MHF

Myanmar
Humanitarian
Fund

Myanmar Humanitarian Fund

Operational Manual

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OCHA
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Acronyms

AB	Advisory Board
BoA	Board of Auditors
CBPF	Country-based Pooled Fund
CE	Cost extension
CERF	Central Emergency Response Fund
CPF	Common Performance Framework
CSO	Civil Society Organization
DD	Due Diligence
EO	Executive Officer
GA	Grant Agreement
GMS	Grant Management System
HACT	Harmonized Approach to Cash Transfers
HC	Humanitarian Coordinator
HCT	Humanitarian Country Team
HFU	Humanitarian Financing Unit
HoO	Head of Office
HRP	Humanitarian Response Plan
HQ	Headquarters
IASC	Inter-Agency Standing Committee
ICA	Internal Capacity Assessment
ICCG	Inter Cluster/Sector Coordination Group
IPSAS	International Public Sector Accounting Standards
LTA	Long Term Agreement
M&E	Monitoring and Evaluation
M&R	Monitoring and Reporting
MHF	Myanmar Humanitarian Fund
MoU	Memorandum of Understanding
NCE	No-Cost Extension
NGO	Non-Governmental Organization
OCHA	Office for the Coordination of Humanitarian Affairs
OIOS	Office of Internal Oversight Services
PCA	Proxy Capacity Assessment
PSC	Project Support Costs
PSEA	Protection from Sexual Exploitation and Abuse
SH	Sexual Harassment
SOPs	Standard Operating Procedures
TOR	Terms of Reference
UN	United Nations
WRO/WLO	Women-led local organizations

1. Introduction

1.1. Purpose

The purpose of the Operational Manual for the Myanmar Humanitarian Fund (MHF) is to describe the governance arrangements, allocation modalities and priorities, and accountability mechanisms of the Fund, as well as to detail the roles and responsibilities of the stakeholders involved.

Under the leadership of the Humanitarian Coordinator (HC), the MHF aims to support the timely allocation and disbursement of donor resources to the most critical humanitarian needs as defined by the Humanitarian Response Plan (HRP). To meet this goal, this Manual is issued by the HC and endorsed by the Advisory Board (AB) to:

- provide clarification and instructions for all stakeholders involved in the management of the MHF on effective management and governance practices;
- describe the steps and requirements of the allocation processes with the aim of enhancing timely and strategic allocation decisions; and
- provide an overview of the general direction and programmatic focus of the MHF.

The purpose of this Manual is to guide implementing partners and facilitate the role of OCHA, members of the Review Committees, and sectoral experts.

This version replaces the MHF Operational Manual dated July 2018.

1.2. Scope

The Manual should be read in conjunction with the Operational Handbook[1] for Country-based Pooled Funds (CBPFs). This document defines the country-specific regulations that govern the MHF. It is designed within the framework provided by the Operational Handbook for CBPFs, which describes the global set of rules that apply to all CBPFs worldwide, and adapt specific aspects of the global regulations to the context of humanitarian response.

Adherence to the guidance provided in the two documents is required to ensure standard and transparent processes.

2. Objectives of the MHF

2.1. Overall objective

The MHF aims to ensure that humanitarian needs are addressed in a timely and collaborative manner, fostering cooperation and coordination within and between clusters, sectors and humanitarian organizations. As such, the MHF promotes joint needs assessments; the use of the Humanitarian Response Plan (HRP) as the basis for strategic

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[1] The global Operational Handbook for CBPFs, annexes and related guidelines can be found here.

planning; close coordination with sectors, clusters, the Humanitarian Country Team (HCT), sub-national coordination bodies, other pooled funds and funding mechanism, and the Government, when possible; and accountability through a solid monitoring, reporting and risk management framework.

Allocations are made based on a rigorous process of prioritization, taken into account a number of factors, including the magnitude and relative severity of needs, underlying causes, anticipated trends and response capacities and access constraints in targeted locations. It has also considered the specific vulnerabilities of the population groups including those linked to age, gender, disabilities or other diversities such as ethnic background and sexual orientation and gender identity. Allocations will also consider operating constraints due to the possible increased vulnerability and access restrictions for MHF partners, ensuring that adequate resources are provided to facilitate safe access to the affected populations including those in hard-to-reach areas.

The specific objectives of the MHF are regularly updated through an Annual Strategy[2], endorsed by the end of January, every year.

While keeping the focus on life-saving humanitarian activities, the MHF will enhance the information sharing, coordination and synergy among humanitarian, development, peace and nexus funding (other pooled funds and funding mechanisms in the country) to raise the global impact and the effectiveness of the interventions. It may include discussion on development partners' role in the strengthening and promoting localization objectives through dedicated capacity building interventions and strategies to phase out the humanitarian support and possibly handing over to other actors where possible. This will apply in particular for sectors with large ongoing development programmes in the same geographical areas.

2.2.   Operating Principles

The MHF AB agrees that funding allocations will be in line with the following principles:

- Provide assistance based on the severity of assessed need[3] and an agreed allocation strategy, in accordance with the humanitarian principles of humanity, neutrality, impartiality and independence.
- Reinforce existing capacity of local and national partners operating in the affected areas, considering their mandates and activities and based on comparative advantages.
- Target sectors, activities and geographical areas prioritized in allocation strategy papers.
- Ensure the application of minimum humanitarian standards depending on the local context, particularly in displacement sites, including by avoiding harm through mitigating environmental risk.
- Mainstream the centrality of protection in all humanitarian action to avoid and/or minimize any potential protection risk.

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[2] This Annual Strategy will be replaced in the future with a "Vision Paper", which the template is being discussed at HQ level.
[3] The main reference documents are the Humanitarian Needs Overview (HNO) and the Humanitarian Response Plan (HRP). The HNO includes an analysis of the severity of sectoral and inter-sectoral needs in priority areas, which is the base of the response prioritization presented in the HRP. A real-time update of the information may be included during the consultation process before a new allocation of funds.

- Ensure a gender-responsive[4] and disability inclusion[5] approach across humanitarian interventions, through specific targeting and mainstreaming in all the humanitarian programme cycle to ensure that assistance and services are accessible by women and girls and persons with disabilities and based on their self-stated needs in accordance with the "leaving no one behind" commitment.
- Ensure a conflict-sensitive approach to all humanitarian action, including by applying the principle of "do no harm" at all times.
- Encourage the use of cash-based programming, including specific funding envelopes for multi-sector and multi-purpose cash assistance, when possible and appropriate.
- Promote the principle "as local as possible, as international as necessary", prioritizing direct funding to partners, particularly local and national NGOs, where possible, or through equitable partnership as sub-partners. It must include local women's rights and women-led local organizations (WRO/WLO) and other marginalized groups of civil-society organizations (CSOs).[6]
- Encourage consortiums of different organizations for better integrated responses, when possible.
- Prioritize multi-sector and integrated interventions for the same target population and geographical areas to increase impact, while recognizing that, in some circumstances[7], where there is a particular emergency, more focused interventions are warranted.
- When appropriate, prioritize specific allocations based on common vulnerabilities or thematic(s) for an increased impact.
- Ensure accountability to affected people and their meaningful participation in planning and decision-making, with particular consideration to the accessibility of those population groups with specific vulnerabilities linked to age, gender, disabilities or other diversities such as ethnic background and sexual orientation and gender identity, to accountability mechanisms and their input and participation in programme design and project management.
- Commit to the protection from sexual exploitation and abuse (PSEA) by regular training of programme staff and functional mechanisms for affected populations to make anonymous complaints.
- Support durable solutions for displaced people through the provision of short-term humanitarian assistance.
- Contribute to the discussion on the nexus agenda to create conditions for collaboration, linkages and synergy with relevant development programmes and funds operating in the same geographical areas; while keeping humanitarian action based on a principled approach.

Those operating principles are regularly updated through an Annual Strategy, endorsed by the end of January, every year.

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[4] IASC Policy (and Accountability Framework) on Gender Equality and the Empowerment of Women and Girls in Humanitarian Action (2017).

[5] IASC Guidelines, Inclusion of Persons with Disabilities in Humanitarian Action (2019).

[6] In line with the IASC Interim Guidance on Localization and the COVID-19 Response, as well as the UNSG Statement of 25 November 2020 on violence against women. Following the IASC Interim Guidance, "humanitarian leadership should advocate for local and national NGOs, including women's rights and women-led local organizations and other marginalized groups of CSOs, to be fully included in balanced -and impartial pooled funding decisions on allocations, evidence suggests that they are often left out of the process."

[7] For example, flooding or other natural hazards. In such circumstances, targeted interventions in a particular sector are likely to have quicker and greater impact than interventions that operate across many sectors. For example, in communities affected by floods, where the principle concern is around rebuilding livelihoods, intensified support to strengthening farming and production capacity may respond better to the immediate needs of the community, allowing them to build resilience and access social services.

2.3.   Allocations Timeline

The MHF AB agrees on the following tentative allocations timeline, subject to the timely receipt of donor contributions:

- **May** (projects starting in July): First Standard Allocation of 50 per cent of the expected contributions.
- **November** (project starting in January): Second Standard Allocation of 30 per cent of the expected contributions, including specific funding envelope for seasonal monsoon preparedness actions.
- **Any time during the year**: Reserve Allocations for 20 per cent of the expected contributions.

2.4.   Promoting Localization

The MHF will continue its ongoing efforts to promote a localization approach in the humanitarian response in Myanmar, with a focus on local and national partners. It would be done in line with the above-agreed MHF operating principles including the respect of the humanitarian principles and considering conflict sensitivity. Localization-focused actions may include the following:

- Participation of local and national partners in accountability and coordination mechanisms, and decision-making processes will be reinforced, including the preparation of allocation strategies, the pre-selection of submitted proposals and the technical reviews of selected projects. It may include ad-hoc meetings with the MHF AB upon request and decentralized consultations at sub-national level.
- Accessible language and definitions of key international humanitarian concepts by using relevant Myanmar context and case studies to improve the understanding of national partners about the MHF funding mechanisms and processes;
- Adapted strategies to get a better and higher engagement of local and national partners into the MHF funding and processes, particularly at sub-national level with local organizations, WRO/WLO and CSOs, in linkage with existing initiatives of increasing engagement with local partners through capacity mapping and development, including leadership and other key competencies.
- Discussion on practical ways to pre-position funds ready-to-go to support immediate response from local CSOs, in case of sudden-onset natural disaster or other emergencies. It would require an operational partner with enough capacity to receive the funds and clear criteria for delivering the funds case-by-case to the CBOs requesting support.
- Awareness-raising sessions on the MHF with potential partners, particularly local and national partners in areas affected by protracted crisis and high-risk disaster-prone areas.
- Bilateral meetings and sessions in Myanmar language at national and sub-national level, as needed;
- Workshops on the MHF online Grant Management System (GMS) and project design with existing and new eligible partners (upon any new allocation).
- Refresher workshops on the project management cycle with funded partners and sub-partners in English and Myanmar language (any time after approval of grants within a specific allocation), which may include specific modules on staff safety and security, remote management and risk management, mainly for those operating in conflict-affected areas.
- Active engagement with WRO/WLO and other marginalized groups of CSOs to raise awareness on their

eligibility to the MHF, encouraging their participation in capacity building activities around project design, project management cycle and other questions such as conflict sensitivity and humanitarian principles.

- After-action review in English and Myanmar language to discuss lessons learned, best practices and suggestions for improvement of MHF management.
- Day-to-day contacts with partners during the implementation period as needed.

3. Governance and Management

The activities of the MHF will be carried out under the overall stewardship of the HC. The HC will be supported by an AB and an OCHA-led Humanitarian Financing Unit (HFU) fulfilling the MHF's secretariat functions. The MHF AB will be chaired by the HC and will welcome the senior-level participation of donors, UN organizations (in their capacity as cluster lead agencies) and NGO representatives. Sector and cluster coordinators, as well as sub-national coordination mechanism coordinators, play a key role in prioritization, as well as project review at both a strategic and technical level.

3.1. Humanitarian Coordinator

The HC leads the overall management and oversight of the MHF as detailed in the Operational Handbook for CBPFs, supported by the OCHA Head of Office (HoO) and the OCHA Humanitarian Financing Unit (HFU), and advised by the MHF AB.

3.2. Advisory Board

The AB is an in-country governance body with an advisory function that supports the HC to steer the strategy and oversee the performance of the MHF. The final decision-making authority rests entirely with the HC, who is the chair of the AB. The AB supports the HC in developing an overall strategy and overseeing the performance of the MHF. The AB is consulted on key aspects of the management and strategic direction of the MHF, including allocation strategies, the Common Performance Framework, resource mobilization and any other major decision taken by the HC related to the Fund. The AB also reviews direct costs of the Fund prior to HC approval.

The functions of the AB are defined in detail in the Operational Handbook for CBPFs and in the Terms of Reference, revised version of 22 January 2020 (Annex 1).

The composition of the AB is determined by the HC in consultation with the HCT, contributing donors, local and national NGOs and international NGOs. It ensures equitable representation of the key stakeholders to the Fund (donors, UN agencies, national NGOs and international NGOs). The AB is chaired and convened by the HC. The OCHA Head of Office (HoO) is part of the AB and represents OCHA. The OCHA Humanitarian Financing Unit (HFU) will ensure the AB secretariat.

To ensure efficient decision-making, the membership is limited to a maximum of 12 members[8], excluding the chairperson and OCHA, equally representing four different constituencies: the local and national NGOs and CSOs, the international NGOs, the UN System and the contributing donors to the MHF, as follows:

- **Local and National NGOs:** A maximum of three (3) local and national NGOs and CSOs, representing geographical areas and/or thematic aspects (gender, persons with disabilities, etc.)
- **International NGOS:** A maximum of three (3) international NGOs distributed, as nominated by the INGO Forum.
- **UN System:** A maximum of three (3) UN agencies with humanitarian mandate.
- **Contributing Donors:** A maximum of three (3) donors contributing to the MHF.

A maximum of two (2) observers, including non-contributing donors and the Red Cross/Red Crescent Movement, could be proposed by the AB members. Other observers can be invited on an ad-hoc basis following HC's approval. It may include technical experts from OCHA, cluster/sector staff, sub-national coordination mechanisms and partner representatives.

Membership of the Board is for a one-year period. The membership of the Board will be revised after this period or at any time as requested by members.[9] The HC and the OCHA HoO are the only permanent members. AB members must be at the senior leadership level (head of agency, etc.). A rotating system or alternate representatives can be also identified for each member. If the full membership of the AB is not present during a meeting of the AB, a quorum shall be considered reached with seven members in attendance, including at a minimum, the HC or OCHA, and at least one donor, one UN agency, one national NGO and one international NGO. To ensure continuity, the replacement of AB members may be staggered.

AB members should not act in their individual capacity but represent their broader constituency. AB member must be at the senior leadership level (head of agency, etc.). Board members serve as technical or strategic experts from their constituencies or stakeholder groups and do not represent the interests of their organizations or broader constituencies. Board members make a commitment to attend all AB meetings, to be fully engaged in all tasks required by the AB, including providing comments by email or on online platforms as required. AB members should be authorized by their constituents to make decisions during AB meetings.

The AB should meet at least twice a year, and preferably four times a year. These meetings cover a range of the above tasks, including but not limited to endorsing budgets for the HFU, reviewing the Operational Manual, sitting to review allocation decisions, or to discuss changes to the humanitarian context. A higher frequency and/or ad hoc meetings may be requested, as deemed necessary, by the HC, to review the strategic direction of the Fund, to support or review complex allocation decisions, or to meet as the AB with visiting officials and missions and to evaluate the Fund's effectiveness. Attendance at MHF Advisory Board meetings is restricted (not a public forum) and requires formal HC invitation at all times.

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[8] A limited number of members is established by category, according to the revised Global CBPF guidelines, to ensure equal representation all other members' group.
[9] For example, after the incorporation of a new contributing donor to the MHF.

3.3.   Review Committee

Funding allocations pass through two types of project review: a Strategic Review—a first screening of project proposals in relation to the allocation strategy determined by the HC and the AB and/or in relation to the Fund scope and objectives as outlined in the Operational Manual, and a Technical and Financial Review—which assesses the technical soundness and quality of pre-selected project proposals, including budget issues.

The MHF Review Committee is the responsible for the strategic and technical review of project proposals received by the MHF. The Review Committee is chaired by OCHA HFU, which plays a facilitation role but also introduce substantive analysis, and is composed of sectors, clusters and sub-national and regional coordination mechanisms coordinators. In some cases, relevant advisors[10] or stakeholders can be also invited. The coordinator(s) related to a lead agency which has submitted a project proposal cannot participate in the MHF Review Committee for the specific geographical area where the agency has applied; in this case, they should delegate the task to another relevant organization. An observer status can be considered.

During Strategic and Technical Review, sectors and clusters will conform review committees for the Strategic and Technical Review, with a balanced representation of national NGOs, international NGOs and UN partners; sector coordination colleagues at sub-national level; and advisors, as needed. Sub-national and regional coordination mechanisms are also requested to conform review committees at their level. A list with the review committees' members should be submitted to OCHA. For sectors and clusters which have sub-sectors or working groups, it is suggested delegating some tasks, e.g., for the Protection Sector is suggested to delegate the review to the sub-sector or working groups (gender-based violence, mine action or child protection). Partners that are submitting proposals cannot be a member nor participate in the sectoral review committees for the Strategic and Technical Review of the proposals related to the same geographical area. That also affects to the partners included as sub-partners in the project proposals and those lead agency of sectors, clusters and/or the sub-national and regional coordination mechanisms (in this case, they should delegate the task to another relevant organization).

When delivering the strategic function, the sector review committee should equitably represent the members of the cluster/sector and be knowledgeable of humanitarian operations. When delivering the technical function, the respective review committee should be composed of a small group of technical experts to review project proposals, with demonstrated technical knowledge of the specific cluster/sector. Thematic advisors should provide support and inputs to the technical review process. At all times, OCHA HFU will take part in decision making, and support review committees in discharging their functions.

3.4.   OCHA Head of Office

The OCHA HoO oversees the operation of the Fund to support the HC. As such, the HoO is responsible for the effective management of the Fund according to the CBPF Policy Instruction, the Operational Handbook for CBPFs, and the MHF Operational Manual.

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[10] Thematic advisors may refer to gender in humanitarian action, disability inclusion, cash and voucher assistance, protection mainstreaming, social cohesion, climate change and environmental risks, etc.

The HoO's responsibilities with respect to the MHF are to:

- Support and advise the HC on strategic issues and resource mobilization.
- Supervise the OCHA HFU and ensure that the HFU is well integrated and coordinated with other units and sub-offices of OCHA Myanmar.
- Ensure that OCHA has the capacity to fulfil the MHF accountability requirements, including risk management and minimum operational modalities.
- Promote active involvement of existing coordination structures in MHF processes and ensure that MHF scope and objectives and allocation strategies are aligned with the HRP.
- Approve project revisions within the scope of the delegation of authority granted by the HC.
- Interface with headquarters on policy issues related to the MHF.
- Act as a permanent member of the AB.
- Review the MHF complaints email (MHFComplaints@un.org).

3.5.   OCHA Myanmar Humanitarian Financing Unit

The HFU responsible for the daily management of all programmatic and financial aspects of the MHF on behalf of the HC and under the supervision and guidance of the OCHA HoO, in coordination with CBPF section. The OCHA HFU executes HC decisions and organizes the process of allocating funds according to the Operational Handbook for CBPFs and the MHF Operational Manual.

The HFU supports the OCHA Myanmar in providing funding analysis on various aspects of the humanitarian operation. This includes support to the HRP process and processing of CERF grants.

The three main functions of the HFU are summarized as follows:

- Management of MHF operations and policy advice to the HC and OCHA HoO:
- MHF Project Cycle Management
- Implementation of the MHF Accountability Framework adhering to the existing Operational Modalities

Detailed responsibilities can be found in the Operational Handbook for CBPFs.

3.6.   Cluster, sectors, working groups and sub-national coordination mechanisms

Represented by their coordinators, clusters, sectors, working groups and sub-national coordination mechanisms support MHF at two levels: (i) at a strategic level, ensuring that there are linkages between the Fund, the HRP and cluster/sector/sub-national strategies; and (ii) at an operational level, providing technical expertise when required, including the project prioritization, technical review and monitoring activities.

Coordinators (and co-coordinators, if the case) will undertake the following activities in relation to the MHF:

- Facilitate all MHF related processes in consultation with their partners
- Establish needs-based priorities for MHF funding in consultation with their partners
- Facilitate inter-sector/cluster/sub-national coordination

- Lead a transparent and inclusive process to identify, review and recommend priority humanitarian projects for funding based on agreed priorities and strategies and document these processes
- Promote the systematic use of relevant standard indicators for projects;
- Participate in field monitoring visits to support technical assessment of implemented projects according to the provisions of the accountability framework endorsed by the HC
- Review and recommend revision requests when technical or strategic input is required
- Input technical comments in the Grants Management System (GMS) during the allocation review process
- Contribute to train and build capacity of partners (national and international) on MHF procedures.

3.7.   Partners and sub-partners

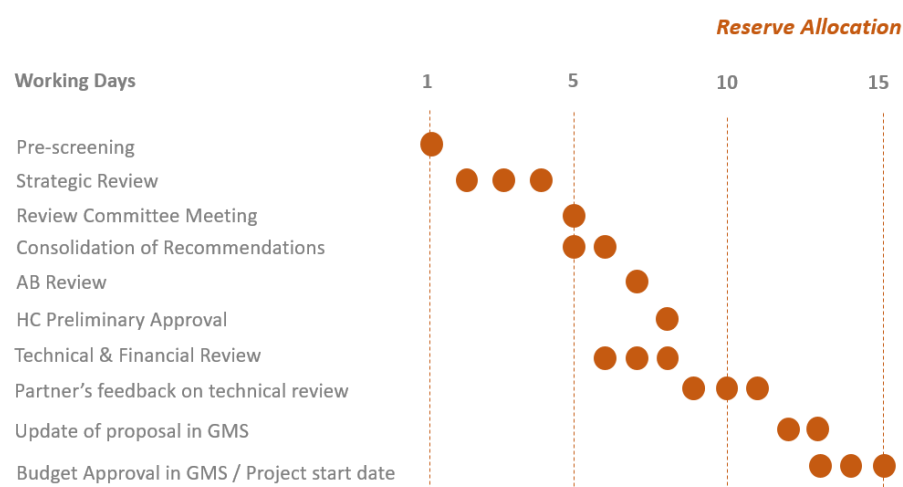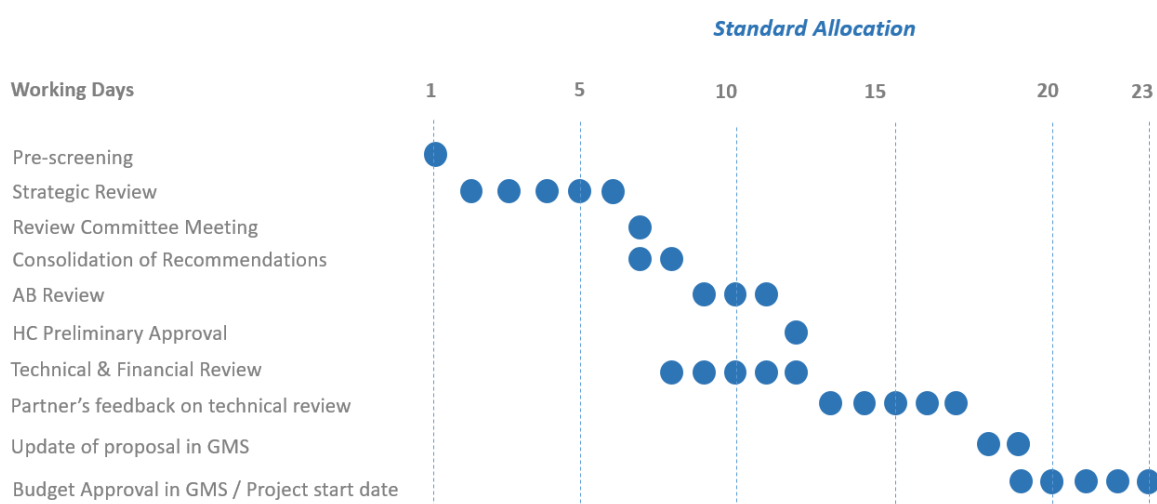In relation to the MHF, partners and sub-partners have the following responsibilities:

- **Application**: Partners and sub-partners must familiarize themselves with MHF processes and seek advice from the OCHA Country Office (i.e. HFU) before applying for funding. In close collaboration with the OCHA Country Office and clusters, sectors, working groups and sub-national coordination mechanisms, the applicant partner develops and submits a project proposal and budget to the Fund (through the GMS) providing all necessary supporting documents, within the given deadlines, and in a responsive manner.

- **Implementation**: After the approval process, the partner signs a grant agreement which specifies the terms and conditions applicable to the approved project. Partners commit to comply with all the requirements defined in the grant agreement. Grant agreements may be modified to accommodate necessary changes in projects. Sub-partners are also responsible to comply with MHF process, under the oversight of the applicant partner.

- **Monitoring**: Partners and sub-partners must have robust internal monitoring and reporting procedures in place. Partners shall facilitate the monitoring of the projects in collaboration with the OCHA Country Office, cluster/sector/working group/sub-national coordination mechanism coordinators and other relevant parties. The OCHA Country Office and headquarters reserve the right to organize visits with partners, external experts or donors to review completed or ongoing project activities.

- **Reporting**: The partner shall provide narrative and financial reports in line with the reporting requirements stipulated in the grant agreement or otherwise agreed in the accountability framework of the Fund, in close collaboration with the sub-partners(s), if the case. In addition, any constraints (e.g. financial, logistical, security) that may lead to significant changes to the project must be communicated to the HC and/or OCHA immediately, including any suspected case of sexual exploitation and abuse and alleged fraud, corruption, conflict of interest or other related incident.

4. Allocation modalities

4.1. Allocation Types

Two type of allocations are identified: Standard and Reserve Allocations. Considering the underfunded scenario against protracted crisis needs and the urgency regarding emerging situations, rapid decision-making and immediate scale-up of life-saving response will be encouraged for both Standard and Reserve Allocations. This will entail strong commitment and enhanced efforts from all stakeholders to do everything in their power to expedite the process leading to emergency response that will be supported through the MHF, including integrated/coordinated allocations with other sources of funding when possible. Stakeholders involved in MHF allocations will strive to expedite the allocation process to the extent possible and ensure maximum possible responsiveness.

A specific timeline will be including for each Allocation Strategy, considering key steps, responsible stakeholders and dates. Here below some tentative timelines.

Standard Allocation

Working Days	1	5	10	15	20	23
Pre-screening	●					
Strategic Review		●●●●				
Review Committee Meeting			●			
Consolidation of Recommendations			●●			
AB Review			●●●			
HC Preliminary Approval			●			
Technical & Financial Review			●●●●●			
Partner's feedback on technical review				●●●●		
Update of proposal in GMS					●●	
Budget Approval in GMS / Project start date					●●●●	●

Reserve Allocation

Working Days	1	5	10	15
Pre-screening	●			
Strategic Review		●●●		
Review Committee Meeting		●		
Consolidation of Recommendations		●●		
AB Review		●		
HC Preliminary Approval			●	
Technical & Financial Review		●●●		
Partner's feedback on technical review			●●	
Update of proposal in GMS			●●	
Budget Approval in GMS / Project start date			●●●	

4.1.1. Standard Allocation

The HC uses the Standard Allocation process to support targeted priorities within the Myanmar HRP, in clear linkage with the strategic objectives defined by the HRP, updated assessments and existing humanitarian coordination mechanisms. The process is informed by the AB and is conducted in close consultation with humanitarian partners to ensure the best possible use of resources. The process is transparent which is essential for the Fund to function properly. Transparency should be interpreted as the degree to which all relevant information is communicated to key stakeholders in a timely manner and whether allocation decisions can be documented and rationalized.

Funds are usually allocated twice a year, in line with the Myanmar HRP, based on the strategy that identifies the highest priority needs underpinned by vulnerability data and needs analysis. The process of the Standard Allocation is executed through a number of steps which are outlined below. The strategy is developed by the clusters, sectors and sub-national coordination mechanisms, endorsed by the AB and approved by the HC. It forms the basis for individual project submissions. Project proposals are prioritized within clusters and sectors, vetted through the MHF Review Committee and then recommended to the AB for endorsement and final approval by the HC.

Projects funded through Standard Allocations should be implemented within a maximum of 12 months[11]. Exceptions can be made by the HC when a longer duration is necessary to meet programmatic requirements. The grant ceilings are defined based on the partner performance index and project duration, as outlined in the Operational Modalities (see section 5.2.3) and will depend on the indicative funding envelopes for each allocation. The recommended minimum funding threshold for projects funded through Standard Allocations is US$200,000, with exceptions to be determined by the HC.

Steps of the standard allocation process:

1. Allocation strategy development
2. Submission of project proposals
3. Strategic review
4. Preliminary approval by HC
5. Technical and financial review
6. Final approval by HC
7. Disbursement

After initial pre-screening of the submitted proposals by OCHA (one working day), the proposals will be submitted to clusters, sectors and sub-national and regional coordination mechanism, which will have five working days to proceed with the Strategic Review. During this phase, each sector, cluster and sub-national and regional coordination mechanism, in consultation with their review committees, will submit a unique strategic scorecard[12] per project, including the final recommendation for funding, the ranking of projects per geographical area and a strong strategic justification, independently if the proposal is recommended for funding or not. Specific instructions

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[11] The MHF may consider projects below 12-month of duration for some time-bound interventions (e.g. food assistance to cover specific gaps, mobile clinics, shelter construction, etc.) when there is strong justification. Projects under the suggested minimum grant may be accepted following the same rationale. Partners are suggested to complement MHF funding with other sources to ensure sustainability of intervention and a holistic response.

[12] The scorecard will be revised with any allocation, before the deadline of project submission, including specific indicators as needed.

to process the scorecards in the online GMS will be provided by OCHA with each allocation. After this process, OCHA will convene a meeting of the MHF Review Committee to come up with a common prioritization by geographical area, and resolve any particular issue related to multi-sectoral projects or other questions. Based on the discussion, a list of pre-selected projects will produce in a maximum of two working days by OCHA, including funding recommendation and strong justification. This list will be shared with the AB for comments (for maximum of three working days). After addressing comments provided by the AB, a consolidated list will be share with the HC, which will provide preliminary approval within one working day.

The Technical and Financial Review are conducted by the relevant review committees, operating separately by sector, cluster and sub-national coordination mechanism, ensuring a balanced representation of partners (national NGO, international NGO and UN) and including relevant thematic advisors and other sectors/clusters when needed, particularly the protection sector and relevant working groups. OCHA HFU will provide financial review of submitted budgets. A period of five working days will be allocated for technical and financial review.

For Strategic and Technical Reviews, established periods may be extended depending on the number of proposals to be reviewed and the existing technical capacity.

During the technical review, partners which projects have been pre-selected during the strategic review will be given an adequate deadline for addressing the Review Committee's comments. This deadline will be not superior to five working days (first revision) or three days (second revision) as average, considering the nature of the feedback provided. Any modification of the agreed deadline should be agreed between the partner and OCHA HFU. The failure in respecting the deadline and in addressing the comments provided by the Review Committee may result in a definitive rejection of the project proposal, after consultation with the HC.

4.1.2. Reserve Allocation

The Reserve Allocation is primarily intended for rapid and flexible allocations of funds in the event of unforeseen emergencies or to address identified gaps. These funds are allocated through individual Reserve Allocations and are usually slightly faster and more geographically or thematically focused. They must be cleared by the MHF Review Committee before undergoing technical review, endorsed by the AB and final approval by the HC.

The Fund is active and open to emergency funding based on discussions between the HFU, clusters, sectors, sub-national coordination mechanisms and eligible partners, and as per HC decision. Reserve Allocations require a strategy/case for funding which may of course be limited in scope and criteria when compared to Standard Allocations in order to ensure a rapid and flexible disbursement schedule.

When Reserve Allocations expect to receive more than one proposal, the Reserve Allocation proposals should undergo a competitive prioritization[13] process using scorecards in the GMS.[14]

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[13] Prioritization process may be truncated based on expedited reserve allocation timeline.

[14] Prioritization whenever possible will allow the maintenance of quantified scoring to explain rejected proposals to prospective partners and promote transparency. While prioritization is obviously not necessary in reserve allocations, where the HC directs funding to select partners, competitive, transparent processes should be promoted whenever possible and a simple reserve allocation scorecard preferred (see para 114 of the Operational Handbook for CBPFs).

The MHF will maintains a certain amount of available funding for Reserve Allocation. No specific percentage is recommended, and the general principle should be that any funding that is not programmed through Standard Allocations could be allocated through the reserve modality in case of need. Proposals will not be accepted on a rolling basis, but only after decision of the HC to trigger a Reserve Allocation through a competitive process. The AB will be consulted and decision of the HC will be made with 48 hours. The HC, under exceptional circumstances, can approve Reserve Allocations and notify the AB post factum.

The process of the Reserve Allocation is executed through several steps, following the step already explained above for the Standard Allocation. However, some processes may be merged and some timeline reduced, for instance the Strategic and Technical review may be combined and reduced to a maximum of three days, and the period of submission of comments by the Advisory Board will be reduced to one working day. Projects funded through reserve allocation should have a maximum grant duration of six months. Exceptions to this timeframe can be made by the HC based on prevailing circumstances. The grant ceilings are defined based on the partner performance index and project duration, as outlined in the Operational Modalities (see section 5.2.3) and will depend on the indicative funding envelopes. The recommended minimum funding threshold for projects funded through Reserve Allocations is US$100,000, with exceptions to be determined by the HC.

4.2. Eligibility

Donor contributions to MHF will be utilized to fund humanitarian projects carried out by:

- National and international NGOs
- Organizations of the Red Cross/Red Crescent Movement
- UN Organizations

4.2.1. NGO and Red Cross/Red Crescent Movement eligibility

OCHA, as organization in charge of the MHF management, will carry out a due diligence process and an **Internal Capacity Assessment** (ICA) of potential NGO partners and organizations of the Red Cross/Red Crescent Movement. The outcomes of the due diligence and capacity assessment processes will determine the partner's eligibility, and the risk level of the partners considered eligible. The risk rating will in turn influence the control mechanisms (Operational Modalities) that apply to the management of the partner's grants, as described in the Operational Handbook for CBPFs.

The process for due diligence is described in detail in the Operational Handbook for CBPFs. The procedures that will be utilized to assess the capacity of implementing partners in the context of the MHF are described below.

Partner capacity assessments reflect the risk level of a partner at one point in time. The AB is required to review and, if necessary, revisit eligibility thresholds and corresponding risk levels

Partners will be required to submit the documents listed in the ICA checklist (see Annex 3) via the GMS. The assessment and scoring will be done in the GMS using the MHF ICA feature (see Annex 2: Eligibility Process Guidance). An ICA global questionnaire (see Annex 3) is used to capture key elements of partner capacity in the following categories:

- Due Diligence and Registration;
- Governance and Institutional Capacity;
- Programmatic Response Capacity;
- Coordination and Partnership Capacity; and
- Internal and Financial Capacity.

The MHF could include additional questions to the baseline questionnaire but may not remove or skip any of the core questions OCHA HQ requires for the assessment.

The assessment includes a desk-based review of the documents provided by the implementing partner; interviews with the organization's staff members; where possible visits to the implementing partner's offices, and interviews with key informants such as previous/existing donors and partners, as well as cluster leads and members. The ICA considers and, whenever possible, encompasses existing assessments such as Harmonized Approach to Cash Transfers (HACT). The HACT result will be used to score the fourth category of the ICA.

On conclusion of the ICA, the HFU will let the organization know if the application can proceed to the next step of the process.

If conducting an ICA is not possible due to extenuating circumstances security concerns or lack of access, for example, a **Proxy Capacity Assessment (PCA)** modality may be considered following AB and HC approval. A variety of different proxies can be used to ascertain the level of capacity of partners, for instance:

- Past performance in the country
- Assessments carried out by other donors
- Existing partnership agreements with other UN agencies and/or bilateral donors,
- Demonstrated experience in the country
- Access to priority locations
- Recommendation from clusters/sectors regarding the capacity of partners.

The merit of each proxy should be assessed individually in terms of how well it satisfies the information requirements contained in the ICA. The HC, in consultation with the AB, approves the methodology used for capacity assessments using proxies. On an exceptional basis, particularly in time-sensitive situations PCAs may rely on existing documentation only (i.e. without new submissions from the partner). This requires AB approval following recommendation by the HC.

The MHF operates in highly volatile environments and often respond to sudden onset emergencies. In such circumstances, there may be situations where organizations that have not been subject to a formal capacity assessment require funding to carry out mission-critical or life-saving activities that no other organization can perform. In these exceptional cases, and in consultation with OCHA CBPF Section at HQs[15] and with approval of OCHA's Executive Officer (EO), a capacity assessment may be not necessary (or can be carried out later). Nonetheless, it is important to ensure that minimum checks are performed to safeguard the accountability of the Fund. In extremis, the MHF may begin funding without a capacity assessment but must always carry out, at minimum, due diligence process for prospective partners. The MHF may add to these mandatory minimum

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[15] Fund Management Support Unit, Pooled Fund Management Branch, Country Based Pooled Fund Section (CBPF Section).

standards by adding additional requirements, if needed. In this case, the concerned partner will be considered as high-risk level partner.

4.2.2. UN eligibility

To become eligible for funding from the MHF, United Nations agencies must fill out the Registration Form on the GMS of the Fund (http://gms.unocha.org/). UN agencies are required to provide name and contact information for the focal point(s) and the legal representative of the organization, address of main office, and bank information.

Once the registration and due diligence form duly filled out has been submitted, OCHA will proceed with its review and approval. Approval of the registration form by OCHA determines the eligibility of the UN agency.

As soon as an eligible partner - Red Cross/Red Crescent, NGO or UN agency - implements a project funded by the MHF, an adjusted partner performance index will be applied, including information from the Internal Capacity Assessment and from its performance during the project implementation according to the established criteria. It may have an impact in the final adjusted risk level and implications as per Operational Modalities.

4.3. Allocation criteria

The review and approval of project proposals is made in accordance with the programmatic framework and focus described above and based on the following criteria:

- **Eligibility**: verified initially through a due diligence and capacity assessment process and complement later, for partners already funded through MHF, with the Adjusted Partner Performance Index Risk, including partner performance assessment during project implementation. It may include additional actions requested from MHF: for partners who have ever received the MHF funding, HFU will assess the implementation of additional actions, as per audit report(s), monitoring report(s), financial spot check report(s), refund request(s), reports related to fraud, corruption, sexual and abuse exploitation and other incidents, etc. (See section 5.8 Reporting Fraud and Other Incidents).

- **Strategic relevance**: This aspect refers to the alignment of the proposal to the priority sectors, activities, target population and geographical areas identified in the allocation strategy paper, the demonstrated operational capacity and physical access to the affected population of the application organization, and the promotion of a multi-sector approach.

- **Programmatic relevance**: This category is related to technical aspect of the proposal, i.e., the identification of needs including disaggregation of data by age, gender and diversity; the articulation of the logical framework, the risks analysis and the mitigation measures, the conflict-sensitivity and protection analysis, the cash-based programming approach and the environmental risks, if any.

- **Cost-effectiveness**: This question looks at the proportion of budget related to direct, staff and other personal cost and start-up costs.

- **Management and monitoring**: This category focuses on the suggested monitoring activities including

standard and mandatory MHF indicators, clear reference and actions related to ensure COVID-19 preventive measures and accountability to affected populations, ensure accessible and equitable feedback and complaint mechanisms and inclusive information sharing, communication and participation with the affected population. It also includes information on PSEA policies.

- **Engagement with coordination**. This last aspect refers to the participation of the applicant organization in the national or sub-national coordination mechanism, including adequate coordination with other stakeholders on the ground, mainly other sector partners, cluster/sector coordinators and/or existing coordination mechanisms. Priority consideration will be done to projects directly submitted by national NGOs or by a partner in consortia with other partners as sub-partners.

4.4.   Grant Duration

Implementation period of projects is defined within the Grant Agreement. Project pre-financing will be limited to the budgeted costs (of the approved project proposal) incurred in the interim period between the start date of the project (which may be the date of budget approval in GMS or later[16]) and the date of actual cash disbursement to the recipient project.

If necessary, partners can request project revisions to re-program and, exceptionally, no-cost extension to extend the duration of the grant once for a maximum of three-month period, after strong justification. Cost-extension may be also considered, after strong justification.

5. Accountability

Accountability is the foundation for effective MHF management. It is exercised through a set of different components that enable the HC, mandated by the ERC, to ensure that implementing partners are delivering intended programmatic results; that the MHF is managed responsibly and according to established guidelines; and ultimately that the MHF is achieving its main objectives.

There are two types of accountability that articulate what the main stakeholders involved in the MHF processes are responsible for and should be held accountable for. This essentially relates to what the HC (and OCHA in its supporting function) and partners are respectively accountable for:

- MHF Management: Accountability relates to the ability of MHF to achieve their objectives as humanitarian financing mechanism[17]. The HC is responsible for establishing a process which produces high quality allocation strategies, selects appropriate and qualified partners, monitors implementation and verifies that reported results are genuine and matches those of approved project agreements. This is directly linked to the Common Performance Framework.

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[16] Please see the CBPF Guidance Note on Revised GA (Annex 16 to Operational Handbook).
[17] This is captured in figure 1 in the CBPF Policy Instruction.

- Partners: Accountability relates to the ability of individual organizations receiving MHF funding to achieve expected project results. This means that partners are ultimately responsible for project activities, project outputs and for reporting accurately on results.

Accountable use of MHF resources is ascertained through a set of different components which composed the accountability framework. The framework enables the HC, designated by the ERC, to ensure that partners are delivering intended programmatic results; that the MHF is managed responsibly and according to established policies; and ultimately that MHF is achieving its main objectives. The components are:

- Risk management
- Partner capacity and performance assessment and partner risk rating
- Reporting (financial and programmatic)
- Project monitoring and financial spot-checks
- Audits (project level)
- Evaluation of MHF Performance

5.1. Risk Management

Risk management has become increasingly recognized as an important tool across the UN system, including within OCHA, leading to several initiatives to better manage risks. The management of the MHF is based on a risk-based approach to ensure that a thorough analysis of risks has undertaken and that adequate assurance modalities are identified to mitigate these risks. The MHF risk management and assurance activities are undertaken at various levels on a continuous basis.

At the Fund level, the MHF risk management aims at providing a specific set of tools for the decision-making process to support the achievement of strategic outcomes in a transparent manner. Risk management includes risk identification, risk analysis and the development of mitigation strategies to manage residual risks. Partner risk management is concerned with tailoring grant management procedures according to the capacity and performance of partners. Funding decisions should consider risk analysis at both levels suggesting the appropriate assurance mechanisms

At the partner level, the MHF is required to assess the capacity of each NGO implementing partner that seeks funding to determine eligibility. Eligible NGOs are categorized according to a specific risk rating which determines the minimum standard of operational modalities applicable to the partner. The principle is that the higher the risk the more stringent assurance mechanisms will apply. The system encourages improvements in capacity as partners can migrate to lower risk levels through good performance and by addressing capacity weaknesses

The combination of the fund level and partner level risk should inform funding decisions, determine applicable assurances and spell out residual risk. Overall risk pertaining to a specific project should be determined by the partners' level of risk combined with other contextual and operational factors. This could include the type of funded activity and the location/area in which the project is implemented.

Table 1: Risk analysis and mitigation matrix

Risk (From most to least critical)	Likelihood	Impact	Mitigation strategy	Timeframe	Risk owners	Cost of mitigation (US$)
1. Strategic and programmatic risks						
Unpredictability of donor contributions	High	Medium	*Engaging and consulting with MHF donors to receive committed/pledged contribution early in the calendar year.* *Promoting multi-year agreements* *Advocating with new potential donors to increase availability of funding for humanitarian response*	Ongoing	• HC • OCHA Head of Office (HoO) • OCHA DRS • OCHA CBPF Section • MHF AB	HFU staff costs
Low absorption capacity in terms of project implementation	Moderate	High	*Supporting and continued coaching the partner(s) by cluster coordinators to improve technical capacity and by HFU to enhance financial management capacity* *Providing timely feedback to partners about audit, monitoring reports, financial spot check reports and capacity assessments* *Continuing MHF engagement with partners and sub-partners to strengthen their capacity by means of trainings, knowledge sharing sessions, bi-lateral engagement and performance assessments. Remote modality may be also considered.*	Ongoing	• OCHA HFU	HFU staff costs Training / Workshops costs IT costs for remote modality
Diversion of MHF funding away from existing humanitarian needs and towards Civil Disobedience Movement (CDM), demonstrations, political activity or other non-humanitarian needs	Moderate	High	*Strengthening the oversight of project implementation, including enhancing oversight on sub-partners (downstream partners)* *Implementing the Flexibility Guidance in the context of the political crisis to facilitate timely reprogramming of existing projects, minimizing the impact in current humanitarian response and avoiding deviation of funding towards non-humanitarian needs.* *Extending resource mobilization strategy to additional funding requirements for humanitarian needs as consequence of the political crisis.* *Continuing the funding of existing humanitarian needs through standard*	Ongoing	• MHF AB • OCHA HFU • HC	HFU staff costs

Risk (From most to least critical)	Likelihood	Impact	Mitigation strategy	Timeframe	Risk owners	Cost of mitigation (US$)
			allocations including necessary operational adjustments due to the political crisis.			
2. Governance and management risks						
Negative perception by affected communities and general public on the engagement with the de-facto authorities and delivery modalities	High	High	*Developing and endorsing the MHF Engagement Principles with the de-facto authorities (as minimum as possible, as much as needed), ensuring that MHF activities and partners/sub-partners interventions continue to be perceived in line with the humanitarian principles (humanity, neutrality, impartiality and independence)* *Promoting conflict sensitivity analysis and do no harm approach.* *Ensuring low profile when engaging at operational level with the de-facto authorities, avoiding official meetings.* *Enhancing accountability to affected population and transparency.*	Ongoing	• OCHA HFU • HC	HFU staff costs MHF project budgets
Lack of active participation of the AB's member	Low	Medium	*Ensuring transparent and accurate information to the AB's member, including dissemination of TORs, membership and clear and timely request for active engagement*	Ongoing	• MHF AB • OCHA HFU • HC	HFU staff costs
3. Financial and accountability risks						
Disruption of cash-flow to MHF funded projects	High	High	*Processing payments from OCHA through UNDP Myanmar, identify solutions at local level to cash the money.* *Using alternative payments modalities, including developing potential cash flow plans for sub-partners, re-prioritization of expenses including putting procurements on hold, use of available cash (increasing internal cash-in-hand) and mobile banking when possible, use of credit and payment through mobile phone systems (Wave Money),* *Discussing with relevant banks requesting specific support measures to move humanitarian programs.*	Ongoing	• OCHA HFU • OCHA HQ	HFU staff and support costs MHF project budgets

Risk (From most to least critical)	Likelihood	Impact	Mitigation strategy	Timeframe	Risk owners	Cost of mitigation (US$)
			Negotiating with service providers to develop short-term plans to secure life-saving assistance *Using local solidarity networks with available cash.* *Facilitating flexibility in terms of payment timelines during the liquidation period (for projects currently ending) due to the disruption of banking system.*			
Fraud, corruption, theft or diversion of goods	Moderate	High	*Ensuring establishment/existence and implementation of fraud policy to protect fraudulent activities* *Reinforcing advocacy with partners on fraud and corruption reporting and prevention, including specific training sessions with the support of OCHA HQ such as RMU, OIOS, and FCS as well as with other UN agencies* *Conducting additional field monitoring visits, financial spot check or special audit, as and when required. Remote modality may be also considered.*	Ongoing	• OCHA OCU • OCHA CBPF Section • OCHA HFU	HFU staff costs Monitoring visits costs Training / Workshops costs IT costs for remote modality
Sexual exploitation and abuse (SEA) allegations in implementation and/or managing the MHF funded projects	Moderate	High	*Assessing the capacity of the partner to mitigate risks of SEA.* *Implementing appropriate risk mitigation measures, including training, awareness sessions and monitoring if the MHF partner is having weak capacity to prevent or to mitigate risks of SEA. Remote modality may be also considered.*	Ongoing	• OCHA HFU	HFU staff costs Monitoring visits costs Training / Workshops costs IT costs for remote modality

Risk (From most to least critical)	Likelihood	Impact	Mitigation strategy	Timeframe	Risk owners	Cost of mitigation (US$)
Project mismanagement due to challenges on applying existing standards and internal controls during the COVID-19 pandemic and the political crisis	Moderate	High	*Revising the MHF Operational Modalities, MHF and partners' Business Continuity Plans and monitor the application of the Flexibility Guidance in the context of the COVID and the political crisis, including adjustment of internal controls (field monitoring visits and financial spot check) to remote or online modalities.*	Ongoing	• OCHA HFU	HFU staff costs IT costs for remote modality
4. Operational risks						
Impact of continuation of planned humanitarian activities, including disruption of communication systems (phone, internet, etc.), increase of market prices, and transport and supply chains	High	High	*Strengthening programme criticality analysis, including prioritization of critical life-saving programs and protection activities.* *Conducting regular situation analysis and risk monitoring* *Setting up secure communication system and internet platforms, including VPN* *Enhancing engagement with camp-based volunteers, staff and camp management committees* *Engaging with key field-based stakeholders for supporting remote management and implementation of activities* *Enhancing coordinating with relevant clusters and sectors and national and sub-national based coordination mechanisms.* *Facilitating cost extensions to minimize the impact of the increase of market prices and services provided by private entities, e.g. high cost of emergency protection and/or health referrals to private service providers or direct support to private service providers.* *Ensuring that partners and sub-partners continue to apply established protocols related to COVID-19 preventive measures, including the strengthening of remote implementation modalities.*	Ongoing	• OCHA HFU	HFU staff costs MHF project budgets

Risk (From most to least critical)	Likelihood	Impact	Mitigation strategy	Timeframe	Risk owners	Cost of mitigation (US$)
Harassment or prosecution of NGO partners, including CSO and local NGO, by the de facto authorities under accusation of diversion of funding towards Civil Disobedience Movement (CDM), demonstrations, political activity or other illegal activities	High	High	*Ensuring direct communication with the MHF team in case of any attempt of harassment or prosecution to NGO partners are conducted by the de facto authorities.* *Enhancing accountability to affected population and transparency.* *Applying the MHF Engagement Principles with the de-facto authorities (as minimum as possible, as much as needed), aiming to ensure humanitarian space* *Ensuring low profile when engaging with the de-facto authorities, avoiding official meetings and commitments.*	Ongoing	• OCHA HFU	HFU staff costs MHF project budgets
Disruption of MOU, travel, visas, return authorizations for international staff	Medium	High	*Applying the MHF Engagement Principles with the de-facto authorities (as minimum as possible, as much as needed), aiming to ensure humanitarian space* *Ensuring low profile when engaging with the de-facto authorities, avoiding official meetings and commitments.* *Enhancing accountability to affected population and transparency.*	Ongoing	• OCHA HFU	HFU staff costs MHF project budgets
Impact on duty of care	Medium	High	*Updating and disseminating safety and security guidelines* *Conducting regular security checks and updating internal communication tree, including regular situation analysis and risk monitoring* *Setting up secure communication system and internet platforms, including VPN* *Strengthening psychosocial support to partners and sub-partners' staff*	Ongoing	• OCHA HFU	HFU staff costs MHF project budgets

Risk (From most to least critical)	Likelihood	Impact	Mitigation strategy	Timeframe	Risk owners	Cost of mitigation (US$)
5. Coordination and partnerships risks						
Lack of effectiveness of the humanitarian coordination system vis-à-vis the operation and management of the Fund, and engagement and participation of humanitarian partners in the humanitarian coordination structures	Low	Medium	*Reaching out to MHF partners to engage in coordination mechanisms* *Promoting continuous support and active participation in the humanitarian coordination structures by all MHF stakeholders.* *Encouraging increased and inclusive participation of the sector/cluster coordinators and sector/clusters members in the allocation and monitoring processes.* *Conducting additional financial spot check or special audit, as and when required. Remote modality may be also considered.*	Ongoing	• HC • OCHA HoO • OCHA HFU	HFU staff costs IT costs for remote modality
6. Safety and security						
Mobility restrictions due to natural or man-made disasters, disruption of physical access, COVID-19 safety matters, security situation and/or due to new policies issues by the de-facto authorities	High	High	*Engaging (as minimum as possible, as much as needed) with the de-facto authorities and non-State armed groups to ensure access to people in need.* *Ensuring regular review and monitor the situation to safeguard staff safety and security* *Using remote monitoring tools to increase access and reduce effect of risk on accountability* *Supporting additional activities for partners and sub-partners staff on safety and security, including MHF Engagement Principles with the de-facto authorities*	Ongoing	• HC • OCHA HoO • OCHA HFU	HFU staff costs IT costs for remote modality
Health risk for staff, partners and people in need, including disruption and/or suspension of activities; and spread of COVID-19 among targeted communities	High	High	*Strengthening protection of staff, partners and people in need by using protective equipment and physical distancing.* *Revising and implementing adjusted Business Continuity Plans* *Promoting preventive actions to minimize the risk of the spread and impact of COVID-19*	Ongoing	• OCHA HFU	HFU staff costs MHF specific funded activities

5.2.   Risk-based Grant Management

An essential component of the MHF accountability framework is the analysis of the risk that is present when disbursing funds to each partner. Partner risk analysis is carried out by analyzing partner capacity which determines eligibility. Eligible partners are rated according to risk based on assessed capacity. The risk level is translated into minimum control mechanisms (operational modalities) applicable to the grants issued to the partner. Over time, as partners receives funding and implements projects, risk ratings will increasingly be determined by partner performance.

Risk-based grant management serves three main functions: it aims at improving the management of MHF projects by matching grant management and oversight requirements with assessed risk e.g. low risk partners are subject to fewer controls; risk-based management helps partners identify areas for improvement; and provides tangible incentives for capacity building, in turn allowing for a wider range of partners, especially national NGOs, to access funds more easily.

5.2.1.   Capacity Assessment of NGO Partners[18]

The main objective of conducting a capacity assessment of partners is to ensure better fund management and improve the effectiveness of the MHF by:

- Acquiring a portfolio of eligible implementing partners that can manage MHF funds;
- Shifting from a control-based approach to a risk-based management approach that mitigates risks;
- Identifying partner capacity gaps that need to be addressed.

Prospective NGO partners initiate the process to become a partner and request access to Grant Management System (GMS) by contacting the HFU and submitting a copy of **registration certificate** (preferably in English) and **bank statement/letter** that indicates the full name of the partner. The registration certificate and bank statement/letter are required, and are submitted prior to granting access to the GMS to avoid a possible naming discrepancy in GMS that will create delays in generating and preparing the grant agreement and the disbursement process.

Once the registration process is concluded, the partner is granted access to the GMS (https://cbpf.unocha.org/) and the **Due Diligence** (DD) process begins. Once the DD process has been finalized and the partner has been successfully approved, the organization must undergo an **Internal Capacity Assessment** (see Annex 3) to determine eligibility for funding and risk rating as per final score. Details could be referred in the Operational Handbook for CBPFs.

Partner Risk	
00.00 - 49.99	Ineligible
50.00 - 69.99	High
70.00 - 89.99	Medium
90.00 - 100.00	Low

UN agencies do not require to undergo DD but it requires to provide the information on office address, contact details of legal representative who signs the grant agreements and bank information to process grant agreements.

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[18] Including organizations of the Red Cross / Red Crescent Movement.

5.2.2. Performance Management and Performance Index

MHF continuously assesses performance of partners through the application of monitoring, reporting and financial controls tools, which provide up-to-date information on the quality and success of implementation. Within the MHF Accountability Framework, the GMS-based **performance index** identifies and aggregates the scores from the capacity assessment, audit reports and monitoring results, the quality and timeliness of submitted project document, revision requests and no-cost extensions (NCEs), and financial performance, as well as credible external sources. Consequently, a rolling aggregate risk level is assigned for each partner (high, medium or low).

Table 2: Partner Performance Index

Performance Index Categories (1-6)	Category weight
1. Quality of project document and timeliness of response: How do you assess the quality of the proposals and the timeliness of the response on comments made?	10%
2. Implementation status (Monitoring and Financial Spot-check findings): What is your overall assessment of the project implementation (quality and timeliness) against approved targets and time-frame? (In case of Financial Spot-check - what is your overall assessment of the soundness of the internal controls and the accuracy of the financial records?)	25%
3. Narrative reporting performance: How do you assess the quality and timeliness of the narrative report?	15%
4. Revision request/s: How do you assess the timeliness, frequency and justification of the project revision?	10%
5. Financial reporting performance: How do you assess the quality and performance of the financial report?	20%
6. Audit findings: How do you assess the audit findings?	20%

The scores assigned to each project on the above categories will be summarized in a Partner Performance Index (PPI) as follows:

Partner Performance Index		
Score	**Description**	**Risk Rating**
00.00 - 49.99	Very poor performance	Ineligible
50.00 - 59.99	Poor performance	High
60.00 -69.99	Below average performance	High
70.00 - 79.99	Average performance	Medium
80.00 - 89.99	Above average performance	Medium
90.00 - 94.99	Good performance	Low
95.00 - 100.00	Outstanding performance	Low

5.2.3. Operational Modalities

The information about partners obtained through the MHF Accountability Framework tools, but also through other credible sources, is used to inform decisions on partner engagement modalities. The assurance mechanisms that are used to manage grants vary depending on three factors: partner risk level, value of the project, and duration of

the project. These "operational modalities" in the table below are applied by OCHA Myanmar as a minimum standard for MHF, and consist of adjusting the following elements:

- Disbursement policy (i.e. number and percentage of disbursements)
- Funding ceiling
- Field monitoring visits
- Financial spot checks
- Narrative reporting requirements
- Financial reporting requirements
- Project audit

The details are outlined in the Operational Handbook for CBPFs for ensuring compliance with the grant management requirements as laid out in the Operational Modalities.

Table 3: MHF Operational Modalities (2021)

Partner Performance Index	Project duration[19] (months)	Project value[20] (thousand USD)	Project maximum value[21] (thousand USD)	Disbursements[22] (in % of total)	Financial reporting			Narrative reporting		Monitoring		Audit[24]
					For disbursement	Final	IPSAS[23]	Progress	Final	Field visit[24]	Financial spot check[25]	
High (poor and below average performance)	< = 6	≤ 250	-	60-40	Yes	Yes	Yes	1	Yes	1	1	Yes
		> 250	500	50-50	Yes	Yes	Yes	1	Yes	1	1	Yes
	> 6 to < = 12	≤ 250	-	40-40-20	Yes	Yes	Yes	2	Yes	1	1	Yes
		> 250	800	40-30-30	Yes	Yes	Yes	2	Yes	1	1	Yes
Medium (average and above average performance)	< = 6	≤ 250	-	100	-	Yes	Yes	1	Yes	-	1	Yes
		> 250	700	80-20	Yes	Yes	Yes	1	Yes	1	1	Yes
	> 6 to < = 12	≤ 250	-	80-20	Yes	Yes	Yes	1	Yes	1	1	Yes
		> 250	1,200	60-40	Yes	Yes	Yes	1	Yes	1	1	Yes
Low (good and outstanding performance)	< = 6	≤ 400	-	100	-	Yes	Yes	1	Yes	-	-	Yes
		> 400	-	80-20	Yes	Yes	Yes	1	Yes	1	1	Yes
	> 6 to < = 12	≤ 400	-	100	-	Yes	Yes	1	Yes	1	1	Yes
		> 400	-	80-20	Yes	Yes	Yes	1	Yes	1	1	Yes

[19] In the case of projects granted with no-cost extension which will go beyond an implementation period above 12-month, a waiver will be included in GMS. Additional assurance measures (narrative reporting and monitoring) may be added to ensure an adequate risk management. It would be reflected in the Grant Agreement Amendment.

[20] The recommended minimum funding thresholds are US$200,000 for projects funded through Standard Allocations and US$100,000 for projects funded through Reserve Allocations, with exceptions to be determined by the HC.

[21] In the case of projects granted with cost extension which will go beyond the indicated ceiling for each partner performance index category, a waiver will be included in GMS. Additional assurance measures (financial reporting) may be added to ensure an adequate risk management. It would be reflected in the Grant Agreement Amendment. No maximum value is established for projects funded directly to UN.

[22] In case of disbursement for projects directly funded to UN, 100 per cent will be done at the beginning of the project, independently of the partner performance index level.

[23] International Public-Sector Accounting Standards Interim Report. For NGOs, the deadline of submission of this interim IPSAS report is 31 January of the following year, covering expenditure incurred up to 31 December of previous year (unless waived according to article X, paragraph 3 of the GA); for UN, deadline is 15 February of the following year.

[24] Field visits will be conducted as safety/security and access allow. Other methodologies, such as remote call monitoring or third-party monitoring, will be implemented, as necessary. OCHA reserves the right to request additional reporting and conduct any monitoring activities and special audit as and when required.

[25] Financial spot checks and independent audits will not be conducted to projects directly funded to UN.

5.2.4. Compliance mechanisms

Through the accountability mechanisms, the HC aims to safeguard programmatic and financial management of MHF. Compliance measures enables the HC to address non-compliance with the legal terms agreed between the fund and the recipient organization, especially related to the following types of situations

- Overdue financial or narrative reports.
- No refund of unspent funds.
- Critical (high risk) audit findings/qualified audit opinion (especially on lack of critical internal controls, serious weaknesses in internal controls, lack of bank reconciliation; lack of double-entry accounting system; lack of supporting documents, lack of authentic receipts).
- Critical findings from monitoring and financial spot checks.
- Violation of humanitarian principles and code of conduct[26].
- Indication of possible fraud, corruption or misuse of funds[27].

OIOS performs internal audits of OCHA, and adheres to the single audit principle, whereby it cannot audit UN funds and programs which have their own internal audit function. OIOS and Board of Auditors (BoA) audits regularly cover OCHA management of pooled funds and consider whether procedures for management of CBPFs are appropriate. These audits cover all parts of the CBPFs (allocations, risk management, etc.), look at compliance with rules and guidelines and are publicly available.

When a partner does not comply with the requirements described in this handbook and reflected in the contractual agreement or violates any other obligations stemming from the contractual agreement OCHA will progressively take corrective actions commonly referred to as compliance measures (Annex 6: Compliance Measures). In line with the single audit principle, donors and member states should not carry out additional audits and should respect the single audit principle to avoid duplication of efforts, minimize disruption and costs to all parties and conflicting recommendations that could result in widespread confusion and misunderstanding of CBPF operations.

The general principle underpinning the application of compliance measures is that whenever a partner does not comply with requirements stemming from the accountability framework described above or in relevant contractual agreements, the HC, through OCHA, will take progressive actions to address the partners' behavior. Solutions will be pursued as and when deemed appropriate by OCHA.

5.2.5. Common Performance Framework (CPF)

The Common Performance Framework is a management tool that provides a set of indicators to assess how well a Fund performs in relation to the policy objectives and operational standards set out in the CBPF Global Guidelines. The CPF will enable management and stakeholders involved in the governance of the Funds to identify, analyze and address challenges in reaching and maintaining a well-performing CBPF.

The tool is built on five fundamental principles (areas): inclusiveness, flexibility, timeliness, efficiency, and accountability and risk management. These principles guide the management of CBPFs and the manner by which

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[26] Please see the UN Standards of Conduct.
[27] See annex 7: CBPFs Standard Operating Procedures (SOPs) on Response to Concerns of Fraud or Misuse of Funds by Partners.

they achieved the strategic objectives of improving the response, strengthening leadership and ensuring better coordination and resourcing of humanitarian plans. The CPF includes a set of 20 performance indicators to assess the Funds' overall ability to deliver their overarching objectives in line with five principles.

In the first quarter of each year, the MHF will discuss the indicators with the AB and set the targets/benchmark and definitions of score ranges based on its context. Prior to finalizing its Annual Report, the MHF will present the results to AB and qualify the indicator's result (critical, below normal, normal, above normal, or exceeding vis-à-vis the context). The final results will then be published in the MHF's Annual Report.

5.3. Monitoring

The main purpose of monitoring is to assess progress made towards set targets and to verify the accuracy of reporting submitted by UN and NGO partners. Building on the principles, MHF monitoring and reporting has the following key objectives:

- Verify partner progress in delivering of project outputs and activities (as per log frame and work plan), the beneficiary targeting process, the use of resources (as per budget) and internal monitoring and reporting systems.
- Triangulate information collected through other means, identify gaps and trends in humanitarian operations and reflect on best practices and lessons learned using findings and recommendations for results management, risk mitigation and public information.
- Strengthen partnership and coordination between OCHA, the partner and the local authorities, and to engage and seek feedback from affected communities.

Monitoring of MHF funded projects is applied in accordance with the monitoring plan that is developed for each allocation and operational modalities of the Fund. For each funding instance, a monitoring plan is developed, specifying the type and frequency of monitoring to be applied on funded projects. The basis of this plan in informed by the partner risk level, project duration and amount, location of the project and other relevant information. The type of monitoring tools in the monitoring plan should be able to satisfy the minimum standards set out in the operational modalities.

Monitoring activities are meant to verify the implementation level of partners' projects and qualitative aspects of interventions, to strengthen partnership with MHF stakeholders, and to engage and seek feedback from affected communities.

The OCHA HFU, with possible engagement with cluster coordinators and donors, will conduct monitoring and financial spot check as per the operational modalities. The MHF may use the following monitoring modalities to avoid duplication of monitoring efforts and promote synergy:

- Field visits (OCHA, clusters, sectors, sub-national coordination mechanisms)
- Remote call monitoring
- Third party monitoring
- Financial spot check

Every MHF partner is mainly responsible to conduct own conventional monitoring of all MHF funded projects and maintain related records as good project implementation practice towards accountability. The OCHA HFU will be

the oversight role to access progress made towards set targets and to verify the accuracy of reporting submitted by partners. Stakeholders involved in monitoring are detailed in the Operational Handbook for CBPFs.

5.4. Reporting

At the partner level, MHF requires reporting, which is one of the key elements of the MHF Accountability Framework, to ensure that activities carried out are on track to reach proposed project objectives. It involves the quality review and analysis of narrative reports submitted by partners at project mid-term and final. The partner provides narrative and financial reports in line with the reporting requirements stipulated in the Annex B of the grant agreement or otherwise agreed in the accountability framework. In addition, any constraints (e.g. financial, logistical, security) that lead to significant changes to the project must be communicated to the HC and/or OCHA immediately. Table 4 summarizes MHF reporting requirements for MHF partners.

Table 4: MHF reporting requirements for partners

Type of reporting		Type of partners	Reporting timeline
Narrative	Progress	UN, NGOs	According to MHF Operational Modalities
	Final	UN, NGOs	Within but no later than two months after project end-date
Financial	Interim	NGOs	Upon utilization of 70% of disbursed funds and prior to application of the subsequent tranche, where applicable
	Interim (IPSAS)	NGOs	31 January of the following year covering expenditure incurred up to 31 December of previous year (unless waived according to article X, paragraph 3 of the GA)
		UN	15 February of the following year covering expenditure incurred previous year
	Final	NGOs	Within but no later than two months after project end-date
		UN	30 June of the following year covering expenditure incurred the entire project period

At the Fund level, OCHA HFU periodically reports on the use of the Fund through the Annual Report, issued once per year, and other periodic (quarterly updates) or ad hoc documents (dashboard/snapshot). To measure its performance, the MHF uses the Common Performance Framework (CPF), already mentioned above.

5.5. Audit

The external audit is an oversight mechanism and an essential component of the MHF accountability framework. It enhances the transparency and sound financial management of resources allocated through MHF. Independent audit of all NGO executed projects funded through the MHF is conducted by an external audit firm and should be triggered within two months after approval of the final financial report. UN agencies are subject to internal oversight audit systems and other mechanisms established by their respective governing bodies.

MHF audits are conducted in accordance with the International Standards on Auditing, at locations determined by factors such as implementation, partner risk levels, and security and access considerations. A separate audit report is issued for each project, containing the audit findings and pointing to the areas that need to be addressed by the

partner to improve its capacity and performance. The audit findings taken into consideration when the partner risk levels or future operational modalities are adjusted.

An Audit Contract based on a Long-Term Agreement (LTA) Contract, procured through the UN Procurement Division, is in place for all Country Based Pooled Funds including the MHF. It is the responsibility of the HFU to ensure Task Orders are in place under the relevant LTA to cover all upcoming audits in a timely manner and this is carried out in liaison with the OCHA Operational Services Section at HQ. The costs of the audit services will be covered by the MHF.

A risk-based approach may apply to audit the MHF partners by sampling a certain volume of resources for high, medium and low risk NGOs partners. Data on global allocation of resources are analyzed at OCHA HQ to determine the size and composition of the sample (i.e. percentage of the total amount allocated that should be audited; focus on specific countries) and propose country audit plans for the MHF

OCHA HFU will keep a log of all audit findings that may expose OCHA to high risks to ensure that partners address previous findings on management weaknesses before applying for new HPF funding. The audit performance will feed into the Performance Index of an implementing partner which will impact the risk level of NGO partners.

OCHA HFU may also recommend the HC to trigger a specific audit during project implementation if OCHA HFU has reasonable concerns about the implementation of a project.

5.6. Accountability to Affected Populations

All MHF stakeholders are strongly encouraged to abide by the five Commitments to Accountability to Affected Populations of the IASC (leadership/governance, transparency, feedback/complaints, participation, design monitoring and evaluation). Organizations are required to have a feedback/complaints mechanism at the project level, in which community members can raise concerns to staff not involved in the project and this can be done anonymously.

At the project proposal stage, implementing partners are asked to describe how affected populations and specific beneficiaries have been and will be involved throughout the project cycle. MHF reporting and monitoring procedures will seek to verify how this has been applied throughout project implementation. This will include, for the projects that will be monitored, making an assessment of the level of participation and access to information by project beneficiaries and complaints mechanisms.

5.7. Complaint Mechanisms and Appeals Process

During the project implementation and reporting, if needed, the HC, through the HFU, will take progressive actions to address non-compliance with the contractual agreements and any obligations described in the global operational handbook. The measures enable the HC to address non-compliance with the legal terms agreed between the Fund and the recipient organization, especially related to the types of situations detailed above under "5.2.4. Compliance Measures".

Stakeholders with insufficiently addressed concerns or complaints regarding processes or decisions can at any point in time contact OCHA using the MHF complaints email (MHFComplaints@un.org) which is accessible only by OCHA HoO. Complaints will be compiled, reviewed and raised to the HC, who will then take a decision on necessary action(s). The HC will share with the AB any proven cases and actions taken thereof.

5.8. Reporting Fraud and Sexual Exploitation and Abuse

The MHF have **zero tolerance for abuse and misconduct**, including sexual exploitation and abuse. It shall communicate accordingly to its personnel and shall take all reasonable measures to prevent abuse and misconduct. In particular, but not limited, the MHF partner and further extended to sub-partner, consultants, contractors, vendors, and all allocated parties receiving funds from or providing goods, or services to the MHF, represent and certify to undertake all reasonable actions to prevent: sexual exploitation and abuse, sexual and work place harassment, discrimination, assault, threat, jeopardizing life of staff or others, abuse of authority, mismanagement, misuse and misappropriation of assets and funds, theft, fraud, corruption, misrepresentation, collusion and other violation of procurement principles, gross negligence, conflict of interest, violation of the relevant law, and/or of International Humanitarian, Human Rights and Refugee Law and of humanitarian principles, abuse of UN status, privileges and immunities, violation of confidentiality, violation of terms and contractual clauses under the Grant Agreement. The MHF partner shall ensure that all possible measures are taken to prevent its personnel from exploiting and abusing vulnerable population and other persons of concern to OCHA and engaging in any form of behavior that could qualify as misconduct and abuse. The failure of the MHF partner to take effective measures to prevent such abuse or other misconduct, or the failure to investigate allegations of the same and to take disciplinary and corrective actions when misconduct is found to have occurred, will constitute grounds for termination of the agreement with OCHA.

5.8.1. Fraud, Corruption or Misuse of Funds

The MHF partner must comply with all requirements of the UN Standards of Conduct. The partner should report the Fund Manager whenever there is a credible indication of possible abuse and misconduct including fraud, corruption or misuse of funds related to MHF projects. OCHA HoO should then immediately inform the OCHA HQ (Chief of CBPF Section). Self-reporting is mandatory. Individual cases should be reported to determine whether an investigation process is warranted. The CBPF Report Form on Suspected Fraudulent Acts by partners should be used to document the facts of the case (see Annex 8, Fraud Report Form). The decision to trigger an investigation is made by the OCHA HQ/EO with support from Chief of CBPF Section and in consultation with the OCHA HoO, HC and Operations and Advocacy Division (OAD)'s Chief of Section as appropriate. OCHA will apply appropriate conservative measures (e.g. suspension) to partners that are being investigated. Information sharing and communication should be handled on a confidential basis.

The CBPFs SOPs on Response to Concerns of Fraud or Misuse of Funds by Partners (see Annex 7) which describes the successive steps that OCHA will take in the event of an investigation into an implementing partner contracted under a CBPF. Information sharing and communication should be handled on a confidential basis.

Other incidents during the project cycle that affect a partners' ability to account for the use of funds or goods, must be reported to HFU in writing as soon as they occur. An Incident Report and supporting documents should be submitted by the HFU to OCHA HQ within 30 days (see Annex 9, Incident Reporting Guidelines and Incident Report Form). Incidents include theft by third parties, diversion of humanitarian assistance by a third party, looting of offices or warehouses, or loss of documents. These incidents should be reported to the MHF AB at a minimum on a six-months basis.

If the MHF team finds incidents/irregularities during the financial spot check, monitoring and project implementation, the Compliance Officer from the MHF team will send a letter to the organization with findings and Annex 8 for detail reporting.

5.8.2. Protection from Sexual Exploitation and Abuse

In March 2021, OCHA published the revised version of the its Standard Operating Procedures (SOPs) on Sexual Misconduct.[28] These SOPs, divided in four sections, outlines key roles and responsibilities in preventing and responding to sexual exploitation and abuse (SEA) and sexual harassment (SH) in the context of OCHA's operations, with reference to both OCHA staff and its partners.

The third section of this document includes the SOPs on Response to allegations of sexual exploitation and abuse involving implementing partners of country-based pooled funds (see Annex 10). These SOPs are designed to guide OCHA response to reported allegations of SEA by personnel of a partner under a Grant Agreement under OCHA-managed CBPFs. This also include personnel of sub-partner organizations. They should be read in conjunction with the other sections of the document and with the global guidelines for CBPFs.

These SOPs are guided by the Secretary-General's bulletin on "Special measures for protection from sexual exploitation and sexual abuse" (ST/SGB/2003/13),[29] the Secretary-General's report on "Special measures for protection from sexual exploitation and abuse: a new approach" (A/71/818),[30] the United Nations Protocol on Allegations of Sexual Exploitation and Abuse Involving Implementing Partners,[31] the United Nations Protocol on the Provision of Assistance to Victims of Sexual Exploitation and Abuse[32] and the IASC Six Core Principles Relating to Sexual Exploitation and Abuse, 2019.[33]

These SOPs are designed to ensure that OCHA's response to allegations of SEA involving implementing partners is aligned with the overall accountability framework for CBPFs. These procedures are applicable to all reported cases of alleged SEA involving personnel of partners of OCHA-managed CBPFs. These procedures do not apply to cases of sexual misconduct involving OCHA staff members or affiliated personnel and cases of alleged sexual harassment in the workplace, which is defined as any unwelcome conduct of a sexual nature perpetrated by personnel of CBPF partners in the workplace or in connection with work. These areas are covered by Section 1 and 4 of the OCHA SOPs on Sexual Misconduct.

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[28] The full document is accessible here
[29] Idem
[30] Idem
[31] Idem
[32] Idem
[33] More information about preventing sexual exploitation and abuse can be found at:
https://www.un.org/preventing-sexual-exploitation-and-abuse/content/documents

The MHF shall assess the capacity of the partner to mitigate risks of SEA (see Table 5). If the MHF partner is assessed as having weak capacity to prevent or to mitigate risks of SEA, the OCHA HFU will implement appropriate risk mitigation measures, including capacity building and monitoring as outlined in the Table 5 below.

Table 5: Specific areas of risk assessment and appropriate mitigation measures related to allegations of SEA

Assessment Criteria	MHF Action
If the partner plans to sub-contract activities to another entity, the partner has the necessary reporting and monitoring mechanisms in place to prevent and respond to allegations and incidents of sexual exploitation and abuse (SEA).	Request the partner to describe reporting and monitoring mechanisms in place.
The partner has properly screened staff for involvement or alleged involvement in SEA or violations of human rights.	Confirm that reference and background checks for partner personnel have been completed.
The partner has reporting procedures in place for SEA allegations for employees, contractors/sub-implementing partners and beneficiaries.	Request and review partner's reporting procedure.
The partner is informed of the UN zero tolerance policy on SEA, and related UN agency, funds and programme policies on SEA.	Confirm in writing that the partner is informed of the UN zero tolerance policy on SEA, and related UN agency, funds and programmes policies on SEA.
The partner's staff who are working on MHF funded projects have completed SEA training, or equivalent.	Confirm that the partner has completed a SEA training, or equivalent.
The partner has dealt appropriately with any past SEA allegations.	Request the partner to describe any past allegations and outcomes.

6. Administration of MHF

6.1. Budget preparation principles

In the budgeting process, partners are expected to comply with the Operational Handbook for CBPFs. Detailed budget guidelines can be found in Annex 4. Asset Management Guidelines are included in Annex 5.

6.2. Guidelines on requesting project changes

Changes in a project may be required due to various reasons and may have different consequences to the project's scope, duration and budget. Variations of all forms must be brought to the Fund Manager's attention. The Fund Manager in consultation with cluster/sector/working group/sub-national coordination mechanism coordinators will assess whether the proposed changes need formal written authorization, whether an amendment to the initial grant agreement is necessary or whether the breath of the proposed changes is such that the project needs to be terminated. Cost extensions may be allowed upon strong justification and through consultation with OCHA and approval from the HC.

Signed Grant Agreement Amendment will be required in the following circumstances:

- Changes to the project budget exceeding the 15 per cent tolerance allowed for each budget category.
- Addition of a new budget line, irrespective of whether it is below or over the 15% tolerance allowed for each budget category.
- Change in duration of the project.
- Change of banking information relevant to the project.
- Any other changes that have financial or legal implications and are part of the Grant Agreement.

The following changes do not require a Grant Agreement Amendment and will be approved in GMS through the approval without GA amendment' feature:

- Change in project location, unless the entire project area has been changed.
- Change in number of beneficiaries, unless this changes the nature of the project.
- Change in approved project activity, unless this changes the project objective and key result

No-cost extension (NCE) or cost extension (CE) requests will be considered on a case-by-case basis, depending on the reasons justifying the request and evidence of progress collected through narrative and financial reports (i.e. progress/interim), or through field monitoring visits and financial spot checks.

Partners will be asked to provide a background to the request, explain the challenges and suggested solutions and added value. The HFU, in consultation with clusters, sectors, working groups and sub-national coordination mechanisms, will then assess the nature of the request.

In all cases, only written requests sent to the HFU by e-mail will be considered. Formal project revision request can be submitted at any point of time during the implementation period but not later than 30 days before the project end date. Any requests received after this period cannot be processed. Any changes to the initially approved project, that have not been agreed with the HFU, may result in ineligible cost.

Request should be submitted through GMS with clear and strong justification. Depending on the nature of the revision, relevant GMS workflows will be activated by OCHA HFU allowing partners to request the required amendments.

Refer section 5.3 of the Operational Handbook for CBPFs for further guidance.

6.3. Project closure

A project will be considered closed when the following conditions are met:

- **Final narrative report received and cleared by the Fund Manager.** Partners must submit the final narrative report within two calendar months after the end of the project implementation (including NCEs). The Fund Manager has up to one calendar month from receipt to review and clear the final narrative report.

- **Final financial statement and report approved by the Fund Manager and cleared by the Finance Officer from CBPF section**. Partners must submit the final financial statement, including an inventory of assets purchased under the grant, within two calendar months after the end of the project implementation (including NCEs). Once the final financial statement and report has been received, it will be pre-cleared by the Fund Manager and cleared by OCHA HQ/CBPF section (within one month). If partners have more than USD 1,000 unspent money, partners will need to refund the unspent amount before the audit otherwise no refund will be requested before the audit.

- **Audit arranged after clearance of the final financial report**. After clearance of the final financial report, the HFU will arrange the audit of completed project by the external audit firm engaged by OCHA Myanmar which will be audited within two months.

- **Refund of unspent balance by the partner**. After CBPF Finance Section clears of the final financial report, partners will be notified by OCHA about the exact amount to be refunded, if any. Partners have one month from the date of notification to refund amounts due. Non-compliance with the request will be subject to specific measures (Annex 6: Compliance Measures). Proof of payment needs to be received and acknowledged by OCHA.

- **Closure of project in GMS**. OCHA HFU and CBPF section will review and close the project within 2 months from receipt of the audit report.

7. Additional information

For additional information consult the following sources:

- GMS grant management support and guidance is available at https://gms.unocha.org/support.
- Real-time CBFPs information is available at https://cbpf.data.unocha.org.
- General information on CBPFs: www.unocha.org/our-work/humanitarian-financing/country-based-pooled-funds-cbpfs
- Financial Tracking Service: fts.unocha.org
- Relevant policies and guidelines pertaining the management of MHF can be found on the Fund's website at www.unocha.org/myanmar/about-mhf.
- Information on the Humanitarian Needs Overview and the Myanmar HRP can be found on the OCHA Myanmar website: www.unocha.org/myanmar
- MHF updated information could be explored through the MHF Twitter @MHF_Myanmar and the OCHA Myanmar Facebook page: OCHA Myanmar.

8. Contact information

Humanitarian Financing Unit (HFU) – OCHA Country Office in Myanmar
No.5, Kanbawza Street, Shwe Taung Kyar, (2) Ward, Bahan Township, Yangon
Tel: +95 123 056 82-84 ext. 204 – Email: MHF-Myanmar@un.org
Website: unocha.org/Myanmar/about-MHF

9. Review date

This manual has been reviewed and discussed with the AB, endorsed on 12 July 2021 by the HC. The manual will be revised annually.

Any feedback on the present document can also be communicated to OCHA at any time at: MHF-Myanmar@un.org.

10. List of Annexes[34]

Annex 1   MHF Advisory Board's Terms of Reference

Annex 2   MHF Eligibility Guidance

Annex 3   ICA Checklist and Questionnaire

Annex 4   MHF Budget Guidance

Annex 5   MHF Asset Management Guidelines

Annex 6   MHF Compliance Measures

Annex 7   SOPs on Response to Concerns of Fraud or Misuse of Funds by Partners

Annex 8   Fraud Report Form

Annex 9   Incident Report Form

Annex 10   SOPs on Response to allegations of SEA involving CBPFs' partners

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[34] Please refer more annexes in the Operational Handbook for CBPFs for further guidance and support.

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