START NETWORK

LEADING FOR CHANGE IN HUMANITARIAN AID

Annual Report 2017



(Front cover) ALIMA / John Wessels, Democratic Republic of Congo, Start Fund alert 160: Ebola response – May 2017

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(Front cover) ALIMA / John Wessels, Democratic Republic of Congo, Start Fund alert 160: Ebola response – May 2017

FOREWORD



DEPP's Transforming Surge Capacity project, Bangladesh, Shipra, a community health worker

> "Through Start, we are advocating for radical change in the international aid system so that the world can better manage the humanitarian challenges of today, and of the future."

Lola Gostelow

At a job interview in 1998, I was asked what my vision was for the humanitarian system. My answer was that it would be truly humanitarian and operate as a connected system. Twenty years on, I am witnessing the realisation of this vision, in part through the work of the Start Network. I am immensely privileged and proud to be part of this effort that is revolutionising the way that aid is delivered around the world.

Through Start, we are advocating for radical change in the international aid system so that the world can better manage the humanitarian challenges of today, and of the future.

And change is needed, badly.

We are in the midst of fundamental global transformation. Climate change, population growth and geopolitical shifts are combining to alter the scale and dynamics of humanitarian crises. The number of emergencies, both natural and man-made, is increasing year on year. So too is the scale of human need, and the international system is struggling to keep up.

But at the same time, huge advances in science and technology are creating opportunities for advancement that were unimaginable a few years ago. They have the potential to revolutionise humanitarian action, to enable more people to overcome the crises they face more quickly and with greater dignity.

Resources and decision-making can, and must, be located where they are needed most. Funding can, and must, be triggered earlier using forecasts of impending crises. Organisations can, and must, improve by innovating, learning, and garnering new expertise. The Start Network is demonstrating these ways of working and creating ways to bring them to scale. In doing so, it is helping create a humanitarian system that is resilient, more effective and more efficient, even in the face of global challenges.



It is the collaborative power of the 42 member agencies that has enabled the Start Network to make such a significant impact, which no single agency could do alone.

This last year has emphasised the difference that we can make when the humanitarian sector works together. In 2017 we reached more than 2 and half million people affected by crises. That's 2.5 million people who may otherwise have been overlooked.

2017 also saw us thinking about our own evolution as a network. We brought together hundreds of people from all over the world, people from local, national and international organisations and networks. Those people came together to co-design Start Network's future shape and our collaborative workings - a global network of networks. I chaired this Start Evolves process over six months, and the results have set the direction for our future so that we can realise our common vision.

2017 was a very busy year. Our achievements were possible because of the extraordinary collaborative power of those involved in Start Network. For that, I shout a sincere thank you to those people, all over the world.

2018 will be a turning point for the Start Network – re-shaping, building and creating new possibilities. I look forward to that!

Lola Gostelow
Chair Board of Trustees 2017

INTRODUCTION

“

2017 was significant thanks to the efforts of the many people involved in the Start Network.”



In 2017 we launched the Start Fund Bangladesh as the first step in creating a global network of financial mechanisms. We launched disaster preparedness innovation labs in four countries. The anticipation window of the Start Fund generated a year of learning. We designed a drought financing facility and continued to engage with the global efforts to improve risk financing. We continued to learn from our efforts to build disaster preparedness in 11 countries with hundreds of partner organisations, and from our response to the European migrant crisis.

These achievements are significant but esoteric. What matters is that our efforts actually help people, and they do... In 2017 the Start Network responded in 87 emergencies in 38 countries. In addition to helping millions of people affected by those crises, our efforts have also helped to make aid better for the people who deliver it. Read on to hear from Akane Ujulu a health worker in Gambella, Ethiopia; Zahara Ibrahim a WASH (water, sanitation and hygiene) officer in the Philippines; and other humanitarians in our network.

Our collective work has resulted in a shared belief that the Start Network has important experience to share, and that it must continue in taking its experience to scale around the world.

In November 2017 the Start Network Assembly agreed a design for the future of the network. This was the result of a co-design process involving hundreds of people, united by a shared belief that humanitarian crises require civil society organisations globally to align in profound ways. A turbulent world requires a resilient and adaptive humanitarian aid system, in which independent yet collaborative organisations are able to effectively respond to surprising events. We are now taking the next steps on this journey.

An advisory group of network specialists is helping us establish the conditions for regional and national Start Network hubs to form around the world.

With catalytic support from the Ikea Foundation, we will launch an independent Start Network charity in 2019. We believe this will help transform the Start Network into a global public good.

Start Network members will participate in the world’s first replica insurance scheme in partnership with the African Risk Capacity.

We will build a global tiered due diligence system, drawing on the expertise of partners. This will be revolutionary for the sector as it will enable smaller national and local NGOs access aid funding directly, and lead responses to crises.

Today more than ever, solidarity and collaboration is vital. NGOs must work together, and with others, to rise to the systemic challenges of the age. By providing voluntary humanitarian assistance in solidarity with people in times of crisis, NGOs demonstrate that there is kindness in human nature. This solidarity can give us a foundation - a common shared experience - upon which we can imagine a positive future and find ways to collaborate and change.

Thank you to the thousands of people around the world who go to work every day with the goal of making the world a better place. Thank you to our donors and supporters who believe that Start Network is making a difference. There is much more to be done and that’s why we are excited to be working with many new organisations in 2018, to achieve even more together.

Sean Lowrie
Director, Start Network

OUR VISION

Start Network is revolutionising the way humanitarian aid is disbursed. So, what does the Start Network want the future to be like?

IMAGINE IT’S 2030...

In a country facing a drought that looks set to cause suffering for thousands.

A hub of humanitarian organisations operating in the country has insured against drought. They have identified a number of locally relevant drought indicators, such as soil moisture.

When the soil moisture falls below the trigger level, the funding needed to reduce the drought’s impact is released by the insurer within a week.

An ecosystem of local, national and international organisations and private sector operators mobilise to an agreed plan. Cash is transferred to households before they have to sell their productive assets.

Some of the assistance is unique, created in the hub’s own disaster preparedness innovations lab.

All of the funding is allocated by peer review, going to the organisations best placed to respond. Every single dollar is tracked on a fully transparent public ledger.

CRISIS AVERTED

You’ve just read a scenario that is possible and needed.

For too long aid has been unevenly distributed, in unfair and inefficient ways.

With Start Network we can right this wrong, we can minimise the loss of life and livelihoods and maintain the dignity of people affected by crises.

The sector has to overcome a number of problems before we can work together to avert crises in this way. But we are ready. The change we all want to see, can and will happen.

ALIMA / John Wessels, Democratic Republic of Congo, Start Fund alert 160: Ebola response – May 2017

THEORY OF CHANGE

HERE'S WHAT WE ARE FACING TODAY

Disasters around the world are becoming more severe, complex and interconnected. Public trust in humanitarian organisations is decreasing, which leads to stronger risk-aversion by donors. This creates systemic problems:

PROBLEMS

Too much power is held by a handful of international institutions.

These institutions dictate how humanitarians must respond, despite being far from the front lines. Projects are skewed to serve donors' expectations rather than utilising the experience and expertise of people on the ground.

Humanitarian action is often reactive and slow to reach people in need.

This is the case even when an event can be foreseen. Aid funding is released slowly, based on political will or media headlines. Too often this leaves many people forgotten and vulnerable to crises.

Too many rules make it hard for aid agencies to be flexible.

Changing circumstances, plus a lack of coordination inevitably means duplicated effort. It also means aid organisations are unable to experiment or learn new approaches from each other. In short, valuable learning is lost.

SOLUTIONS

Localised response:

We enable local decision-making and more direct access to funding. We support the growth of local innovation and local capacity. We aim to build a decentralised network of regional and national hubs to manage their own locally-led solutions to the humanitarian crises they face.

New financing:

Our pooled funds enable fast and early action to tackle many crises that often go overlooked. In future by creating a "family" of risk-based funds at global, regional and national level, everyone can rely on a more accessible and dependable funding economy.

Collective innovation:

By encouraging experiments in early action, local innovations in disaster preparedness, and technology platforms to make humanitarian finance more efficient and transparent – we can create better ways of doing things. We aim to build a revolutionary platform to share not only services but also expertise.

OUTCOMES

The ultimate impact of our work means that more lives can be saved in times of crisis.

Shifting power to those closest to the front line generates more effective and appropriate responses. It sounds simple and it should be.

Understand the risks, provide fast, early and dependable funding and crisis-affected communities have the means to become better prepared and more resilient.

Let's test new ways of working and share learning, insights and perspectives. Together we can scale new ideas, so the system continues to adapt to the needs of those affected by crises.

PROGRAMMES

START FUND
NEW FINANCING, LOCALISATION

A unique rapid response fund for small to medium scale 'under-the-radar' emergencies, collectively managed by NGOs. Proposed projects are reviewed by humanitarians in the affected country, best placed to know what communities caught up in crises need. Funding is allocated within 72 hours of an alert, making it the world's fastest collectively owned early-response mechanism. In 2017 the Start Fund rapid response projects helped 2,411,871 people in 34 countries. Read more about the Start Fund progress in 2017 on **pages 32 and 34.**

START FUND ANTICIPATION WINDOW
NEW FINANCING, LOCALISATION, COLLECTIVE INNOVATION

Part of the Start Fund mechanism that releases funding when a crisis is forecast, allowing the network and its partners to act proactively before the crisis hits to minimise the impact. It is supported by FOREWARN -an inter-agency group of scientists and practitioners developing new approaches to humanitarian forecasting. In 2017 the anticipation window enabled agencies to respond in advance of three crises. Read more on **pages 32, 36, 40 and 42.**

START FUND BANGLADESH
NEW FINANCING, LOCALISATION

The first national Start Fund, designed to allow local, national and international NGOs direct access to funding, and collectively managed by its members. Launched in April 2017, it was already activated three times within its first four months, reaching 122,306 people in crisis. Read more on **pages 24 and 28.**

DISASTERS & EMERGENCIES PREPAREDNESS PROGRAMME (DEPP)
LOCALISATION, COLLECTIVE INNOVATION

A four-year programme that developed the capacity of people, their communities and systems that support them, in ten countries prone to disasters. More than 250 organisations worked together to strengthen local and regional networks of humanitarians, and to develop the skills and systems that communities can use to respond to disasters. This programme trained more than 14,000 people so far and improved the capabilities of over 180 organisations to respond to crises. Although it ended in March 2018, the DEPP's legacy will continue to support long-term resilience. Read more on **pages 24, 26 and 42.**

DEPP INNOVATION LABS
LOCALISATION, COLLECTIVE INNOVATION

A network of labs in four disaster-prone countries, that identify and fund innovative local solutions to disaster preparedness. They draw on ideas from communities affected by crises. They involve partnerships with private sector, research, civil society and government organisations, creating new opportunities for learning and collaboration and avenues to take emergent innovations to scale. In 2017 the programme selected and launched the four Labs in Bangladesh, Jordan, Kenya and the Philippines. Read more on **pages 24, 40 and 44.**

MIGRATION EMERGENCY RESPONSE FUND (MERF)
NEW FINANCING, LOCALISATION

A rapid-response fund that targets growing and unforeseen spikes in need among refugees, migrants and other moving populations. In 2017, it was active across Western Europe, the Balkans, North Africa and Niger. In 2018 the MERF is active in 11 countries in North, West and Central Africa. Run on similar lines to the Start Fund, with 72-hour decision making involving NGO members, and peer review. In 2017, the MERF responded to seven crises across four countries, reaching 34,726 people. Read more on **pages 32 and 35.**

RISK FINANCING PILOTS
NEW FINANCING, COLLECTIVE INNOVATION

- ARC Replica Programme
- Drought Financing Facility
- Forecast Based Financing Madagascar.

The Drought Financing Facility, the African Risk Capacity (ARC) Replica Programme and the Forecast Based Financing (FBF) Madagascar project, are three new financing mechanisms that aim to shift NGOs from reactive response to proactive intervention, with early and automatic payouts -saving costs and, more importantly, lives. The African Risk Capacity (ARC) Replica Programme is a pan-African initiative that offers African member states a drought parametric insurance policy, and a 'Replica' policy for the first time to NGOs like Start Network. All three programmes are underpinned by scientific modelling of drought risks, scenario-based contingency planning and pre-positioned financing (including parametric insurance for the first two programmes). In 2017 we prototyped the Drought Financing Facility in Pakistan and Zimbabwe, started the implementation of ARC Replica in Senegal, and established a partnership to pilot the FBF project in Madagascar. We also joined the InsuResilience Global Partnership. Read more on **pages 32 and 40.**

BLOCKCHAIN-BASED FINANCING
NEW FINANCING, COLLECTIVE INNOVATION

We have been exploring blockchain based solutions for three years as we believe it can offer value to address deep grounded problems - such as over-centralisation, lack of transparency and accountability, and high costs and low speed of maintaining an international aid funding flow. Our blockchain programme is testing how this technology can be used to follow aid spending from original donor to ultimate recipient, increasing accountability and transparency. Read more on **page 40.**

A REVOLUTION IN AID

SHIFTING POWER LOCALLY

18% of funding directly distributed to southern and national organisations

(£4,603,310 in total distributed to southern international, national with international affiliation, and national organisations)

OVER 200 local and national organisations involved in equitable partnerships

(approximately 211 counted, under-reporting likely)

CHANGING THE SYSTEM

84% members* say organisational practices or approaches have changed as a result of interacting with the Start Network

78% members* say Start Network and its programmes are helping to bring systemic change to the humanitarian sector

*Responding in Start Network Survey May 2018

FASTER, COLLABORATIVE, LOCAL RESPONSE

67 hours or less from crisis alert to funding award

(Start Fund, Start Fund Bangladesh and Migration Emergency Response Fund)

100% of projects responding to crises are selected in the country or region where the crisis is

(Start Fund, Start Fund Bangladesh and Migration Emergency Response Fund)

76% crisis responses were implemented with partners

(Start Fund and Start Fund Bangladesh)

INNOVATING TO IMPROVE WAYS OF WORKING

9 locally based innovation labs in 4 countries

9 early warning projects created, tested or rolled out

OVER 1000 innovation proposals received from local innovators

MILESTONES IN 2017

(Image captions, left to right)
1. Doctors of the World / Olivier Papegnies
2. Start Fund Portal
3. The future of the Start Network, Hubs and affiliated networks at scale
4. Start Network, The Future of Humanitarian Action in Pakistan 2017
5. Start Network, The Future of Humanitarian Action in Pakistan 2017
6. Start Network, A new way to think about localisation in humanitarian response

JAN

Search for organisations to manage DEPP Labs launched



Migration Emergency Response Fund launched

FEB

Start Fund Bangladesh launched

Prototype of Drought Financing Facility launched in partnership with Pakistan Government

Launch of the DEPP's collaborative surge roster in the Philippine

MAR



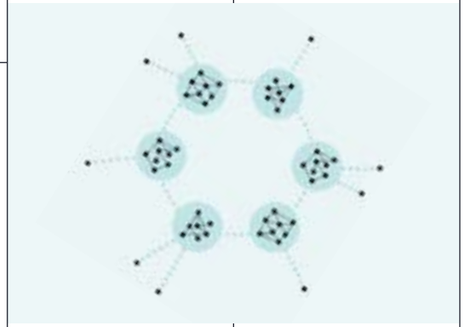
Launch of the Start Fund portal

Start Fund's 100th crisis response

MAY

Launch of the Start Evolves co-design process

World Humanitarian Summit anniversary, reporting on progress against commitments



Launch of the DEPP learning platform

JUN

Completion of Feasibility Study for Risk Financing for Education

JUL

Launch of ARC Replica Programme in Senegal

Blockchain partnership with Disberse announced



Future of Humanitarian Action Conference and creation of Pakistan realisation team

AUG

Framework for Localisation launched

OCT

Launch of four DEPP Innovation Labs

NOV

Start Evolves vision agreed by members

The Start Network joins the InsuResilience Global Partnership

Publication of guide on how to assess a drought risk financing facility

DEPP Resilience Week - NGOs come together in London

DEC

Secured IKEA funding to support creating independent Start Network charity



Secured Belgium Funding for the Start Fund

GLOBAL REACH IN 2017

CRISES RESPONDED TO IN 2017

MEMBER LOCATIONS
- 42 members

PROGRAMME LOCATIONS
- 14 DEPP Projects (ended March 2018)
- 12 Start Fund decision making groups
- 4 Innovation Labs
- 3 Disaster Risk Financing Pilots
- 1 National Start Fund



87 crises

2.5 million people helped

£13 million disbursed

VALUE TESTIMONIALS

91% of members would recommend working with or joining the Start Network



SYED SULAIMAN
Emergency & DRR Advisor, Concern Pakistan

"More localised and practical decision making... Enable the sector to put national and international humanitarian community together to plan, design programmes, and implement together. Ensure quality and accountability of programming."

"Reducing human suffering, and ensuring we have a resilient community in Pakistan"

"Working together, planning together and responding together"



DEQA SALEH
Cash & Social Protection Advisor, Adeso

"Start is empowering Adeso [to influence change] by giving it the opportunity to be involved in these discussions and conversations, and to influence different types of stakeholders".

"We think it's important to be a member of the Start Network, because we want to ask the difficult questions but also provide practical solutions."



CIARÁN CANNON
T.D.Minister of State for International Development and the Diaspora Ireland

"The Start Network's approach to change and its willingness to challenge the humanitarian system is an important contribution to more effective international responses to crises. The Start Network helps to convert the Grand Bargain commitments, made at the World Humanitarian Summit by Ireland and other stakeholders, into real tangible support for the world's most vulnerable people. By supporting humanitarian responses by national organisations closest to the ground, and through innovation, including the use of cash transfers and investing in alerts to crises before they happen, the Start Network is contributing to a transformation of humanitarian action."



KAREN JANJUA
Deputy Regional Director, Community World Service Asia

"Start Pakistan... will provide us a chance for a different type of collective action"

"Being able to respond quickly and appropriately is a very big [deal] for a country like Pakistan"

"The Start Fund has a built-in mechanism to encourage, incentivise and disseminate learning. That's one of the things i think will make it sustainable and more significant than some other opportunities (e.g. UN cluster system)"

"Being part of Start has been an exciting journey for CWS Asia. We believe in what Start will be able to eventually do for Pakistan."



ANDREW KAVALA
Executive Director, MANEPO

"Start Network has given MANEPO an opportunity to showcase its potential that local/national NGOs are capable of delivering emergency programmes in a timely and effective manner, if given space and opportunity. For the first time in the history of Malawi, Start Network provided an opportunity to MANEPO to provide age friendly related interventions to older men and women, in a way putting MANEPO on the map and making it earn recognition among various players, including the development partners and donors. The approach adopted by Start Network remains an amazing way of empowering and strengthening capacity of local and national NGOs."

LOCALISATION



CARE / Lucy Beck, DEPP's Transforming Surge Capacity project, Nepal, Iron sheeting being unloaded

We must have a more balanced international aid system – one that shifts power to those closest to the front-line, creating better help for people affected by crises.

At the Start Network we're striving for a system where local and national responders have the means to do so, and where international organisations can help if local capacity is exhausted. But we're a long way down the road to change. Looking at global aid funding in 2017, local and national NGOs received just 0.4% directly of all international humanitarian assistance reported to the Financial Tracking Service. At Start Network we have already developed programmes that enable more direct access to funding, local decision-making, that support the growth of local innovation and develop local capacity, but there's a lot more to be done.

The Start Network creates practical ways to put global efforts in localisation (such as the Grand Bargain and Charter4Change) into practice. For us localisation is a journey and our practical approach means we can learn and improve as we go. 'Learning by doing' is an approach that ensures our programmes improve collectively, across the entire network.

We know we cannot go alone. We work hard to be able to share our progress, and collaborate with organisations such as NEAR - the Network for Empowered Aid Response and we learn from others as we go, contributing to ongoing efforts around the world, championing localisation and making effectiveness our agenda.

HERE ARE OUR PERFORMANCE STATISTICS FOR 2017:

REPRESENTATION:

24% southern and national Start Network members

(southern international, national with international affiliation and the national organisations)

FUNDING:

18% of Start Network funding directly distributed to southern and national organisations

(southern international, national with international affiliation, and national organisations - £4,603,310 in total)

COLLABORATION:

53% of Start Network projects that have national implementing partners

EQUITY:

OVER 200 local and national organisations and networks in equitable collaborations in Start Network projects

(approximately 211 counted, under-reporting likely)

CAPACITY:

22,000 people in ten countries accessed humanitarian capacity building activities

(through the DEPP at the end of 2017)

OUR LOCALISATION JOURNEY IN 2017

Building local capacity

Start Network's Disasters & Emergencies Preparedness Programme (DEPP) was created to build national capacity for disasters and emergencies preparedness in 11 countries affected by crises. By the end of 2017 the DEPP had given 22,390 people access to humanitarian capacity building activities (41% female, 59% male). It had also contributed to developing or strengthening 15 preparedness systems in seven countries (e.g. technology-based systems and people-centred systems such as establishing rapid response teams and procedures). It had also created collaborative partnerships involving 54 local and national organisations.

One example of the DEPP's work localisation was the launch of the first national humanitarian forum in Ethiopia in September 2017. Launched with the help of DEPP's Shifting the Power project, which provided financial and technical support, the forum had some early successes including fully integrating national organisations in official coordination mechanisms. Read more on **pages 26 and 42** for more examples from the DEPP.

Fostering local innovation

The Disasters and Emergencies Preparedness Programme (DEPP) Innovation Labs programme launched four Innovation Labs in 2017. The labs are located in vulnerable communities in Bangladesh, Jordan, Kenya and Philippines with two out of the four labs led by national and local organisations. The labs support local communities, who identify the critical issues and innovative solutions for development. Read a case study on **page 44.**

The first national Start Fund

In April 2017 we launched the Start Fund Bangladesh, the first national Start Fund, putting funding and decision making into the hands of humanitarian groups closer to the communities most affected by disaster. The Start Fund Bangladesh is increasingly devolving to the Bangladesh level, with local and national NGOs accessing Start Funds directly and participating in all governance and decision-making. Read a case study on **page 28.**

Co-designing the future of localisation

In May 2017 we launched Start Evolves, a global process aimed at co-designing the future of the Start Network with national and regional hubs managing their own funds. National networks and organisations, including the Network for Empowered Aid Response (NEAR), National Humanitarian Network (NHN) Pakistan, Rebuild Hope for Africa, Dhaka Ahsania Mission and the Agricultural Development Association (PARC) were key participants involved in designing the future of the Start Network. As part of this project, NGOs organised the Future of Humanitarian Action in Pakistan conference, involving more than 130 people from national and international civil society organisations, donors, UN agencies and government officials. Following the event, NGOs formed a 'Realisation Team' to drive the setup of a Start Network hub.

Learning and improving

In August 2017 we published The Start Fund, Start Network and Localisation, a review of the Start Fund and three DEPP projects. The review suggested 'Seven Dimensions of Localisation' which offer a practical structure to improve the position of local organisations within international aid. Start Network is now using the Seven Dimensions to help improve and embed localisation further in all our programmes.

OUR AMBITION DOESN'T STOP AT PAST ACHIEVEMENTS

So much more can be done and to continue this work effectively we are seeking partners and supporters to help us in the following ways:

Empowering local organisations

The reviews into localisation that we carried out in 2017 identified a number of areas where improvements can be made. So, going forward we will aim to encourage more quality partnerships, to increase equity of local organisations and therefore the power they influence.

We also aim to raise the awareness of localisation as a driver of effective humanitarian aid, so local and national organisations can hold international organisations to account on their promises. Shared knowledge of local and national capacity and leadership will also help tackle the assumption that national and local capacity is low.

Decentralising power and decision-making

In order for the Start Network to grow regional and national hubs in future, we will open up membership to smaller nationally based aid agencies. We are convening a global Hubs Advisory Group to guide and expand the network in line with our mission to change the balance of power in the humanitarian system. Read more on **page 46.**

Funding in the hands of the many not the few

We are also exploring a new due diligence platform working across global tiers which we believe is fundamental to enabling a greater number of local and national organisations to access funding. Our new system will be tiered to lower the barrier while building capacity will help organisations move up the scale. Read more on **page 46.**

Read more at:
startnetwork.org/localisation



Mohammad Amad, Chairperson of the National Humanitarian Network (NHN-Pakistan) speaking about The Future of Humanitarian Action in Pakistan conference.

"The Start Network conference facilitated a frank dialogue [...] on how to achieve localisation of humanitarian action in Pakistan. It urged us think to redefine our roles and redesign our structures to make ourselves relevant, efficient and effective in any humanitarian situation."

Mohammad Amad, Chairperson of the National Humanitarian Network (NHN-Pakistan)



Catholic Relief Services, Start Fund Alert 165, Philippines, Registration of beneficiaries by volunteers in Marawi

“

For me it is important to deploy local staff because they understand the culture of the people better.”

Zahara Ibrahim, WASH officer for the Humanitarian Response Consortium



CASE STUDY

HOW LOCAL COLLABORATION ENABLED A FASTER AND STRONGER RESPONSE TO THE MARAWI CRISIS

An hour before the call to prayer, Zahara Ibrahim gathers a group of people in an evacuation centre in a town near Marawi in the Philippines. The centre is currently home to 168 families fleeing the violence in the city. The evacuees are there to hear about hygiene, as residents of many of the evacuation centres have been falling ill and many deaths have been reported. “If someone gets sick and is left untreated, they might die. This is what we want to prevent.”

The violence in Marawi began in May 2017 and months later, tens of thousands of people remained displaced as the violence raged on - until November 2017. The Start Network provided help to people affected through two programmes.

The Start Fund responded quickly. On 28 May Start members came together and raised an alert three days later. The Project Selection Committee met in Manila on 3 June to consider the nine proposals and awarded Action Against Hunger, Catholic Relief Services, and Oxfam, a total of £257,721 for immediate response. “Even CERF emergency funding came too late. The Start Fund proved to be one of the fastest.” Javad Amoozegar, Action Against Hunger

The Start Network’s Disasters and Emergencies Preparedness Programme (DEPP), already had six projects running in the country and was in a unique position to enhance the quality of the response. Agencies were better prepared to work together as relationships had already been established at workshops, training, and Start Network events, which allowed consortia partners to respond to the emergency in an efficient, coordinated way.

Zahara is a WASH officer for the Humanitarian Response Consortium, part of the DEPP’s Financial Enablers project. She was also trained through the DEPP’s Transforming Surge Capacity project and is a member of its national surge roster ‘On Call’ - which brought her in to help the evacuees. “For me it is important to deploy local staff because they understand the culture of the people better.”

The DEPP projects had been advocating for the inclusion of local organisations in national structure in the Philippines. And for the first time, UN OCHA included local organisations in its mapping of humanitarian actors. This recognition gives them more prominence and therefore more power to influence the response and advocate for the people in need.



Humanity & Inclusion / Sharaful Hossain, Start Fund Bangladesh alert B003, A woman assesses a house damaged by floods

“The localisation of this funding mechanism, [...] with country-specific funding allocation and local management involving both national and international humanitarian actors, further enhance[s] its effectiveness.”

A.K.M. Musha, Country Director for Concern Worldwide



CASE STUDY

START FUND BANGLADESH – LANDSLIDE RESPONSE

In June 2017, incessant torrential rains led to the worst landslides in Bangladesh in a decade. The Chittagong Hill Tracts were particularly hard hit and close to 160 people died and over 80,000 people were affected across the five districts of the south-eastern region. Communities were completely disconnected from main roads, electricity and food supplies. More than half of the people affected lost their homes and livestock.

The crisis received little international media attention, with only the Bangladesh government and Bangladesh Red Crescent Society working to respond. This is when Start Fund Bangladesh members decided to act. Caritas Bangladesh and Catholic Relief Services raised an alert and two days later, World Vision and ActionAid were awarded funding, both going on to work with their long term national partner, Balipara Nari Kalyan Samity (BNKS).

With technical support from World Vision and ActionAid, BNKS facilitated responses that were driven by the community. One such was the ‘Women Led Emergency Response’ which empowered female community leaders to take on leadership roles in the emergency response, such as setting the criteria for selecting beneficiaries. The response process helped to empower communities, especially through recognising the leadership of women and challenging gender stereotyping.

A.K.M. Musha, Country Director for Concern Worldwide, said: “The localisation of this funding mechanism, [...] with country-specific funding allocation and local management involving both national and international humanitarian actors, further enhance[s] its effectiveness.”

NEW FINANCING



CADENA, Start Fund alert 186, Mexico, Communities receive much-needed support following a cyclone in Mexico

Funding is so important – but it's not just the 'how much?' It's the 'when, where, how and why?'

We believe that by providing funding fast, early, in a collaborative way – and by providing it based on need and not on media headlines or political will - we can help responders and communities to become better prepared to act in a crisis. In short, fast funds in the right place at the right time, saves lives.

OUR NEW FUNDING MECHANISMS GET MONEY TO WHERE IT'S NEEDED WHEN IT'S NEEDED

We enable fast and early action through our pooled funds to tackle the kind of crises that are often overlooked by other funding mechanisms, while our risk financing pilots are introducing humanitarians to a new way of working.

Any Start Network member (often with their local partners) can alert the Start Network funds to a crisis anywhere in the world, irrespective of how high it is on political or media agendas. Only by responders working together and with communities will we be able to assist greater numbers of those in need and in time saving ways.

Risk financing aims to ensure predictable and early funding to reducing the impact of disasters even before they hit. Such planning saves more lives. Our approach to disaster risk financing brings together the prediction of risks through scientific models, collaborative contingency planning to identify activities to be delivered ahead of time, and pre-positioned financing through a broad set of financial instruments (including contingency funds, such as the Start Fund and its Anticipation Window, parametric insurance, or other tools).

HERE ARE LAST YEAR'S PERFORMANCE FIGURES

SPEED & EFFICIENCY

67 hours from crisis alert to funding award
(For alerts with the Start Fund, MERF and Start Fund Bangladesh, faster than the 72-hour response target)

31.5% of projects included cash-based responses
(Projects refer to the global Start Fund, MERF and Start Fund Bangladesh)

UNDER THE RADAR CRISES

33% of global Start Fund activations* responded to 'under the radar' crises
*based on 45 out of 47 activations in 2017

LEVERAGING FUNDS

£12.4 million leveraged through the global Start Fund. For every £1 disbursed, another £1.50 was leveraged for that response.

CRISIS ANTICIPATION

6% of global Start Fund activations were in anticipation of crises

36% of Start Network members actively contributed to FOREWARN

COLLABORATION

OVER **78%** of projects included partner collaborations
(Projects within the global Start Fund and Start Fund Bangladesh)

In 2017, we disbursed £9,999,293 from the global Start Fund, reaching almost 2.5 million people, across 34 countries, 7 of which had a Start Fund response for the first time. 33% of those funds went to 'under the radar' crises, responding to conflict, flooding, disease outbreak, drought, wildfire, and extreme temperature. Fast-paced, collective decision-making meant that the average time between crises alert and award of funding was just 64 hours. 48% of projects (alert 151-202) secured additional funding of £10,674,424 from other sources. £7,270,564 was awarded by the Start Fund for these alerts, so for every £1 that was disbursed, nearly £2.5 went to these emergencies. Read an example from the Start Fund on **page 34**.

In 2017 the Start Fund's Anticipation Window saw seven anticipatory alerts, three of which were funded. These were in anticipation of flooding in Tajikistan, election violence in Kenya, and drought in Timor-Leste. These forecast-based interventions included community level preparedness activities, hazard and vulnerability mapping, early warning systems analyses and other work. Read examples from the Anticipation Window on **pages 36 and 42.**

In July 2017, the Start Network became the official Replica Partner for the African Risk Capacity (ARC) in Senegal – a pan-African initiative which aims to support countries, so they can better plan, prepare and respond to extreme weather events and natural disasters through early financing, such as parametric insurance. We also secured funding from Rockefeller Foundation, to enable us to develop the processes, tools, evidence and learning to support the initiative and from KfW, the German Development Bank, to continue piloting this programme until end of 2019.

In February, Pakistan's National Disaster Management Authority (NDMA) announced it would join Start Network's partnership to test our Drought Financing Facility in places like Sindh where tens of thousands of people were suffering the effects of drought, and we finalised the design of the DFF with Start Network members in late 2017.

The Migration Emergency Response Fund (MERF) was launched in January 2017. Built upon the foundations of the Start Fund mechanism and adapted for appropriateness with the migration crisis, it had 13 alerts, responding to seven across four countries and awarding £2m in 2017. Read an example from the MERF on **page 35.**

Our work to influence change in the global aid system in 2017, included the launch of the Danish Government's Emergency Relief Fund, an emergency relief fund that draws on the Start Fund's experience, enabling Danish organisations to respond to crises around the world.

How to assess the impact of a Drought Risk Financing Facility: Designing the new Drought Financing Facility raised question about how to measure and evidence the impact of innovative disaster financing initiatives, so this guide was created for the people who will be delivering the interventions.

OUR AMBITION IS FOR A BIGGER SHIFT IN GLOBAL AID FINANCING

As the Start Network scales through hubs across the world, new national and regional funds would be created and connected through a global 'Start Financing Facility'. This will allow donors to channel funding throughout the network and ensure that funding reaches the places where it is most needed, when it is needed.

We also aim to link smaller and national organisations to donors. A tiered due diligence system is one way to allow donors and local organisations to partner directly, channelling them to much needed funds. Read more on **page 46.**

The Start Fund is the fastest tool of its kind, but we want to be faster. On average, it takes 10 days for assistance to first reach people in need. We're investing in anticipation and risk financing tools to ensure that we meet urgent needs sooner, increasing resilience and leaving no one behind – as humanitarian actors have promised in the 'Grand Bargain.'

In 2018 the Start Network will take out its first 'Replica' insurance policy (as part of the ARC Replica Programme), based on planning and preparations carried out since the launch of Replica in July 2017. Working with the Senegalese government, Start Network will design an insurance policy to enable faster response to severe drought events, up to six months before humanitarian impacts are realised.

Our ultimate aim is to shift NGOs towards a risk financing approach, and for that a fundamental change of the humanitarian system and different financial architecture, with new financial instruments – such as insurance, contingency funds, loans and bonds - is required. The Start Network will work with the World Bank in 2018 to conduct a feasibility study for a Start Financing Facility, which will look at the practical, technical and legal options to do just that.

Read more at:
startnetwork.org/new-financing



NRC / Enayatullah Azad, Start Fund alert 199, Afghanistan, Displaced families from Tebar village live in Sar-e-pul city. Sorya, 12, (in red) was living in the open outside of the DoRR center. December 2017

“Together we do whatever we can. And it does make a difference. We dug 300 latrines, built 150 showers, five new water sources, four of which were wells, one spring and seven water distribution points with taps and tanks. But it has not been enough for all the displaced people.”

Julie Love, Healthcare Program Officer
reported at Cordaid, reporting from Alindao



Oxfam / Marija Piroški, MERF alert 1, Serbia, Winterisation response for migrants



CASE STUDY

RESPONDING QUICKLY TO AN ‘UNDER THE RADAR’ CRISIS IN CENTRAL AFRICAN REPUBLIC

In May 2017, clashes broke out between armed groups in south eastern Central African Republic (CAR), killing at least 130 people, destroying homes and forcing thousands of families to flee the violence. An estimated 25,000 people needed life-saving help in terms of health, protection, shelter and water, sanitation and hygiene.

Nine days after violence erupted, three agencies alerted the Start Fund, and within just 55.5 hours a response had been activated and three projects awarded (led by ACTED, Cordaid and War Child). This was a clear example of an ‘under the radar’ crisis, occurring in a country that was lacking media attention, political will and economic support despite evidence of significant humanitarian need.

Julie Love, Cordaid’s Health care Program Officer reported from Alindao and highlighted the significant need on the ground. “Together we do whatever we can. And it does make a difference. We dug 300 latrines, built 150 showers, five new water sources, four of which were wells, one spring and seven water distribution points with taps and tanks. But it has not been enough for all the displaced people.”

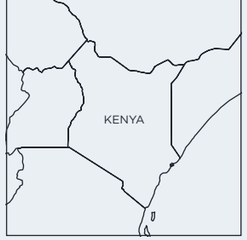
All three projects reached people within eight days. The quick delivery of aid reduced community tensions by reassuring the population that they were remembered and being cared for. Had it not been for the swiftness and funding of the Start Fund, War Child would not have been able to respond to this crisis at all.

CASE STUDY

FILLING GAPS IN NEED IN SERBIA

2016 and 2017 saw significant changes in mixed migration in Serbia. The flow of people and the duration of their stay as well as their profile and intentions changed as a result of a number of factors, including the closing of borders, limited options for integration and EU regional initiatives such as the EU-Turkey agreement. These factors meant that flows were reduced but the size of the stranded population in Serbia increased and peaked in February 2017, with an estimated 7,800 refugees, migrants and asylum seekers living in the country. The response system in Serbia was designed to provide rapid response to people’s emergency needs as they travelled through Serbia prior to the borders closing and had failed to adapt sufficiently to meet these different needs. These circumstances led to the MERF being activated four times in Serbia meeting different emerging gaps such as winterisation, supplementary food for vulnerable groups, and protection and psychosocial support.

Marija Vranešević, Programme Manager at Philanthropy which is a local NGO in Serbia that partnered with both CRS and Christian Aid for MERF projects felt the flexibility and speed of the MERF allowed them to meet vital needs in Serbia saying, “The projects were flexible and adaptive to the changing context in which we have been working. The proposal mechanism is short and easy for members to be quick at providing a situation analysis. Speed is important because the needs and the gaps that emerge need a prompt response. The MERF also allows us to reach a lot of beneficiaries, and encourages information flows.”



CASE STUDY

ANTICIPATING HIGH STAKES ELECTIONS IN KENYA

The people of Kenya went to the polls in August 2017 to vote in a fiercely contested presidential election. Two months earlier, there were signs of unrest and Start Network members became concerned about the growing risk of violence.

Building from an experience in Burundi in 2015, where an anticipation alert related to escalating violence wasn't activated because decision-makers didn't have a clear understanding of how the context would unfold, Start Network members conducted an inter-agency context analysis, using funding from the Start Fund's Analysis for Action (AA) Grant. With advice from FOREWARN, Start members identified likely scenarios and actions members could take to mitigate risk. One of the likely scenarios that Start members identified unfolded between August- November 2017 which meant that Start members were better prepared to act.

> "Because of the Analysis for Action Grant findings, we scaled up our own internal funding. We were able to do this because we had a clearer understanding of what was going on."
>
> **Start Network Member**

The findings from the analysis triggered a Start Fund anticipation alert. Start members released £300,000 to fund a consortium project (submitted by 11 members are led by ActionAid). It focused on six high-risk counties and filled gaps in the Kenya Government National Contingency Plan. Start members prepared for potential unrest by: supporting OCHA's election preparedness hubs, combining food distributions with social cohesion activities, prepositioning key supplies, working with national religious leaders to promote messages of peace, setting up safe spaces for children and working with communities to develop their own plans in case violence erupted.

As feared, there were high levels of tensions in Kenya from July to November: more than 70 people died because of riots and protests, yet Start members were well positioned to address the escalating tensions.



Dorcas Aid, Start Fund alert 175, Kenya, Peace forum with community leaders

> "It was a long process preparing for the elections, when you get near the end, it's very difficult to raise capital quickly- right when you see dynamics changing. The Start Fund adds value when we're coming down to the wire. Other funding comes in after risks have materialized."
>
> **Start Network Member**

COLLECTIVE INNOVATION



CDAC Network / Hannah Murphy, DEPP Innovation Lab, Kenya, Maarifa Kona Lab

The Start Network is uniquely positioned to drive innovation as a tool to change the global aid system.

Since the outset, Start Network members have been innovating together; introducing initiatives such as the Start Fund and the Anticipation Window. We're building a more strategic approach – selecting the innovations we work on and using the depth of the network to provide a route to scale initiatives with the best potential for impact.

We believe that people facing the problems are better placed to solve what's in front of them. So, we aim to foster innovation and support people to develop innovation at a local level. Our approach to innovation involves forging partnerships across the private sector and civil society too, as they can bring ideas well-tested in other situations.

Our current innovation focus includes:

- **Shifting to a risk financing approach to ensure predictable and early funding to mitigate the impact of crises and save lives. Our risk financing pilots are being tested, before being taken to scale across the network**
- **Providing local level support mechanisms to support local innovations in disaster preparedness**
- **Supporting emergent innovation in how the network develops, collaborates and learns together**
- **Investing in technology where it can have the greatest impact on the system; transparency and collaboration are two such areas. Transparency through technology allows us to share and use data openly, to help make better decisions, while enabling stakeholders to see how funding is being spent.**

LAST YEAR, WE PLANNED AND ENABLED THE FOLLOWING:

SHIFTING TO EARLY ACTION

9 early warning projects created, tested or rolled out

TECH FOR GOOD

6 technology platforms for improved humanitarian aid

SUPPORTING LOCAL INNOVATION

9 locally based innovation labs in four countries

1,139 innovation proposals received from local innovators in two countries

LEARNING FROM OTHERS

15 partnerships or collaborations involving NGOs with academic & private sector

EMPOWERING THOSE ON THE GROUND

The Disasters and Emergencies Preparedness Programme (DEPP) Innovation Labs programme established nine innovation Labs in 2017, in Bangladesh, Jordan, Kenya and Philippines. The labs are run by lab consortia which include international NGOs, national NGOs, local trusts, private sector, and academia. The programme seeks to develop innovations in disaster preparedness through a community-centred innovation process. Read an example on **page 44.**

Developing technology for good

In 2017, the Start Network received funding from the Estonian government to take forward our work in testing practical blockchain applications, to explore the technology's potential for NGOs. With this support, Start Network has been working with financial technology start-up, Disberse, to develop a blockchain based platform for humanitarian aid finance transfers. Start Network members volunteered to participate in a first round of testing, which took place later in 2018. The pilots are enabling Start Network to introduce and show the use of this potentially revolutionary technology.

In 2017 we launched the Start Fund Portal – a new technology platform. Not only does it allow members, donors and the public to monitor humanitarian alerts as they happen, they can also follow how the money is spent and see how many people have been helped. It's an exciting shift in thinking, bringing revolutionary transparency to humanitarian aid. Information is displayed in a simple, accessible way backed up with complex, data-heavy processing which enables the information to be automatically updated as new data streams in. Flexible and designed to be scaled, it's an exciting and ambitious new data tool, one that can be adapted and updated as the Start Fund grows and evolves.

Last year was a critical year in the development of crisis anticipation

One breakthrough introduction was our Analysis for Action grants, enabling members to gather and analyse the information needed to raise anticipation alerts. The FOREWARN group continued to develop and expand by evaluating global threats, contributed to the Start Fund decision-making process through expert surveys, and advised Start Network members on risk financing innovations. We also established a partnership to pilot a Forecast Based Financing project in Madagascar, which aims to use scientific modelling, contingency planning and pre-positioned financing to protect populations from drought.

Risk financing moved from prototyping to pilot

In early 2017, Start Network worked with Willis Towers Watson, the Overseas Development Institute and Save the Children to conduct a feasibility study to understand the applicability of risk financing to the education sector. The report, published in June, identified a broad set of recommendations for the Global Partnership for Education.

The year was notable too for joining the newly set up InsuResilience Global Partnership. Bringing together countries, civil society, international organisations, the private sector, and academia, the partnership aims to strengthen the resilience of developing countries and to protect vulnerable people from the impacts of disasters. Start Network will use the InsuResilience Global Partnership to publicise its risk financing work, engage with key stakeholders and influence the global policy debate.

Furthermore, we teamed up with three academic organisations, an NGO and a private sector partner to design and secure funding for a project aiming at designing a "scientific due diligence" approach to answer that question. Implemented in 2018, the Drought Risk finance Science Laboratory (DRiSL) will seek to use the partners' experience in using risk financing approaches to mitigate the impact of droughts.

THE ROAD AHEAD, AND KEEPING TRACK OF ADVANCES

As the network grows, we will include an innovation component in the network's strategy to ensure we focus on where we can be most effective – catalysing change and using KPIs to track our progress and prove our value.

We plan to shift to a risk financing approach and to increase the number and quality of early interventions. We will pilot a broader range of financial instruments, and develop the Start Financing Facility to house these, gaining practical experience in using different financial mechanisms through our existing pilots, such as ARC Replica mentioned on **page 32.**

We will also develop national FOREWARN groups to foster anticipation approaches in their own countries and learn from crises that could have been anticipated such as the Sierra Leone mudslides. In 2018 we will develop further our FBF pilot in Madagascar, to support the creation of national FOREWARN group in the country.

In future we will build on the DEPP Innovation Labs, to enable innovation to be managed at the local level, supporting future Start Network hubs to support locally-driven innovation addressing the needs identified locally. We will facilitate network-wide learning, allowing all parts of the Start Network to share and learn from one another.

Finally, as the network evolves, we will experiment with new ways of collaborating, enabling all organisations, including those currently excluded from traditional humanitarian systems, to work together and participate equitably. Read more about the development of the network on **page 46.**

Read more at:
startnetwork.org/collective-innovation



CDAC Network / Hannah Murphy, DEPP Innovation Lab, Bangladesh





(Left) Start Network / Sarah Barr, Start Fund alert 173

CASE STUDY

ACTING IN ANTICIPATION - TAJIKISTAN

Summer 2017 was blistering in the remote valleys of Tajikistan, which at times reached up to 49 degrees centigrade. This followed an icy winter, with record snow levels at the peaks of mountains surrounding the Zerafshan and Rasht Valleys. Communities in Tajikistan are prone to flooding and landslides, especially when high temperatures follow large amounts of snowfall at mountain peaks. This issue caused Start Network members particular concern and in July 2017 they successfully raised an anticipation alert.

ACTED, Mercy Corps and Welthungerhilfe responded with a mixture of community preparedness and mitigation work. This was intended to divert possible floods or landslides away from homes and key infrastructure, while ensuring communities knew what to do when disaster struck.

In the remote villages of the Zerafshan Valley, Robiya Nabieva of ACTED used a hazard map to help community members identify suitable places for gabion walls, a type of wall built from rocks held together with metal mesh. Robiya worked with existing voluntary community groups who built the walls around schools, electricity pylons and agricultural land, identified as being at high risk of damage from landslides. She then facilitated disaster preparedness planning sessions, where communities decided to build further flood mitigation, with their own resources. Homes, power and food sources in these communities are now better protected when landslides occur in their villages. They also have the skills and knowledge needed to continue building on their flood and landslide mitigation independently of external support.

CASE STUDY

REVOLUTIONISING PUBLIC HEALTH RESPONSE IN GAMBELLA, ETHIOPIA

When 286 cases of malaria were reported in the remote Ethiopian town of Itang over seven days, the rapid reaction health team faced a dilemma. The number was not high enough to qualify as a major outbreak to trigger a national government intervention.

So, they put into action a local plan, using a network of hundreds of health workers and volunteers to spread the message: unless everyone did more to prevent malaria, from using mosquito nets to eliminating areas of standing water where the insects breed, there was a risk of a serious outbreak.

The high-quality data collection and the well-trained network of health workers in this remote Gambella region – one of Ethiopia's poorest – are among the results of the DEPP project, Public Health Emergencies Preparedness (PHEP), which aimed to provide early warning of potential disease outbreaks, and to support the health ministry in delivering a rapid and effective response.

According to Akane Ujulu, 25, a paid health worker, the project is improving the resilience of her community beyond reducing the incidence of disease. "Because of the training we have received, we health workers are better able to identify symptoms of diseases. I've also seen an increase in the reporting of rumours about sickness, and the recording of cases. This is why I have become a health extension worker, to help prevent disease outbreaks so that people can work and my village can prosper."
The DEPP programme has spurred faster investigation of suspected cases and the use of new technology - including tablet computers to speed web-based reporting to the health ministry. Disease surveillance in the six districts now exceeds national targets.

The PHEP project has also supported a diagnostics laboratory in the region. Now there is a working microbiology unit with diagnostic supplies and properly trained staff, which is able to analyse specimens more quickly and effectively - saving vital time in confirming suspected outbreaks. The project has also supported setting up fully-automated weather stations, to guide health officials on heightened risks of disease outbreaks and enable them to launch pre-emptive interventions.

PHEP Gambella was led by Christian Aid, in conjunction with the international medical agency Amref, the Ethiopian Ministry of Health and the National Meteorological Agency.

"Because of the training we have received, we health workers are better able to identify symptoms of diseases. I've also seen an increase in the reporting of rumours about sickness, and the recording of cases. This is why I have become a health extension worker, to help prevent disease outbreaks so that people can work and my village can prosper."



Christian Aid / Siiri Mäkelä de Oliveira, Ethiopia, Akane Ujulu (in blue) talks to community members



TUKLAS Innovation, DEPP Innovations Lab, Philippines, Skilled workers partner with DesignNovators to design Bakwit Kit

“In creating Bakwit Kit, we saw how innovation is a venue to exchange knowledge and collaborate with different sectors of the community to solve a problem. We have learned so much from children and community members after designing with them and gathering their feedback. The input we received from the community will contribute to the second prototype of Bakwit Kit.”

Heidrum Milan,
DesignNovator



CASE STUDY

COMMUNITY CENTRED INNOVATIONS IN PHILIPPINES

In Tacloban City, survivors of Typhoon Haiyan are working together to develop innovative solutions to better prepare for disasters. DesignNovator, a team of interior designers who also experienced the typhoon, is developing Bakwit Kit, a kit that creates a secure space for displaced families during a preemptive and post-disaster evacuation.

“In creating Bakwit Kit, we saw how innovation is a venue to exchange knowledge and collaborate with different sectors of the community to solve a problem,” says Heidrun Milan of DesignNovator. “We have learned so much from children and community members after designing with them and gathering their feedback. The input we received from the community will contribute to the second prototype of Bakwit Kit.”

The Philippines TUKLAS Innovation Labs supports Bakwit Kit, along with 39 other community-centered innovations on disaster preparedness. The innovations will undergo testing and refinement together with communities until December 2018.

OPERATIONS AND PLANS FOR 2018

The Start Network's vision is bold and ambitious. To achieve it, we have set three overarching strategic areas that the organisation will focus on in 2018:

NETWORK GROWTH AND DECENTRALISATION

In 2017 our members agreed on a strategy to take our ways of working to scale, and shift more power and resources to those closest to humanitarian crises. To achieve this, the Start Network will change its model - shifting from a centralised entity to a dispersed, international network of regional and national collectives of organisations, called "hubs".

In 2018, we will develop a strategy for organisations to coalesce at the national and regional levels, and work to revise our governance and membership infrastructure to enable this new network model of hubs to emerge and grow.

SPIN-OFF AND ORGANISATIONAL INDEPENDENCE

Currently the Start Network is hosted by Save the Children UK (SCUK), which provides the systems that enable the Start Network to operate.

We now need to become an independent organisation in order to:

- **Have a clear and independent identity**
- **Be better placed to drive the evolution and growth of the network**
- **Increase the level and range of our donor base.**

We are working towards creating an independent charity, which will deliver core functions in support of the wider Start Network members and the grant-funded programmes being managed by members under our brand.

We have already registered the Start Network as a charity and company limited by guarantee - and, we are now developing the policies and processes we need to operate as an independent, sustainable organisation in accordance with UK law.

TIERED DUE DILIGENCE FRAMEWORK

As part of our Grand Bargain commitment for greater localisation of humanitarian aid delivery, we must break down the barriers created by existing vetting systems to enable more organisations to access funds directly. Current due diligence systems are duplicative and often favour INGOs as potential fund recipients at the expense of smaller organisations, because they are better able to meet donor requirements.

Start Network's own due diligence system is robust, yet it's high bar is a barrier to local and national organisations. To address this, we are planning to build a global tiered due diligence database, providing a standardised vetting process that can be tailored to context, allows for online verification and validation. The tiers will enable smaller organisation to pass at a lower level and capacity building will help organisations move up the tiers. We are already working with a number of stakeholders and technical partners and will tender out this work in 2018.



Start Network / Janus van den Eijnden, UK, Helen Asnake, DEPP Regional Learning Advisor Africa and Middle East, Ethiopia, at Start Network Members' Day, May 2017

GOVERNANCE LEADERSHIP AND MANAGEMENT

HOW WE ARE GOVERNED

The Start Network operates as a consortium and is accountable primarily to its membership. It is built upon the principle of delegated authority: decisions are made by the Start Network alone and not by our donors. This means decisions are collective, strategic and de-politicised. The governance structure is designed to ensure rigour and impartiality in decision making.

Save the Children UK (SCUK), one of the network's members, is the host organisation and the lead agency of the Start Network Consortium - and is therefore legally responsible for Start. The Start team follows SCUK's policies and processes, and also has its own governance arrangements that enable Consortium members to maintain oversight of our strategic direction.

The Start Network is governed by its **Board of Trustees**, taking its steer from the membership, which is represented by the **Assembly** - the Network's highest governing body. The Board is responsible for advising on and implementing the agreed strategy, approving the annual business plan and budget, and considering new initiatives. Certain areas of governance are delegated to the Board's sub-committees:

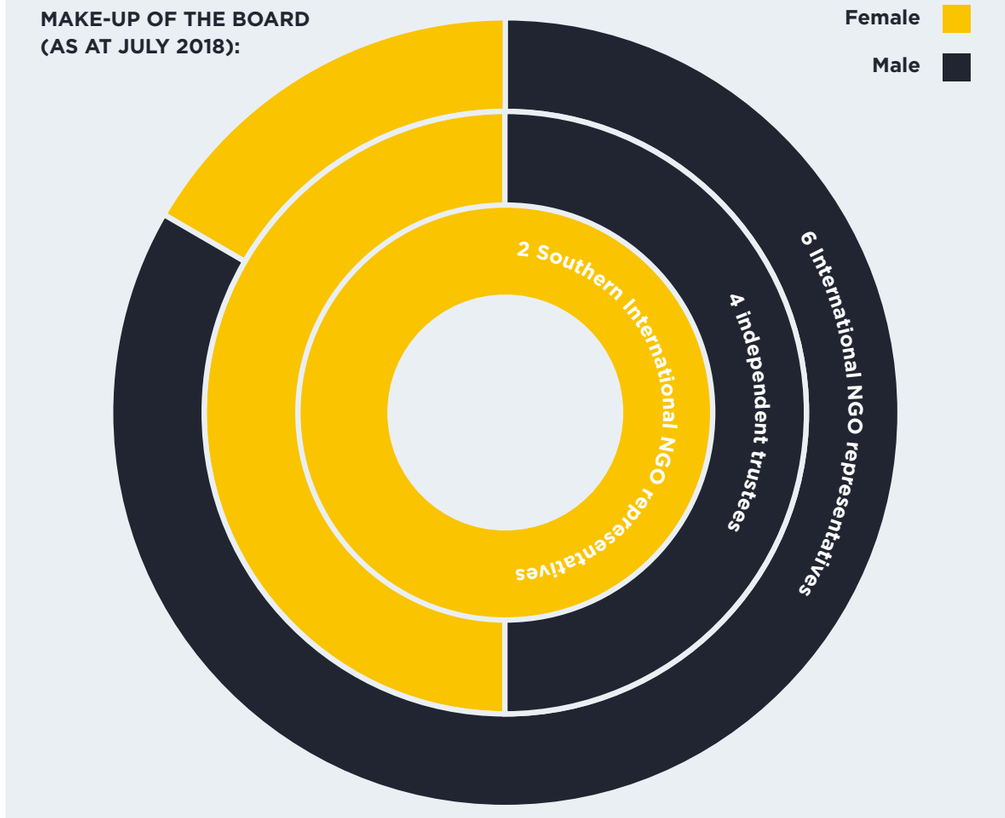
- The **Finance & Audit committee** oversees financial operations, audit and risk management
- The **Membership committee** oversees the selection and onboarding of new members, the membership policy and annual membership contributions
- The **Nominations committee** is responsible for appointing individuals to the Board and ensuring a good balance of skills are held by the Trustees
- The **Start Fund committee** oversees the management, operation and strategy of the Start Fund. It reports to the Start Network Board as well as the Start Fund Council, which is made up of the Start Fund's donors, Start Network and team representatives.

Each committee includes or is chaired by a Trustee, to maintain continuity of discussions and decision-making.

OUR BOARD OF TRUSTEES AND LEADERSHIP TEAM

The Board of Trustees is made up of a mix of independent experts and representatives of Network member agencies. Independent Trustees are selected for their expertise in areas of importance for the Start Network, and to ensure impartiality of decision making. Member Trustees are nominated by members based on their background and skills, to ensure member representation on the Board. The Chair of the Board is always an independent, the vice-Chair is a member, and the Treasurer is an independent who also Chairs the Finance & Audit Committee.

MAKE-UP OF THE BOARD (AS AT JULY 2018):



Start Network Trustees (as at July 2018):

Shaima Al Zarooni - independent
Degan Ali - member, Adeso
Richard Broyd (Treasurer) - independent
Matthew Carter (Vice-Chair) - member, CAFOD
Lola Gostelow - independent, former Chair 2017
Benjamin Laniado - member, CADENA
Christof Gabriel Maetze (Chair) - independent
Samar Muhareb - member, ARDD Legal Aid
Kevin Noone - member, International Medical Corps
Rachel O'Brien (ex-officio) - Save the Children UK
Bob Ruxton - member, Concern Worldwide
Aleema Shivji - member, Humanity & Inclusion
Till Wahnbaeck - member, Welthungerhilfe

Leadership Team (as at July 2018):

Sean Lowrie - Director
Christos Papaioannou - Head of Start Funds
Kat Reichel - Senior Manager, Network Engagement & Design
Shveta Shah - Head of Strategic Operations
Neil Townsend - Innovation Programme Manager

RISK MANAGEMENT

Start Network follows the policies and processes of host agency, Save the Children UK, and also has its own measures in place for managing risk in the Network. The Start Network Consortium Agreement and the Membership Policy outline the expectations, rights, obligations and responsibilities of the Start Network and its member organisations. This includes ownership of risk for downstream partners, a process for reporting fraud in programme implementation, and a robust due diligence process for members, which is renewed every three years. Our Finance & Audit Committee also advises on financial risk and compliance.

SAFEGUARDING

The safeguarding crisis has highlighted a lack of sufficiently robust procedures in some areas of the international aid system, as well as power imbalances and lack of accountability to those the system seeks to serve. The Start Network is committed to delivering the immediate actions needed to improve safeguarding, and also to helping to bring about a more equitable humanitarian system. We will continue to do this by ensuring that our values, policies, culture and resources shift power and accountability in the humanitarian system. The Start Network follows the safeguarding policies and processes of host agency, Save the Children UK. As part of our move to independence, we are also developing our own safeguarding policies, and undergoing a thorough review of our due diligence framework to include stronger emphasis on safeguarding.

FINANCIAL STATEMENT

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

Income - by Income type
2017 Full year Actuals

Grant Income	-	26,864	26,864	97%
Membership Contributions	456	-	456	1.7%
Broker Fees, ICR and other income	361	-	361	1.3%
Total Income	**817**	**26,864**	**27,681**	**100%**

Total income for the year 2017 was £27.7m. 97% of our total Income came from donors as Grant income and 3% was generated by Member Agencies fees and Indirect cost recovery.

1. Unrestricted funds
The general fund is available to cover the costs of the organisation, other than the grants payable and cost of grant-making and management which are covered from the designated and restricted funds. Income that is credited to this fund includes sponsorship and corporate support, Gift Aid, investment income and gains / losses, interest and donations given specifically to cover running costs.

2. Restricted funds
These funds can only be used for purposes as specified by the donor. Restricted income is generally only recognised in line with spending, therefore income is only recorded in our Income & Expenditure Statement once the grant related expenditure is incurred and recognised in a given period. This means delayed spend will result in under recognition in restricted income even though the funds have already been granted by the donor (or even when the funds have already been received from the donor). Some exceptions of this income recognition policy are the DFID I grant which followed a different policy in line with the original agreement.

3. Membership contributions
Annual payment by members to be part of the network.

4. Broker fees and Indirect Cost Recovery
Fees charged on grants to cover all direct and indirect costs required to manage the grant. ICR (indirect cost recovery) is a fee charged to contribute towards indirect costs incurred by Start Network. Broker fees are the contributions from donors towards all the direct costs incurred.

Expenditure - by cost type
2017 Full year Actuals

Programme Disbursements	-	25,403	25,403	89%
MEAL	-	504	504	2%
Staff Costs	149	1,265	1,414	5%
Travel	14	155	169	1%
Consultancy & Professional Fees	43	369	412	1%
Events, Communications & Marketing	30	110	140	0%
IT & Other operating costs	26	637	662	2%
Total Expenditure	**262**	**28,442**	**28,704**	**100%**

Staff costs include salaries, pensions, National Insurance contributions, recruitment and training.

2017 Unrestricted Reserves (£'000)

Opening Balance	at 1st January 2017	632
Closing Balance	at 31st December 2017	1,187

Acknowledgements - Grant donors

ARC Replica	Rockefeller Foundation	108
Blockchain	Estonian Government	13
Drought Financing Facility	Humanitarian Innovation Fund	75
Disasters & Emergencies Preparedness Programme	UK Department for International Development	11,391
Disasters & Emergencies Preparedness Programme Innovation Labs	UK Department for International Development	1,773
European Refugee Response	UK Department for International Development	74
Start Fund	Belgian Development Cooperation, European Commission Civil Protection and Humanitarian Aid Operations, Irish Aid, Netherlands Ministry of Foreign Affairs, UK Department for International Development	10,503
Start Fund Bangladesh	UK Department for International Development	1,506
Ebola/ Zika Preparedness Programme	UK Department for International Development	1.296
Start Network independent Charity set-up	Ikea Foundation	36
Other		163

We also acknowledge the UK Department for International Development for their £2.5 million contribution in 2016 to the Migration Emergency Response Fund, which was primarily delivered in 2017.

Programme Expenditure by programme (£'000)

ARC Replica	52	-	39	12	3	-	-	-
Blockchain	-	-	9	-	-	-	-	4
Cameroon Response	1	-	-	-	-	-	-	-
DEPP	11,149	-	214	17	8	31	1	1
DEPP Innovation Labs	1,420	-	192	42	72	16	1	30
Drought Financing Facility	61	-	48	11	-	17	-	(-21)
Ebola/Zika Preparedness	11	6	11	2	-	-	-	42
European Refugee Response	13	34	49	-	3	-	-	(-13)
MERF	1,925	-	97	4	-	-	-	125
Start Fund	9.420	463	510	58	260	43	(-10)	360
Start Fund Bangladesh	1,376	1	97	11	-	-	-	21

Work for some programmes has been delivered externally in 2017. Such as Monitoring Evaluation, Accountability and Learning (MEAL), which for the Start Fund was delivered through an external contract, and for the Disasters & Emergencies Preparedness Programme, was delivered by a grant funded project. Other MEAL work was delivered by Start Network staff. Staff costs also contributed to other areas of work, such as Events, Communications & Marketing.

ACKNOWLEDGEMENTS



(Above) Start Network | The Future of Humanitarian Action in Pakistan 2017

This report would not have been possible without the contributions made by many people who make up the Start Network. Our gratitude goes to these people, who have offered their time and valuable thoughts to help this report take form. In particular we would like to thank Nice & Serious for their guidance on the theme of the report, Helen James, Start's head of communications, Antigone Mathianaki, Start's governance lead, the Start MEAL team and former head of Evidence David Jones, and the Leadership team and a number of other people who contributed information, stories and quotes. A special thank you goes to all the organisations that make up the Start network, the 42 members and the hundreds of local, national, academic and private sector partners, and those working on the front-line of humanitarian crises, delivering aid in new and better ways.

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