Myanmar Humanitarian Fund
Project Proposal Design Training

 Agenda
1. MHF Overview
2. Eligibility
3. Grant Management System
4. MHF Programme Cycle
5. MHF Feedback & Complaints Mechanism
6. MHF Visibility

What is the MHF?

MHF is an OCHA-managed country-based pooled fund led by the Humanitarian Coordinator to provide emergency response to urgent needs of people affected by natural disasters or conflict.

Projects must be aligned with sector priorities outlined in the Humanitarian Response Plan.

MHF complements allocations at the global level through the Central Emergency Response Fund (CERF)

MHF is open to UN and NGO partners, but prioritizes support to national NGOs where access and operational capacity are demonstrated.

MHF Governance and Management

UN Emergency Relief Coordinator (ERC)
CSFP Governance Board
Humanitarian Coordinator (HC)
Advisory Board
Review Committee
MHF Management (OCHA)
Head of Office
Humanitarian Financing Unit
Stakeholders
Affected population
MHF: 2016 Overview

TOTAL FUNDING (US$)

$9.3 M* includes carry-over of $8.5 million from 2015.

60% allocated

$5.6 M

22 Projects in 7 sectors

Allocated funds by type or partner include direct funding and funding received as sub-implementing partner.

MHF: 2017 Overview

$7.5 million received + $3.3 million 2016 carry over

Funding by donor

United Kingdom $3,221,549
Australia $2,587,100
Sweden $1,203,269
Canada $178,749
Luxembourg $285,303
Switzerland $107,798

Contributions by donor in 2016 (in million USD)

UK 4.2
Denmark 1.4
Sweden 1.2
Australia 1.1
Switzerland 0.6

MHF: 2017 Overview

First Reserve Allocation March 2017
$2.7 million allocated

First Standard Allocation June-July 2017
$6 million (expected to be allocated)
Who is eligible for MHF support?

UN Agencies
National NGOs (after capacity assessment)
International NGOs (after capacity assessment)

To be eligible, NGOs must additionally fulfill due diligence requirements, demonstrate operational capacity, and have experience managing donor-funded projects of similar size.

Eligible NGO Partners

- Only active NGOs which have completed the due diligence process through the online Grant Management System (GMS), have undergone the capacity assessment process
- Active participation in the humanitarian coordination system at sub-national level, including the sectoral coordination.
- A consortium approach with several partners working in cooperation is encouraged
- Organizations that have not yet completed MHF eligibility process can be sub-implementing partners to an eligible organization.

How can partner be eligible to the Fund

Through Grant Management System

http://cbpf.unocha.org

- On-line management tool for MHF programme cycle:
  - Registration
  - Application for eligibility: due diligence and capacity assessment
  - Application for funding: proposal submission → review → agreement → reporting → final audit

Due Diligence Application

- Part of Risk / Capacity Assessment
- Information in GMS needed to create Grant Agreements
- USD Banking details for disbursements
- Contact details
- Basic organisation information (MOU, Organogram, donors summary)
- Organisation experience in country
- Signed Standard Declarations
- Key documents
Capacity Assessment

- Mission and Vision statement;
- Myanmar Annual reports (2014 to 2016);
- Myanmar Annual financial statements (3 years);
- Myanmar work plan/budgets (2015 and/or 2016);
- External audit reports (2014 to 2016);
- Example of project narrative report;
- Name of implementing partners (if applicable);
- Capacity Assessments of Implementing Partners (if applicable);
- Reference contacts and/or letters from donors or sub-implementing partners involved with your organization;
- Reports from Internal and/or External Evaluators (2015 and/or 2016); and

Operational Modalities

1. Type of implementing partner (UN agency, NGO).
2. Partner risk level (in the case of NGOs).
3. Value of the project.
4. Duration of the project.

When can apply

As per call-for-proposal

Based on actual analysis of funding status (contributions and gaps), sector priority needs and real-time context

Standard Allocation
- Underfunded HRP needs

Reserve Allocation
- New emergency situations

MHF Programme Cycle

Key steps

1. Allocation
   - Submission of project proposal
   - Strategic review

2. Implementation
   - Interim Reporting
   - Modification request
   - Field monitoring visit, including financial spot check

3. Project Closure
   - Final financial and narrative report
   - Audit
   - After action review
Grant Management System
cbpf.unocha.org

Due Diligence Application

- Go to http://cbpf.unocha.org/
- Log in to GMS
- Land on Home page for Myanmar Humanitarian Fund (MHF)
**Protection Mainstreaming**

Four (4) elements

1. Prioritize safety & dignity, and avoid causing harm
2. Meaningful access
3. Accountability
4. Participation & Empowerment

Tips for proposal preparation

- Ensure alignment with the call-for-proposals;
- Coherence and consistency within the proposal and between proposal and budget are crucial;
- Gender mainstreaming/equality is mandatory requirement and GM identification must be well justified;
- Indicators should be SMART. Every output should have one standard indicator; NOT for the sake of system requirement;
- Ensure describing meaningful activities rather than dumping every action as activities;
- Consideration/integration of cross-cutting issues like protection in the proposed intervention;
- Monitoring mechanism is well elaborated;
- Cash programming is encouraged but required to demonstrate evidence-based analysis of feasibility;
Quick tips for budget preparation

- Digest - eligible and ineligible costs, direct and support costs, shared costs, itemization of budget lines;
- Provide:
  - correct and fair budget breakdown
  - clearly explained budget narrative
  - correct categorizing of budget lines
  - well justified shared costs
  - harmonized cost within sector/region
- Avoid:
  - Budgeting ineligible costs
  - Double charging PSC cost in partner and sub-partner’s budget (max. 7%)

GMS Project Submission (11) (Location)

GMS Project Submission (12) (Documents)

GMS Project Submission (13) (Project Tracking)
GMS Project Submission (14)

Grant Management System Support (gms.unocha.org/support)

Grant Management System (gms.unocha.org)

MHF Project Selection Workflow

1. Submission & Review of Proposal
2. Clearance of Proposal
3. Final Approval by HC
4. Disbursement
In case that answer to any of the following questions (1, 2, or 3) is “no”, please do not assess further, so the proposal is not eligible.

### Main General Activity Responsible Timeline

1. **General check by OCHA HFU (eligibility of partner, compliance with template, duplication of proposal, etc.)**
   - OCHA HFU
   - 1 day

2. **Review Committee convenes strategic review (scorecards + joint meeting)**
   - MHF Review Committee
   - 3 days

3. **Project shortlisted are submitted to the AB for consultation and endorsement and HC for preliminary approval**
   - Advisory Board HC (delegation to the Deputy HC)
   - 1 days

#### Strategic Review - Scorecard (1)

<table>
<thead>
<tr>
<th>Category / Question</th>
<th>Options A</th>
<th>Options B</th>
<th>Options C</th>
<th>Options D</th>
<th>Option E</th>
<th>Total Score (A)</th>
<th>Total Score (B)</th>
<th>Total Score (C)</th>
<th>Total Score (D)</th>
<th>Total Score (E)</th>
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</thead>
<tbody>
<tr>
<td>General check by OCHA HFU (eligibility of partner, compliance with template, duplication of proposal, etc.)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Review Committee convenes strategic review (scorecards + joint meeting)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Project shortlisted are submitted to the AB for consultation and endorsement and HC for preliminary approval</td>
<td>0</td>
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<td>0</td>
</tr>
<tr>
<td>Note: Main cluster/sector will compile comments from other related cluster/sectors/WG and will submit on OMS and OCHA HFU</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
</tbody>
</table>

#### Technical and Financial Reviews

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Review Committee convenes technical and budget review of short-listed Projects</td>
<td>MHF Review Committee</td>
<td>3 day</td>
</tr>
<tr>
<td>Note: Main cluster/sector will compile technical comments from other related cluster/sectors/WG and will submit on OMS and OCHA HFU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Consolidation of technical and financial comments and submission to partner</td>
<td>OCHA HFU</td>
<td>1 day</td>
</tr>
<tr>
<td>6. Revision of proposal to improve proposal. Successful proposals are upload to GMS by IPs</td>
<td>Requesting agency</td>
<td>3-5 day</td>
</tr>
</tbody>
</table>
**Financial Review**

**Annex. Basic Definitions and Guidance on the Project Budget Preparation Process**

1. Rationale and Basic Principles of the Project Budget
2. Eligible and Ineligible costs
3. Direct and Indirect Costs
4. Shared Costs
5. Guidance on the Itemization of Budget Lines

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**Timeline**

<table>
<thead>
<tr>
<th>MHF Project Selection Process</th>
<th>March 2017</th>
<th>April 2017</th>
</tr>
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<tbody>
<tr>
<td><strong>Stage</strong></td>
<td></td>
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<tr>
<td>Proposal Submission</td>
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<td>3/03/2017</td>
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<td>Call-for-Proposal</td>
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<td>6/03/2017</td>
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<tr>
<td>Strategic Review</td>
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<td>14/03/17</td>
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<tr>
<td>Technical Review</td>
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<td>21/03/17</td>
</tr>
<tr>
<td>Financial Review</td>
<td></td>
<td>28/03/17</td>
</tr>
<tr>
<td>Project Selection</td>
<td></td>
<td>01/04/17</td>
</tr>
<tr>
<td>Grant Agreement Signature</td>
<td>01/04/17</td>
<td>1/04/17</td>
</tr>
</tbody>
</table>

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**Allocation process**

**Call-for-Proposal**

**Strategic Review** aims to identify and prioritize

- Eligibility:
  - lack of partner’s registration / capacity assessment in GMS
  - no relevant to the strategic paper (call-for-proposals)

**Technical Review**

assesses the technical soundness and quality of project proposals

- Proposal quality - indicators, logical framework, coherence, etc.
- Technical soundness (consultation with cluster/sector)
- Coordination with other humanitarian actors

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**Allocation process**

**Issues**

**Financial Review** – review appropriateness of budget provisions

- Completeness of budget – narrative, breakdown
- Appropriateness and relevancy
- Correctness – calculation, budget category
- Addressing ALL budget comments
**Allocation process**

**Approval and Grant Agreement Preparation**
- Confirmation on start date
- Bank account information
- Signatory

**Disbursement**
- Timeliness: different for each process
- Lack of information

**Issues**

**Project Implementation**

- IP signs a grant agreement which specifies the terms and conditions applicable to the approved project.
- Project start date and eligibility of expenditure is determined by the date of IP’s signature of the grant agreement and later date that was agreed upon.
- IP commits to comply with all the requirements defined in the grant agreement as well as stipulated in the guidelines.
- Grant agreements may be modified to accommodate necessary changes in projects with a revision request (modification request, budget revision, no-cost extension request)

**Project Implementation**

- **Project modification**
  - Inform OCHA HFU Fund Manager of all significant deviations from the original project objectives with clear and strong justification through email and attached complete project revision request form (at least 30 days before expiration of the project)
    - Changes in the geographic location
    - The target population/the scope of project activities
    - Changes in the each approved budget lines
    - Period extension (or) No-Cost Extension (NCE) requests
  - OCHA HFU will review each request and determine the requirement of HC approval and an Amendment Grant Agreement
  - No-Cost Extension (NCE) request will be considered depending on the justification and it is needed an amendment to the original agreement.

**Budget Revision**

- Under no circumstances should budget revisions increase the budget originally approved

- **Budget revisions not exceeding 15%**
  - Does not require formal authorization by the HFU/FCS but inform HFU in writing.
  - Cost redeployments to budget categories not exceeding 15% of the originally approved budget category are acceptable for all categories except the “Staff and other Personnel Costs” category.
  - Redeployment must be done against existing budget lines.
  - Budget line variations within the same budget category, not affecting the total value of the category, are acceptable without previous consent as long as the activities retain the same scope and nature of the original grant.
Project Implementation

Budget Revision

Budget Revisions exceeding 15% or affecting “Staff and other Personnel cost”:
- Cost reallocations to budget categories exceeding 15% of the amount originally approved require the HFU/FCS authorization.
- IP to make the request to the HFU, after prior consultation with HFU and cluster/sector coordinator.
- Submit a revised logical framework if the budget modifications imply programmatic changes.
- The approval of such modification will be formalized through an amendment to the original grant agreement (inclusive of all necessary supporting documents, project proposal, project budget, etc.).

Project Implementation

No-cost Extension

- 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.
- Submitted in writing at least 30 days prior to the end of the project. Later submissions will not be considered.
- The NCE can modify the agreement to extend the duration of the project, with or without any changes to the project’s budget or activities.
- To extend the duration, an amendment to the original agreement must be signed by both parties. This amendment becomes an integral part of the agreement and must be cleared by OCHA.

Project Implementation

Project Revision Request Form

Instructions:
Any reallocation made to the project’s allocation as allocated in the approved project documents must have the endorsement of the cluster coordinator. The OCHA Fund Manager will then approve made by the Humanitarian Coordinator. No reallocation requests should be validated and submitted at least 30 days before expiration of approved project duration.

1. Project Details
- Organization Name
- Project Code
- Location
- Amount allocated
- Date of Allocation
- Project Title
- Amount Allocated

2. - Reasons for No Cost Extension

- Project Title
- Project Duration
- Project Description
- Project Details

3. - Level of Completion

Provide information on what amount of grant activities have been implemented. Enter amounts and percentages as necessary appropriate narrative or code.

- Amount of Funds Disbursed
- Percentage of Activities Completed
- Percentage of Activities Expended

Project Implementation

Project revision request form continued
Project Implementation

Project revision request form continued

- Late submission - Since Project Revision Request for any major changes should be well justified and submitted to OCHA HFU at least 30 days prior to the end of the project.
- Lack of awareness - Incorrect and incomplete preparation of Project Revision Request Form.
- Weakness in financial management – No regular update on financial expenses and analysis of expenses.
- Variance of staff and other personnel costs - Any variation in “Staff and other Personnel Costs” should be approved in writing by OCHA HFU. Otherwise, it will be considered as ineligible expenditure.

Monitoring

- Monitoring (financial and programmatic) - systematic collection, analysis and use of information from a project to learn from the experience, account for the resources used and the results obtained, and to take decisions on the implementation of the MHF project.
- The MHF monitoring key objectives:
  - Ensure adequate verification of reported results at project level
  - Provide evidence on how the MHF has contributed to broader outcomes.
  - Ensure that resources are used efficiently
  - To support Partners during their implementation of MHF funded activities.
Monitoring

- Direct monitoring by OCHA HFU - conduct a field monitoring visit to each MHF project to review on-going or completed project activities in the middle of the project implementing period which includes:
  - Project implementation status,
  - Progress review on key project activities,
  - Monitoring and reporting mechanism of the IP
  - Financial management spot check

- Sectors/clusters and donors’ participation – inviting sectors/clusters and donors to participate in field-monitoring visits with HFU.

Monitoring

<table>
<thead>
<tr>
<th>Task / Sample</th>
<th>Status</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Was an interim financial report submitted by IP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>for this project?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Was the interim financial report reviewed?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Was there any concern/issues identified in report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>reviewed?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partner has an approved financial manual</td>
<td>YES/ NO</td>
<td></td>
</tr>
<tr>
<td>Partner has an approved administrative manual</td>
<td>YES/ NO</td>
<td></td>
</tr>
<tr>
<td>Partner has an approved procurement manual</td>
<td>YES/ NO</td>
<td></td>
</tr>
</tbody>
</table>

Monitoring

<table>
<thead>
<tr>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconcile the expenditure totals per activity, High / Medium</td>
</tr>
<tr>
<td>Approved budget versus expenditure report analysis by Management</td>
</tr>
<tr>
<td>Receipts were deposited into the Implementing Partner’s bank account</td>
</tr>
<tr>
<td>Account Code records in the expenditure voucher</td>
</tr>
<tr>
<td>Bank signatories</td>
</tr>
<tr>
<td>Bank reconciliation records</td>
</tr>
<tr>
<td>List of authorized signatories in the organization and their levels</td>
</tr>
<tr>
<td>Book keeping of financial documents</td>
</tr>
<tr>
<td>Accounting system/software in use</td>
</tr>
<tr>
<td>Level of training and experience of finance team</td>
</tr>
<tr>
<td>The adequacy of supporting documentation</td>
</tr>
<tr>
<td>There is adequate segregation of duties in processing the transactions</td>
</tr>
<tr>
<td>Employee vacation and substantiated staff leave by the designated officials</td>
</tr>
<tr>
<td>Further information on reconciliation or reconcile payments here and payments against the expenditure.</td>
</tr>
<tr>
<td>The detailed expenses against the approved budget - if there is any deviation from the budget, whether they were authorized.</td>
</tr>
<tr>
<td>The date of the supporting documents to ensure that the expenditure is supported by the approved project document/log frame/budget.</td>
</tr>
<tr>
<td>The supporting documents must have signature of respective authority or previous audits.</td>
</tr>
<tr>
<td>Annual programme interim update was not reconciled to the Capacity Assessment or previous audits.</td>
</tr>
<tr>
<td>Internal financial records and audit trails</td>
</tr>
<tr>
<td>Work management</td>
</tr>
<tr>
<td>Accountability at the end of project</td>
</tr>
<tr>
<td>Inadequate project oversight by management</td>
</tr>
<tr>
<td>Irregular monitoring of project work plan, budget</td>
</tr>
<tr>
<td>Non-compliance of guidelines by sub implementing partners</td>
</tr>
<tr>
<td>Delay/lack of informing implementation problem</td>
</tr>
<tr>
<td>To improve coordination with other humanitarian actors</td>
</tr>
<tr>
<td>Weak in community mobilization and participation</td>
</tr>
<tr>
<td>Weak in Financial Management and internal control system</td>
</tr>
<tr>
<td>Lack of/ poor in transparency regarding cost sharing between MHF project and other projects</td>
</tr>
<tr>
<td>Inappropriate budget preparation</td>
</tr>
</tbody>
</table>
**Reporting**

**Types of Reports**
- Narrative Reporting: Progress Narrative Report, Final Narrative Report
- Financial Reporting:
  - Interim Financial Statement and Disbursement Request,
  - Interim Financial Statement as at 31 December,
  - Final Financial Statement and Disbursement Request

**Timelines of Reporting**
- Depends on Risk Level through Capacity Assessment

**Reporting Templates**
- No offline templates – Only on GMS

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**Auditing**

**Issues**
- Budget Deviation/Non-compliance with approved budget
- Lack of Segregation of Duties and Fraud or misappropriation of cash can occur
- Inappropriate account head in the payment voucher/Financial Report and expenses did not reflect real situation
- Expenses charged to inappropriate budget line
- No proper record of distribution list to beneficiary/individual acknowledgement of receipt due to lack of good practice/Internal control
- No Completion reports for implemented activities and lack of evidence for handing over of work done
- Activities must be implemented during the agreed project period and name of donor must be included in certificates/payment voucher otherwise there are ineligible expenditure

The audit performance will feed into the Performance Index of an IP which in turn will impact the risk level of NGO partners

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**Reporting Risk**

**Issues**
- Financial and accountability: relating to effective and efficient management and use of financial resources and the reliability of financial reporting by IPs. Delay in submission of interim financial reports and disbursement requests affected the delay fund transfers
- Fraud/Corruption, theft or diversion of goods: In insecure operational areas there is high risk of corruption, theft and diversion of goods when direct monitoring in some areas is not possible.
- Governance and management: Roles and responsibilities of governance bodies, effective and efficient management and systems to support operations and meet performance standards (e.g. procurement, logistics, IT, staff, skill-sets)
- Coordination and partnerships: effectiveness of the humanitarian coordination system
- Hazards: events fully or partially outside the Fund’s control (e.g. natural disasters, political instability, armed conflict, terrorism laws and donor intentions):
  - Good: Poor financial management and high/low absorption capacities by IP:
    - Proper financial systems
    - Ability to comply with international accounting standards
    - Limited/Full financial capacity
    - Implementing multiple projects and cost allocation system

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**MHF : Feedback & Complaints Mechanism**

MHF Stakeholders with insufficiently addressed concerns or complaints regarding MHF processes or decisions can at any point in time send an email to MHFComplaints@un.org and/or contact the OCHA Deputy Head of Office in Myanmar. 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 Advisory Board any such concerns or complaints and actions taken thereof.

Chris Hyslop, OCHA Deputy Head of Office in Myanmar
hyslopc@un.org
MHFComplaints@un.org
MHF Visibility

- No mandatory, but important (logos to be provided by HFU)
- Success stories with visual supporting documents disseminated to MHF Advisory Board and social media with appropriate consent of the affected population, particularly to meet child protection requirements

For further information

GMS Business Intelligence
https://gms.unocha.org/bi

MHF Website
www.unocha.org/myanmar/humanitarian-financing/myanmar-humanitarian-fund-mhf

OCHA Myanmar Facebook
OCHAMyanmar

OCHA Myanmar Twitter
@OCHAMyanmar

Question & Answers

Humanitarian Financing Unit
OCHA Myanmar
MHF-Myanmar@un.org
Narciso Rosa-Berlanga: rosa-berlanga@un.org
Naw Gay Htoo: htoon@un.org
+95 1 230 5662 / 230 5683 / 230 5683 (ext. 204)