grant decision on the application.

In 2023, the average processing time was 13 days. The average is influenced by two applications that went way above the target (respectively 41 and 39 working days) due to availability issues in the granting system. Among the 43 grants given in 2023, 20 were processed within less than 12 days, nine were processed within 12 days and 14 grant processes took longer than 12 days. Overall, the processing time is assessed as satisfactory.

Grantees shall start implementation within seven days from the date funds are received. Grantees report on this when sharing their final report with the DERF. Among those who reported during 2023, 50% managed to start within seven days. After three weeks 78% of the grants managed to start activity implementation, meaning that a few interventions faced major delays. The reasons for such delays are many and differ from grant to grant, but one common reason given is the delay in transfer of funds to the country of destination due to issues with the Danish and/or the international banking systems. This is particularly the case for countries like Somaliland/Somalia and Afghanistan.

### 3.2 Developing the local leadership approach

Besides the specific aspects of local leadership we report on as per our result framework (chapter 2.2 of this report) the DERF is keeping itself updated with new trends and developments on the topic. One format for this is the DERF Advisory Board, which consists of representatives from the Start Network, the NEAR network, the Global Network of CSOs for Disaster Reduction (GNDR), and Ground Truth Solutions.

The purpose of the Advisory Board is to provide the DERF with inputs from the humanitarian sector on topics such as local leadership and humanitarian localisation trends. During 2023 the board met twice. Save the Children Denmark and CISU also participated in the meetings.

The online meeting held in September 2023 followed up on the recommendations given in 2022 and continued the discussions on strengthening local leadership. During the physical meeting in November 2023, the agenda was taken forward and more detailed inputs were given to the DERF on anticipatory approaches as well as localisation and local leadership with Save the Children sharing experiences of a case study on anticipatory action in South Sudan.

The Advisory Board provides valuable qualitative input to the DERF team about the topics of discussion. The recommendations made in 2022 lead to adjustments of DERF application and reporting formats, improving the guidance about inclusion and local governance of interventions.

A pilot was initiated in June 2023 trialling two of the recommendations made by the Advisory Board:

- **Flexible Funds:** Applicants may budget with flexible funds for activities (max 10% of the total budget). During implementation, these funds shall be used for managing a process of community involvement in prioritisation and decision-making concerning the use of these funds, and for implementing activities as per the decision taken by the community.
- **5% lumpsum for local administration** instead of budgeting and accounting for specific expenditures. The 5% lumpsum for local administration follow the same guidelines as the 5% lumpsum for administration for the Danish grantee. This is to increase the support to local leadership of implementing organisations.

The pilot is still ongoing and the results of it are yet to be analysed. The DERF is optimistic about the pilot, as they address two areas which humanitarian implementers request and which the humanitarian sector has not yet managed to address adequately. We are therefore looking forward to being able to bring our experience to the sector.

### 3.3 Business Integrity Management System and Complaint Mechanisms

The baseline for DERFs Quality Management Systems (QMS) is the CISU Code of Conduct (CoC) for management of pool of funds mechanisms as the DERF. The CoC is a compilation of CISUs principles, guidelines, and business practice for key areas related to accountable and transparent fund management and capacity building. With this background, the CoC is to help DERF to conduct its work and achieve its goals as an example to others.

The DERF Business Integrity Management System (BIMS) is parallel to the QMS and involves the CoC, the DERF financial management and accounting manual, the system for responsibilities and segregation of duties, the audit procedures, and the grant management procedures, among others.

The processes of QMS and BIMS are intertwined and circular, and thus the QA, controlling as well as the M&E of the DERF at fund and grant level continuously inform the updates of the DERF documents and standards.

As customary, the quality control at grant level is done by the CISU financial team, overseen by the DERF financial management specialist by the means of the CISU online case-handling system (the platform *Vores CISU*) as well as the financial management system (Navision). In 2023, the planning for implementing a new financial management system started, and the new system, *Business Central*, will be fully implemented during the first part of 2024. *Business Central* will also have the automatically integration with Vores CISU



concerning the granting and grant management systems, which minimizes the potential manual mistakes and ensure segregation of duties among the DERF and CISU staff members.

The quality improvements (QI) which are based on the MEAL experiences from the grantees and the DERF MT as well the DERF Advisory Board, resulted in the DERF piloting a new possibility for the grantees; an administration percentage for the local partner instead of specific administration budgets – the monitoring of the pilot option will continue during 2024.

### Procedures for case handling of irregularities and potential corruption cases

In 2023, one of the focus areas of the CISU BIMS and QMS was updating the procedures for CISU handling of cases concerning irregularities and potential corruption cases, the so-called C-cases. The case handling of these cases is quite complex, and the potential corruption and financial irregularities cases include reporting and coordination with the MFA.

The procedures were updated to include more detailed step-by-step descriptions, e.g. reminders to grantees when deadlines have not been met, escalation of reminders to registering the grants as having irregularities etc.

Another important improvement was the development and implementation of special menu in the case handling system *Vores CISU*. This included registration of all cases – current and closed, and thus making available to all CISU staff a complete overview of all cases of irregularities, corruption cases and monitoring reports and related requirements etc.

During the MFA monitoring visit early January 2024, the MFA concluded that CISU has implemented a system-based institutionalization of all C-cases supporting automatic deadlines and deadline reminders in all active C-cases. Furthermore, there is management focus on new C-cases and follow-up on C-cases, and CISU has strengthened the handling of C-cases in terms of personnel. If CISU can maintain the above measures, CISU will be a role model for pool of funds organisations in the field of C-cases, and it is therefore the recommendation of the MFA that CISU continues its management focus on C-cases and focus on quality in the handling of C-cases.

## 3.4 Monitoring and learning

### Monitoring of grants and grantees

*Feedback on grantees final reports:* The intervention reports are assessed by a DERF advisor, who approves them and provides individual feedback on them. Feedback is highlighting strengths and weaknesses of the issues and results reported. If a report is rejected, an improved report must be submitted. Besides the documentation of results, the report is also a format for describing learning on grant level. During 2023, 32 final reports were approved.

*Experience Exchange Workshop:* For each call, the grantees participate in an experience exchange workshop which is held online with the participation of the implementing partner together with the Danish grantees. During 2023, seven workshops were held. While most of them were organised per call, one workshop combined Sri Lanka, Pakistan, and Sudan, because of the limited number of grantees within the calls.

During the workshops, each intervention presents a challenge and receives feedback from peers (the other grantees) on how to go about. The satisfaction level of participants to these workshops is remarkably high. Especially the implementing partners tell us that they benefit from the dialogue with other organisations who work in similar settings and encountering similar challenges.

*Monitoring visits to implementing partners:* In 2023, two field visits were conducted to monitor DERF grants on the ground, one to Kenya, monitoring an anticipatory action implemented by Destiny Child Development Center (grant through Senior without Borders) and one to Somaliland, monitoring a rapid response implemented by SHiFAT (grant through Guryasamo). No major irregularities were found during the visits, but specific recommendations and requirements were identified and followed up on.

*Monitoring visits to Danish organisations:* In 2023, three DERF grantees were undergoing monitoring visits in Denmark. These were Iftin, Rajo, and Seniors without Borders. The focus of Danish monitoring visits is on financial monitoring as well as detailed organisational monitoring, looking into the transparency of accountability structures.

### Monitoring of the granting processes

The management team monitors the granting system, hereunder the times spend for assessing each application and the alignment of decisions with the criteria in the funding guidelines. Twice a year a calibration meeting is organised where the DERF team meets with the assessment consultants and the grant committee members to engage in strategic discussions of their work.

*Approval percentage of grants:* The approval rate of grants is also monitored. While the result on the one hand gives an indication on the quality of applications, it also tells us if there is a need to adjust what we require for approving an application. An average approval rate of 51% in 2023 is exceptionally low. Further analysis of the reasons for this is needed to discuss and consider changes in the processes. When disaggregating the approval rates per call it provides a more detailed picture.

Table 18: Approval rate per call

Call	# of applications			Approv %
	Received	Rejected	Approved	
AA applications outside calls	6	3	3	50%
Special Call for Horn of Africa	17	8	9	53%
Earthquakes in Turkey-Syria	3	1	2	67%
Violent Clashes in Sool Region Somaliland	8	3	5	63%
Cyclone Freddy in Southern Africa	4	2	2	50%
Humanitarian Crisis in Sudan	3	1	2	67%
Flooding in Somalia	10	6	4	40%
Deterioration of the humanitarian crisis in Ukraine	8	3	5	63%
Landslide in Georgia	1	1	0	0%
Earthquake in Morocco	2	2	0	0%
Heatwaves and drought in Central & Southern America	5	1	4	80%
Earthquakes in Herat – Afghanistan	5	2	3	60%
Humanitarian Crisis in the Occupied Palestinian Territories		0	1	
Conflict in Nagorno-Karabakh	1	1	0	0%
Flash and Riverine Floods Somalia	11	8	3	27%
<b>Total</b>	<b>84</b>	<b>41</b>	<b>43</b>	<b>51%</b>

While each particular application has individual reasons for approval or rejection, it sticks out that the calls concerning Somalia / Somaliland have the highest number of applications and the lowest approval rate (27%, 40%). It has also been noted by the DERF management, that the quality of applications concerning calls for Somalia and Somaliland is lower than average. This draws the attention to the need for dialogue and perhaps capacity building for this particular group of DERF users.

### Organisational learning at the DERF

The DERF has institutionalised organisational learning on several levels.

- *The DERF management team* has a learning loop as part of their meeting agenda with the DERF grant management. Reflection and learning are recorded in the minutes of these meetings. Learning is then applied immediately by the day-to-day management.
- *The DERF Steering Committee* has the overall responsibility of the fund and engages in learning on strategic level. The committee meets approximately four times a year, and it is the responsibility of the management team to take forward suggestions made by the Steering Committee.
- *Periodic processes* such as reviews and scoping studies engages the DERF team and DERF users in reflection about own and joint performance. These are planned to take place in 2024.
- *The Advisory Board* engages in discussion of trends and developments within the humanitarian sector and makes recommendations to the DERF. This way they contribute with sectoral learning to the DERF. An example is the ongoing pilot, from which learning will be generated in 2024.
- *Structured dialogue with the Danish MFA* is taking place through consultations, where progress and results are discussed. The consultations thus form part of the learning practice of the DERF.

## Chapter four: Statement of accounts

The DERF is funded by the Danish MFA for a four-year period (2021-2024) with annual allocations for the DERF pool of funds for potential grantees to be approved on the Danish Finance Act on an annual basis.

The original budget for 2023 was 25 million DKK. However, parts of the budget for the pool of funds were not utilised in 2021 and 2022. Thus, the revised budget for 2023 included the unused funds from 2021 and 2022, as per agreement with the Danish MFA, a total of DKK 7.629.789.

The annual accounts for 2023 shows the following utilisation of the 2023 budget.

	Main Categories	Orig. Budget	Rev. Budget	Accounts	Balance
A	General administration	1.590.855	2.542.715	2.491.734	50.981
B	Programme support	681.645	1.057.688	914.101	143.587
C	DERF Pool of funds	22.727.500	29.020.386	29.020.386	0
D	Total Annual Budget & Account	25.000.000	32.620.789	32.426.221	194.568

The percentual division between the main categories has been adapted in the revised budget, and the annual accounts for 2023 are in line with the agreed division between the main categories as shown below.

	Main Categories	Orig. Budget %	Rev. Budget %	Accounts in %
A	General administration	6,4%	7,8%	7,7%
B	Programme support	2,7%	3,2%	2,8%
C	DERF Pool of funds	90,9%	89,0%	89,5%

<b>D</b>	Total Annual Budget & Account	100%	100%	100%
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The unused funds for the pool of funds were allocated in the accounts as a provision for the Palestine call opened before Christmas 2023, where some of the grant decisions by the Grant Committee were taken after the New Year, and thus parts of the funds were utilised in the beginning of 2024 for this call and the remaining funds were integrated into the 2024 budget for the DERF pool of funds.

The unused funds for general administration and programme support will be transferred to 2024 and re-allocated to the relevant budget lines in the revised 2024 budget as per agreement with the Danish MFA.

## Outlook

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The world is in conflict, and the crises attributable to climate change are visibly worsening. The DERF team unfortunately expects for 2024 an increase in weather-related disasters, as well as a continuation of the conflicts around the world, many of which are now protracted if not forgotten. Civil society will continue to play its essential part and will be there to assist people in need with the provisions it has. The DERF is established to support them in this endeavour.

The year 2023 ended with the preparation of an external review of the DERF, which was conducted in early 2024. The review focused on how the DERF manages to deliver results as per the contract with the Danish MFA. Later during 2024, the review will be followed up by a scoping study in order to provide qualified input to potential improvements of how the DERF operates. The DERF team is looking forward to this process.

Early 2024 also includes a deadline for CISU to submit the CHS verification progress report to HQAI, describing the improvements made on the comments received when CISU attained its CHS verification in September 2022. This process is a good opportunity to look into our internal processes, such as the functionality of our complaints and accountability mechanism.

The DERF is highly aligned with the nine commitments of the CHS. Knowing that the CHS Alliance recently completed the consultative process of revising the standard, the DERF will also look into the changes and decide how and where to adjust the DERF in order to accommodate the changes. This will be complimentary to the feedback obtained from the 2024 scoping study.

The DERF will continue its engagement with civil society partnerships to provide the best and most efficient humanitarian aid possible. One of the discussions to continue during 2024 is how the approach of anticipatory action can better play its strategic part to avert the effects of crises or reduce the suffering of the affected people. Funds are usually best spent in proactively preventing the effects of a crisis instead of responding to these. But many DERF users have had difficulties in understanding the concept of anticipatory action. Therefore, there is a task ahead for the DERF to develop this modality and make adjustments where needed.

## Annexes

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Annex 1 – DERF Annual Accounts 2023, including grant specifications

Annex 2 – CISU Long-form Audit Report 2023

Annex 3 – CISU Organisational Accounts 2023



