

The partnership between the Myanmar Humanitarian Fund, managed by OCHA at country level, and the partner is governed by the accountability framework through the following processes:

### Step 1: Registration

Prospective partners initiate the process to become a MHF partner and request access to the online Grant Management System (GMS) by contacting the OCHA Humanitarian Financing Unit (HFU) and submitting a copy of registration certificate or memorandum of understanding (MoU), preferably in English, that indicate the full name of the partner. The registration certificate is required, and is 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.

In addition, a bank statement no older than two months should be submitted. The bank account name should match exactly the name of the organization as per registration certificate or MoU. The bank statement should be on the bank's letterhead, should be signed and stamped by an official of the bank, and should not be older than 2 months. Electronic bank statements can also be accepted.

If the account name is different from the partner name in the registration, a letter by the organization (on official letterhead, signed and stamped by its authorized signatory) is necessary, certifying that the bank account as per bank statement belongs to the organization under the name registered in the GMS.

### Step 2: Due diligence

Once the registration process is concluded, the partner is granted access to the GMS ([gms.unocha.org](https://gms.unocha.org)) and the Due Diligence (DD) process begins. A thorough review of DD applications and documents is performed to ensure that partners meet the minimum requirements listed below and is a key initial step to safeguard the accountability of the Fund.

Once access to the GMS is granted, the partner must complete the due diligence requirements and forms in the GMS. DD documents include:

- **Application form** (Global Guidelines Annex 10.2.a)
- **Due Diligence declarations** (signed, stamped and dated) – see Global Guidelines Annex 10.2b
  - Declaration of any Previous or Pending Legal Processes or Investigations; in case of previous or pending legal processes, please provide detailed explanation and relevant supporting documentation
  - Declaration of Non-Support for a United Nations Designated Entity
  - Declaration of Recognition and Support of/for any United Nations Compliance Activity (ies)
  - Declaration of Conflict of Interest

- Declaration of Accurate Information
- **Registration certificate** in the country of operation. If the organization cannot register in the country of operation, the Humanitarian Coordinator (HC) may choose to accept a registration certificate from another UN Member State (similar certificate submitted for registration in the step 1 above). For international NGOs, valid MoU should be also added.
- **Bank account information** (see Global Guidelines Annex 10.2c)
- **Bank statement**, if the account name is different from the partner name in the registration, a letter by the organization (on official letterhead, signed and stamped by its authorized signatory) is necessary, certifying that the bank account as per bank statement belongs to the organization under the name registered in the GMS.
- **Identification documents** (copy of passport or identity card, with photo) and curriculum vitae (CV) of the legal representative in country of the organization.

MHF reserves its right to add any additional mandatory or optional requirements to the registration and due diligence stage (see Global Guidelines Annex 11.2, for an offline version of the Due Diligence documents).

The registration and due diligence steps are open to any interested prospective partners or by MHF invitation. This may depend upon the capacity of the HFU to review registration and due diligence applications, the number of NGOs with implementing capacity on the ground or the type of emergency, i.e. for a new emergency, MHF may prioritize a few selected NGOs with proven capacity, access to prioritized locations, and/or experience in prioritized sectors).

Once the DD process has been finalized and the partner has been successfully approved, the organization will undergo a Capacity assessment (step 3) to determine their eligibility for funding and risk rating.

While for UN agencies DD is not required, to process grant agreements, some information will need to be collected during the DD stage and submitted via GMS:

- office address
- contact details of legal representative (the person who signs grant agreements) and
- bank account information.

### **Step 3: Capacity assessment**

To be eligible for funding, NGOs must undergo a capacity assessment to determine their eligibility and risk rating, one of the major pillars of the MHF accountability framework. The objective of the capacity assessment is to systematically review the institutional, technical, management and financial capacities of the partner, and to ensure that the Fund has the necessary information to make an informed decision about eligibility and initial risk rating.

The HC, in consultation with the MHF Advisory Board (AB), is responsible for approving the way in which the Fund carries out the capacity assessment and its associated costs. See chapter 4 of the Operational Handbook for CBPFs different types of capacity assessment. In general, the Internal Capacity Assessment (ICA) is the preferred approach.

### Internal Capacity Assessment (ICA)

Partners will be required to submit the documents listed in the ICA checklist (Annex 04) by email or hard copy as agreed with OCHA/HFU. The assessment and scoring will be done in the GMS using the CBPF Internal Capacity Assessment (ICA) feature. The ICA questionnaire is used to capture key elements of the partner's capacity in the following categories:

ICA Categories		Weight	Note
A	Due Diligence	YES / NO	If an organization does not have approved MHF Due Diligence the rest of the questionnaire will be excluded.
B	Governance and Institutional Capacity	25	
C	Programmatic Response Capacity	30	
D	Coordination and Partnership Capacity	15	
E	Financial Capacity	30	If the organization has been HACT assessed, category E of ICA will use HACT results as follows: High = 0; Significant = 10; Medium = 20; Low = 30
Total Weight		100	

The categories and weights in the ICA questionnaire are fixed globally. The questions are mandatory. MHF can add questions to the baseline questionnaire but may not remove or omit any of the core questions required for the assessment (see Annex 04, ICA global questionnaire).

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 sectors/cluster leads and members.

The ICA considers and, whenever possible, encompasses existing assessments such as Harmonized Approach to Cash Transfers (HACT). An NGO's HACT result will be used to score the 4th Category of the ICA. For example, if an NGO is rated low in HACT, it will score the maximum score (i.e. 30%) of the Financial category. Similarly, a partner rated as high risk in HACT, will be scored 0 out of 30% of ICA. The HACT assessment and corresponding scores are described above.

#### **Step 4: Risk Rating**

Based on the score obtained during the capacity assessment, eligible partners will be categorized in three risk-level categories (low, medium and high). The HC, in consultation with the AB, sets the threshold for eligibility as well as score bands of each risk level. The score, and resulting risk level will determine the operational modalities and control mechanisms that are applicable as defined in the MHF's Accountability Framework. These include disbursement modalities, frequency of narrative and financial reporting, and planning for monitoring visits and spot checks, in accordance with the various risk levels, as well as with the duration and budget of the project.

Partner capacity assessments reflect the capacity of a partner at one point in time. As a partner implements projects, OCHA will review and score the partner on its implementation and the performance of partners will be used alongside the original capacity assessment to determine and adjust the risk level. For example, if a partner is strong in the implementation of its projects, its performance rating will be high, and this could lead to the partner moving from a medium to low risk rating. This is described in step 4 below.

Throughout the application for eligibility, the HFU will provide feedback to the organization as to whether their application will proceed to the next step of the process or not.

Partners who do not qualify and are considered ineligible would be given another opportunity to submit required documents for a Capacity Assessment to the HFU after 6 months, if they can demonstrate that the elements that caused the rejection have been addressed.

The timeline for the Capacity Assessment is approximately two weeks.

Below is an overview of a **sample** Capacity Assessment Scoring with threshold and risk levels. Please note the thresholds of the risk levels are tailored for each fund based on the country context.

Organization Score (in percentage)	Recommendation
90.00 – 100.00	Organization is eligible as a Low-Risk partner.
70.00 – 89.99	Organization is eligible as a Medium-Risk partner.
50.00 – 69.99	Organization is eligible as a High-Risk partner.
0 – 49.99	Organization is not eligible. A new submission for capacity assessment can be considered by the MHF six (6) months after this review date.

Questions and/or comments regarding the capacity assessment process can be addressed to the OCHA Humanitarian Financing Unit (HFU).

### Step 5: Performance Index

As eligible partners implement projects, their risk level will be adjusted by the Partner Performance Index (PPI) score (see Annex 13 Performance Index tool).

This PPI tool is a key part of the accountability framework, and will allow OCHA to have an up to date rating of partner performance.

The rating of the performance of partners in the implementation of projects will be used alongside the original capacity assessment to determine and adjust as necessary partner risk levels. For example, if a partner is strong in the implementation of its projects, its performance rating will be high, and this could lead to the partner moving from a medium to low risk rating.

The PPI tool has been developed to support the HFU to score the performance of partners on MHF-supported projects from submission to closeout. As key steps in project review are completed, the GMS will prompt the HFU user to provide a rating. For example, the score of quality of narrative report is requested once HFU clicks on “approve report”.

During project implementation, the following categories of partner performance are tracked and scored:

1. quality and timeliness of submissions of project documents (proposals, budget and concept notes);
2. quality and timeliness of implementation against approved targets;
3. quality and timeliness of reporting;
4. frequency, timeliness and justification of project revision requests; v) quality of financial management;
5. audit findings. The detailed scoring breakdown is below and an explanation on the questions and how to use the tool are attached.

The PPI score is captured in GMS and is used along with the original capacity assessment score to determine the performance score and risk level.

To reward sound project implementation, the score from PPI will progressively be given more weight and the capacity assessment score will become less significant as partners implement more projects.

Additionally, the partners’ scores on the most recent projects will be considered the most important and given the most weight in calculating the overall risk rating score. The calculation and relative weighting of project scores and the original capacity assessment is explained in Annex 10.4, Performance Management Tool, tab 2 - PPI and Capacity Assessment. The scoring and the weighting are standardized across funds and the GMS will make the calculations automatically.

The overall risk rating score will therefore be updated each time the HFU completes the scoring of a partner’s project and will be reflected in the GMS.

If the overall risk score of a partner reaches a threshold at which the risk level of the partner should be adjusted, the Fund Manager will be notified automatically through the GMS. Please note GMS will not automatically revise the risk level of a partner. Following the GMS’ notification the Fund Manager should notify the partner about the adjustment and adjust the risk level manually.

UN Agency projects must also be scored for performance in all areas except audit. The PPI score can be used to assess future funding decisions and frequency of monitoring. The monitoring mechanism can be tailored to the type of project such as stakeholder satisfaction survey for pipeline projects.

For each project, the PPI different components are assessed and the overall score is calculated as follows:

PI Component	Weight
<b>Project submission:</b> quality and timeliness of submitted project document	10
<b>Monitoring finding:</b> quality and timeliness of implementation against approved targets and time-frame	25
<b>Narrative reporting compliance:</b> quality and timeliness of narrative reporting	15
<b>Revision:</b> frequency, timeliness and justification of project revision request/s	10
<b>Financial performance:</b> expenditure rate and reporting	20
<b>Audit findings*</b>	20
<b>Total</b>	<b>100</b>

\*Not applicable for UN projects

Eligible partners that have not implemented MHF-funded projects for more than three consecutive years will be required to undergo a new capacity assessment.

If a partner performs poorly consistently and its risk rating score moves from high risk to the threshold of ineligibility it will be rendered ineligible based on poor performance. Ineligible partners can re-apply for capacity assessment one year after being rendered ineligible, if they can demonstrate that the elements that caused the poor performance have been addressed.