

Since January 2018, the Yemen Humanitarian Fund (YHF) has channeled over US\$188 million through 53 partners implementing 112 humanitarian projects. Throughout 2018, existing risk mitigation measures have been strengthened and contributed to addressing compliance issues and gathering crucial information to inform project modifications and improvements, partner risk-levels, adjustments to the eligibility process and tailor training sessions to partners' needs. Two partners were made ineligible for YHF funding because of compliance issues.

**Capacity Assessment** was strengthened through the revision of the guidance documents and by adding mandatory visits to potential partners' offices. As of 1 December 2018, the YHF has 77 eligible partners. Seven new partners became eligible in 2018 and nine failed the assessment.

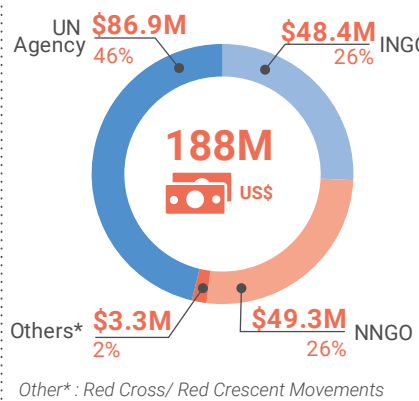
**Monitoring** modalities include monthly field visits by OCHA staff and cluster members, and by two Third Party Monitoring companies. Monitoring was strengthened in 2018 with a beneficiary verification mechanism which is being used to reach beneficiaries in inaccessible locations and to increase beneficiary feedback. Humanitarian Financing Unit (HFU) monitoring staff have conducted control-visits to partners to assess their monitoring of sub-grantees. In early 2019, a complaint mechanism for beneficiaries, partner employees and potential whistleblowers will be introduced.

**Financial Spot-Checks** include reviews of financial, human resources and procurement functions of partner organizations. Financial spot-checks have enabled the HFU to detect inconsistencies in partners' systems and provided substantial feedback on improvements and to escalate findings that indicate possible compliance issues.

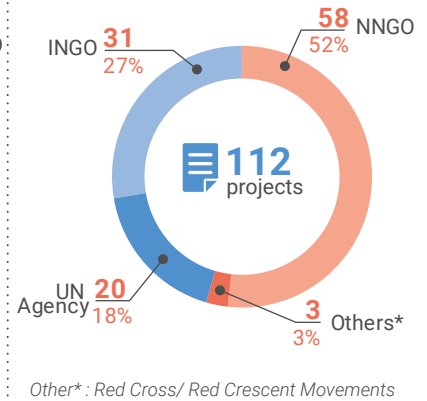
**Audit** is performed by an external audit company. An analysis conducted in October 2018 of audit findings from 42 projects identified irregularities in the use of exchange rates and inadequate procurement procedures as issues of concerns, which the HFU is addressing with partners.

<b>77</b> Eligible Partners	<b>3</b> Monitoring Modalities applied	Full roll-out of Financial Spot-Checks in 2018	Beneficiary Verification Mechanism in place
<b>24</b> High Risk <b>30</b> Medium Risk <b>23</b> Low Risk			

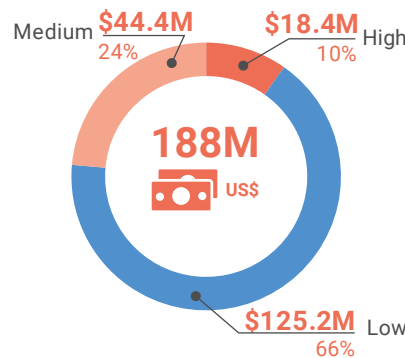
### Allocations by Partner Type



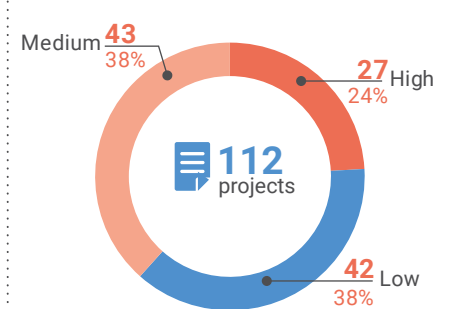
### Projects by Partner Type



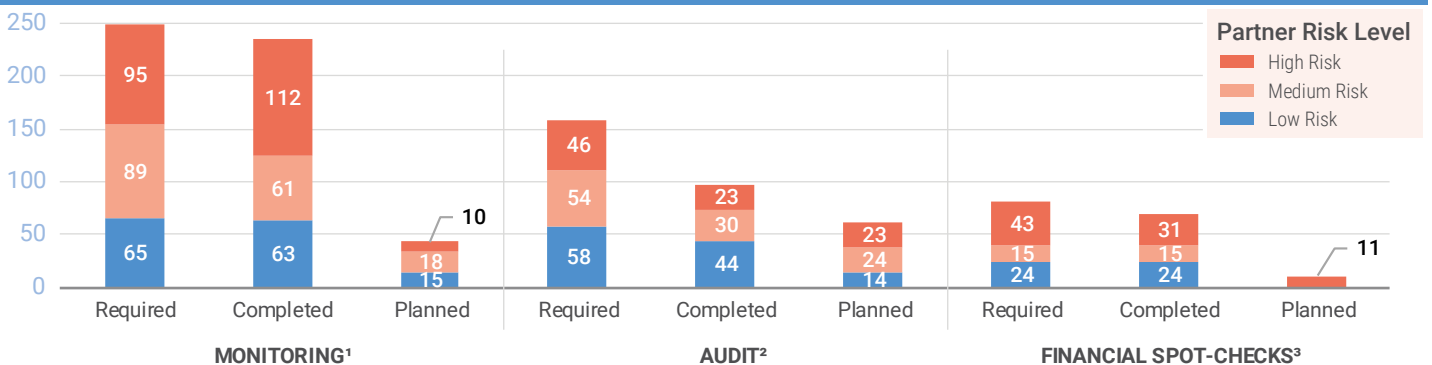
### Allocations by Partner Risk Level



### Projects by Partner Risk Level



### Risk Mitigation Measures Implemented



1. Projects from 2016 to 31 December 2018 (# of 'completed' higher than 'required' as additional monitoring visits were conducted).

2. Projects from 2015 to 1 December 2018 ('Planned audits' includes ongoing and planned audits).

3. Projects from 2017 and 2018 (One project suspended resulting in one less completed visit).