



OCHA

United Nations Office
for the Coordination of
Humanitarian Affairs

Turkey Humanitarian Fund Operational Manual

May 2018

TABLE OF CONTENTS

1	Introduction	4
1.1	Purpose	4
1.2	Scope	5
2	Scope and Objectives of the THF	5
3	Governance and management	6
3.1	Deputy Regional Humanitarian Coordinator (DRHC)	6
3.2	Advisory Board (AB)	6
3.3	OCHA Head of Office (HoO)	7
3.4	OCHA Headquarters (HQ)	7
3.5	OCHA Humanitarian Financing Unit (HFU)	7
3.6	Clusters	9
3.7	Partners	10
4	Allocations	11
4.1	Allocation modalities	11
4.2	Allocation criteria	15
4.3	Project Duration	16
4.4	Grant value	16
4.5	Grant Management System (GMS)	17
5	Accountability Framework (AF)	17
5.1	Risk Management	18
5.2	Compliance mechanism	22
5.3	Monitoring and Reporting (M&R)	23
5.4	Roles and Responsibilities	24
5.5	Performance Index (PI)	25
5.6	Audit	26
5.7	Appeals Process and Arbitration	27
5.8	Complaint mechanisms	27
6	Administration of the THF	27
6.1	Budget preparation principles	27
6.2	Eligible and Ineligible Costs	28
6.3	Direct and Indirect Costs	29
6.4	Grant Agreement Signature	31
6.5	Guidelines on requesting project changes	32
6.6	Project closure	34
6.7	Gender	34
7	Contact information	34
8	Review date	34

Acronyms

AAP	Accountability to Affected Populations
AB	Advisory Board
AF	Accountability Framework
BI	Business Intelligence
CA	Capacity Assessment
CBPF	Country Based Pooled Fund
CERF	Central Emergency Response Fund
CRC	Cluster Review Committee
DD	Due Diligence
DRHC	Deputy Regional Humanitarian Coordinator
EO	Executive Officer
FCS	Financing Coordination Section
FTS	Funding Tracking System
GA	Grant Agreement
GMS	Grant Management System
HACT	Harmonized Approach to Cash Transfers
HFU	Humanitarian Financing Unit
HLG	Humanitarian Liaison Group
HoO	Head of Office
HPC	Humanitarian Programme Cycle
HPF	Humanitarian Pooled Fund
HQ	Headquarters
HRP	Humanitarian Response Plan
IASC	Inter-Agency Standing Committee
ICA	Internal Capacity Assessment
ICCG	Inter-Cluster Coordination Group
INGO	International Non-Governmental Organization
LTA	Long Term Agreement
M&E	Monitoring and Evaluation
M&R	Monitoring and Reporting
MOU	Memorandum of Understanding
NCE	No-Cost Extension
NGO	Non-Governmental Organization
NNGO	National Non-Governmental Organization
OCHA	Office for the Coordination of Humanitarian Affairs
OM	Operational Manual
PFWG	Pooled Fund Working Group
PSC	Programme Support Cost
RA	Reserve Allocation
SA	Standard Allocation
SRC	Strategic Review Committee
TOR	Terms of Reference
TRC	Technical Review Committee

1 Introduction

As the conflict enters its seventh year, Syria remains one of the most complex and dynamic humanitarian crises in the world today. Since March 2011, more than 400,000 Syrians have lost their lives and over one million have been injured. Close to 5 million Syrians have been forced to leave the country, and 6.3 million are internally displaced, making Syria the largest displacement crisis globally. In 2017, an estimated 13.5 million people, including 6 million children, are in need of humanitarian assistance. Of these 4.5 million people are in hard-to-reach areas, including 540,000 people in 11 besieged areas. According to current figures, 12.8 million Syrians require health care, 13.5 million need protection support and 14.9 million require water and sanitation, while 6.1 million children need education support, including 1.75 million children and youth who are out of school and 1.35 million at risk of dropping out. About 7 million people are food insecure and a further 2 million are at risk of food insecurity, while 4.3 million need shelter and household goods.

Syria's development situation has regressed almost by four decades. Four out of five Syrians now live in poverty. Since the crisis began in 2011, life expectancy among Syrians has dropped by more than 20 years, while school attendance has dropped over 50 per cent, with more than 2 million children now out of school. Syria has also seen reversals in all 12 Millennium Development Goal indicators. The Syrian economy has contracted by an estimated 40 per cent since 2011, leading to the majority of Syrians losing their livelihoods. The humanitarian access to people in need in Syria remains constrained by ongoing conflict, shifting frontlines, administrative and bureaucratic hurdles, violence along access routes and general safety and security concerns in contravention of international law, international humanitarian law and human rights law. While a number of localized ceasefire initiatives is a welcome improvement and enabled some temporary aid, those in besieged and hard-to-reach areas need regular and sustained assistance.

It is increasingly difficult for Syrians to find safety, including by seeking asylum. These difficulties have resulted in a marked decline in the number of newly arriving registered refugees and in their ability to access international protection.

In early 2014 the Security Council issued a resolution (SG/R/2139) that recommended the establishment of a separate fund based in Gaziantep Turkey. Under the leadership of the Deputy Regional Humanitarian Coordinator (DRHC) for the Syria crisis the fund aims to enable humanitarian partners, particularly Syrian Non-Governmental Organizations (NNGOs), to deliver assistance in Syria across conflict lines and across borders in a coordinated manner. The fund was called the Humanitarian Pooled Fund (HPF) initially however, this name was later changed to Turkey Humanitarian Fund (THF) to comply with the new global guidelines.

1.1 Purpose

The purpose of the Operational Manual (OM) for THF 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 direction of the DRHC, THF 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). In order to meet this goal, this Manual is issued by the DRHC and endorsed by the Advisory Board (AB) of the Fund to:

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

The goal of the OM is to guide partners and facilitate the role of Office for the Coordination of Humanitarian Affairs (OCHA), members of the Review Committees, and cluster experts.

1.2 Scope

The present document defines the country-specific regulations that govern the THF. It is designed within the framework provided by the Operational Handbook for Country Based Pooled Funds (CBPFs), which describes the global set of rules that apply to all Funds worldwide, and adapt specific aspects of the global regulations to the context of humanitarian response. The adherence to the guidance provided in the two documents is mandatory so as to ensure standard and transparent processes.

2 Scope and Objectives of the THF

The THF three main objectives are:

1. To improve humanitarian response by increasing the extent to which funding is allocated to priority humanitarian needs by focusing on most urgent needs and based on the Fund's best comparative advantage as well as expanding the delivery of humanitarian assistance in hard-to-reach areas as and when possible.
2. To contribute to the delivery of the humanitarian assistance in line with the Syria HRP;
3. To strengthen the leadership of the DRHC as well as the humanitarian coordination mechanism.

In addition to the above, the THF aims for an inclusive and coordinated approach by working with a variety of partners in a complex operational environment. In doing so, and taking into account its operational context, the THF aims in particular at maintaining and strengthening partnerships with Syrian NGOs (national and international).

In carrying out its activities, the THF supports a list of programmatic objectives throughout its programme cycle as follows:

- Promote needs-based assistance in accordance with humanitarian principles of humanity, neutrality, impartiality and independence;
- Support the improvement of the quality of the humanitarian response, including but not limited to accountability to affected populations, Due Diligence (DD) concerns gender and protection mainstreaming through projects supported through the fund;
- Foster a cooperation and coordination within and between clusters and humanitarian organizations. As such, the THF contributes to improving needs assessments, enhancing the HRP as the strategic planning document for humanitarian action, strengthening coordination mechanisms, in particular the cluster system, and improving accountability through an enhanced monitoring and reporting framework;
- Enhance the complementarity among humanitarian financing mechanisms by fostering strategic partnerships;
- Promote the World Humanitarian Summit and the Grand Bargain commitments agreed upon in 2016, within the remit of the THF main objective and in line with the recommendations of the Pooled Fund Working Group (PFWG). This pertains in particular to the objective of 15% of HRP funding being channeled through the pooled funding mechanisms, the principle of unearmarked humanitarian funding, as well as supporting the concept of localisation of aid;
- Pursue capacity strengthening activities as required in collaboration with other existing initiatives to maximize the impact of different interventions, building on the achievements of the Fund since 2014 in assisting to increase/build the capacity of new and existing humanitarian partners particularly National NGOs (NNGOs).

3 Governance and management

The activities of the THF are carried out under the overall leadership of the DRHC. The latter is supported by an AB and an OCHA Humanitarian Financing Unit (HFU) fulfilling the THF secretariat functions. The AB is chaired by the DRHC and welcomes the senior-level participation of donors contributing to the THF, UN agencies (in their capacity as cluster lead agencies) and NGOs (National and International) representatives.

3.1 Deputy Regional Humanitarian Coordinator (DRHC)

The overall management of the Fund on behalf of the Emergency Relief Coordinator (ERC) rest with the DRHC, supported by the OCHA HFU and advised by the AB. The key responsibilities of the DRHC are to:

- Define the scope and objectives of the THF: its programmatic focus; governance structures and membership; allocation modalities and processes; accountability mechanisms; and operational modalities;
- Approve direct cost for HFUs;
- Approve, review and update the Fund Operational manual that is prepared based on the Global Guidelines;
- Chair the Advisory Board and provide strategic direction for the Fund;
- Lead country-level resource mobilisation for the Fund, supported by the Humanitarian Liaison Group (HLG), OCHA office in Turkey, in coordination with relevant OCHA entities at Headquarters (HQ);
- Approve the use of and define the strategic focus and amount of fund allocations;
- Ensure that the AB and the Cluster Review Committees (CRCs) are functioning in accordance with the guidelines outlined in the Handbook and the THF OM;
- Approve projects and initiate disbursement;
- Make final decisions on projects recommended for funding¹;
- Ensure complementary use of the THF funding with other funding sources, including the Central Emergency Response Fund (CERF) (when exists); and
- Lead the process of closing the Fund.

3.2 Advisory Board (AB)

The Advisory Board (AB) is a governance body with an advisory function that supports the DRHC to steer the strategy and oversees the performance of the THF. The final decision-making authority rests entirely with the DRHC, who is the chair of the AB.

The board supports the DRHC in developing an overall strategy and overseeing the performance of the THF. It advises the DRHC on strategic and policy issues and ensures the views of THF donors, UN agencies and the NGO community are represented.

The AB is consulted in the development of allocation strategies in line with HRP and serves as a forum to share information on funding coverage to strengthen donors' coordination. The AB also provides a forum for representatives and the DRHC to discuss funding priorities in line with the HRP. The Key functions of the AB are as follows:

¹ This responsibility is exclusive to the DRHC and cannot be delegated. Funding decisions can be made at the discretion of the DRHC, without a recommendation from the AB, for circumstances requiring an immediate response. Additionally, the DRHC has the authority to overrule recommendations from the CRCs.

3.2.1 Strategic focus and fund allocation

The AB supports the DRHC in ensuring that the main objectives of the Fund are met. The board also reviews and advises the DRHC on strategic elements of the Fund such as the allocation strategies and the operational manual, in addition to setting funding targets and support resource mobilization efforts.

3.2.2 Risk management

The AB supports the DRHC and OCHA Turkey in undertaking periodic risk analyses and reviewing a risk management plan of the Fund in accordance with the THF Accountability Framework (AF).

The composition of the AB, determined based on consultations between the DRHC, the HLG, contributing donors and NGOs aims to ensure equitable representation of the key stakeholders to the Fund (Donors, UN agencies, NGOs and OCHA). The membership, the rotation plan as well as Main functions and focus of the board are outlined in the Annex 6 of the OM.

3.3 OCHA Head of Office (HoO)

The HoO is responsible for the effective management of the Fund in accordance to CBPF Policy Instruction and the Handbook. The responsibilities of the HoO with respect to the THF are to:

- Support and advise the DRHC on strategic issues and resource mobilization;
- Supervise the OCHA HFU and ensure that the unit is well integrated and coordinated with other units of the OCHA CO and the Ankara sub-office;
- Ensure that OCHA has the capacity to fulfil its accountability requirements, including risk management and minimum operational modalities;
- Promote active involvement of existing coordination structures in THF processes and ensure that the Fund scope and objectives as outlined in the THF OM and/or allocation papers are aligned with the HRP;
- Approve project no-cost extensions within the scope of the delegation of authority granted by the DRHC;
- Interface with HQ on policy issues related to the THF; and
- Act as a permanent member of the AB.

3.4 OCHA Headquarters (HQ)

The Humanitarian Financing and Resource Mobilization Department at OCHA HQ has the following functions:

- Carry out and support active resource mobilization;
- Receive, administer and manage contributions from donors;
- Disburse funds to partners in accordance with the decisions of the DRHC;
- Provide periodic financial reports on the THF to the DRHC, contributing donors and the AB;
- Provide the DRHC and the AB with funding updates of donor commitments and disbursements transferred to partners, as well as other financial information related to the THF;
- Provide policy and guidance to ensure the Fund is in line with OCHA's global guidelines.

3.5 OCHA Humanitarian Financing Unit (HFU)

The HFU, under the overall supervision of the OCHA HoO, ensures adequate and efficient management of the THF. In support of the DRHC and the AB, and with the assistance of OCHA HQ, the HFU undertakes the following tasks:

3.5.1 Management of THF operations and policy advice to the DRHC

- Advise the DRHC and OCHA HoO on fund strategies and any other policy matters related to THF;
- Facilitate the development of the THF scope and objectives and/or allocation strategy paper;

- Ensure timely communication to partners on THF Standard Allocation (SA) calendar of activities;
- Engage with THF donors and coordinate with other humanitarian donors in the country;
- Draft the resource mobilization strategy and support its implementation in coordination with HQ resource mobilization efforts;
- Support DRHC and HoO efforts to link the fund with the Humanitarian Programme Cycle (HPC) by promoting allocations in alignment with the HRP;
- Provide technical advice to the DRHC and AB on the allocation process, project implementation and monitoring;
- Support resource mobilization for the THF;
- Produce reports, analysis and other documents as necessary to support decision-making, coordination, communication and resource mobilization activities;
- Perform secretariat functions for the AB;
- Facilitate public information sharing with all the THF stakeholders.

3.5.2 Project Cycle Management

- Facilitate and train stakeholders on the use of the Grant Management System (GMS)²;
- Ensure compliance with processes, systems, templates and tools as defined in the Handbook for CBPFs as well as THF procedures;
- Provide support to all THF recipients throughout the allocation process and promote a feedback system for continuous learning;
- Coordinate and facilitate all activities associated with the strategic review (project prioritization);
- Coordinate and facilitate all activities associated with the technical review;
- Oversee project review and approval processes including administrative aspects of selected projects;
- Ensure follow up of fund disbursement and refunding;
- Ensure narrative and financial reporting compliance;
- Manage project revision requests;
- Provide oversight to the entire funding cycle from the opening of an allocation to closure of projects; and
- Ensure Financial Tracking Service (FTS) reporting as required.

3.5.3 Implementation of the THF Accountability Framework (AF)

- Support and advise the DRHC and OCHA HoO in the development and implementation of the AF;
- Coordinate and develop systems for capacity and performance assessments, risk management, monitoring, and reporting on behalf of the DRHC;
- Ensure compliance with the minimum requirements described in the OM and the Handbook;
- Ensure compliance with audit requirements and follow up recommendations stemming from audits and monitoring findings;
- Facilitate periodic external evaluations in line with the global agreements on evaluation requirements for the THF;
- Compile the consolidated annual report of THF operations.

² GMS is a web-based platform that supports the management of the entire grant life cycle for the HF. <https://cbpf.unocha.org/>

3.6 Clusters

The clusters operate according to the terms of reference agreed by the Inter Agency-Standard Committee (IASC) and the Reference Module for Inter Cluster Coordination Groups (ICCG) or any other coordination group of the Syria Cross borders operation(s). These documents contain few references to the operation of the CBPFs, but acknowledge that inter-cluster coordination group(s) have a key role to play in prioritization and in providing recommendations for allocation strategy and resource mobilization of the humanitarian operation as a whole.

The cluster lead agencies support the THF at two levels:

- **Strategic:** cluster leads should ensure that there are linkages between the fund, the HRP and cluster strategies; and
- **Operational:** cluster coordinators should provide technical expertise to the process of project prioritization and to the strategic and technical review of projects and consult in revision requests.

To better ensure that the funds are used coherently and effectively to support humanitarian needs identified by the DRHC in consultation with the ICCG (or any other relevant coordination mechanism in place), clusters shall be involved in a number of steps in the fund programme cycle as follows:

3.6.1 Application

To the extent possible, proposals should be developed with programmatic guidance from the relevant cluster coordinator(s) before the applicant submits them to the fund.

3.6.2 Strategic and technical review of projects

The cluster coordinators ensure that the strategic review of projects is carried out in line with the allocation strategy paper and contribute to the technical review of the shortlisted project proposals. Therefore, dedicated review committees are formed to review the strategic and technical relevance of project proposals received by the THF.

The committees must be established through a consultative process with a limited number of cluster members nominated from the active members of the relevant cluster(s).

The functions and composition of the committees vary depending on the allocation modality. For a SA, the strategic and technical reviews are discharged by respective CRCs operating separately by cluster as follows:

- **Strategic Review Committee (SRC)**

When delivering the strategic function, the respective SRC should equitably represent the members of the cluster and be knowledgeable of humanitarian operations. It should be composed of a small group of technical experts.

The submitted projects are classified as per a dedicated scoring card developed by the HFU in coordination with the clusters.³

- **Technical Review Committee (TRC)**

The members of the TRC involved in the technical review of the shortlisted THF projects should be selected based on demonstrated technical knowledge of the specific cluster. A small group of experts conducts a detailed deliberation on technical aspects of the project proposals. Specialized advisors can also provide support and inputs to the technical review process.

It is advised that the same committee conducts both strategic and technical reviews. A review committee comprises of the following:

³ A multi-cluster project is reviewed by the SRCs of the targeted clusters but scored by the cluster with the highest budget. If the budgets allocated per cluster are balanced, the project will be reviewed and scored by a joint SRC.

- The cluster coordinator/co-coordinator;
- UN and NGOs (national/international) representatives: the coordinator should ensure an equitable representation of both constituencies;
- An HFU staff: at all times, the HFU takes part in decision making, and support review committees in discharging their functions;
- A gender focal point, if not assured by the above members.

In case of a RA, the strategic and technical reviews are merged, and one review committee is formed. In case of an emergency, the review committee members can be limited to the cluster coordinator and the HFU.

3.6.3 Monitoring and Reporting

The clusters participate in monitoring the project implementation on GMS from the proposal stage till the end closure of the project.

3.7 Partners

The contributions to the THF are utilized to fund projects carried out by a selected group of humanitarian actors assessed to be eligible for THF funding. This includes UN agencies, NNGOs and INGOs as well as Red Cross/Red Crescent society.

3.7.1 Eligibility

The THF has two different processes to determine the eligibility of prospective partners. The process varies between the different type of partners as follows:

- **UN eligibility**

In order to become eligible for funding from the THF, UN agencies must fill out the Registration Form on the Grants Management System of the Fund (<http://gms.unocha.org/>). UN agencies are required to provide the following:

- name and contact information for the focal point(s);
- legal representative of the organization (and alternate) Bio, contact details and ID;
- address of main office; and
- bank information.

Once the registration and DD form duly filled out has been submitted, the HFU proceeds with its review and approval which determines the eligibility of the agency.

- **NGO and Red cross/crescent eligibility**

The HFU carries out an Internal Capacity Assessment (ICA) of prospective partners. The outcomes of the process determine the partner's eligibility, and its risk level. 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 Table 1.

The process and procedures utilized to assess the capacity of THF prospective Partners are described in the Annex 2 of the OM.

In relation to the THF, the Partners have the following responsibilities:

3.7.2 Application

The PARTNER must familiarize themselves with THF processes and seek advice from the HFU before applying for funding. In close collaboration with the HFU and the clusters, the prospective partner develops and submits a project proposal and budget to the Fund (through the GMS) providing all necessary supporting documents, within the given deadlines (as per the allocation strategy paper), and in a responsive manner.

3.7.3 Implementation

After the approval process, the PARTNER signs a Grant Agreement (GA) which specifies the terms and conditions applicable to the approved project. The PARTNER commits to comply with all the requirements defined in the GA⁴. In particular, the partner shall, at its own expense, comply with all laws and regulations of its country of residence and of operation, if different, and assume all liabilities and obligations imposed by any law or regulation with respect to the implementation of the project under the agreement. The partner also certifies that it is legally registered as a non-governmental, non-profit, non-political organization in the country of the Project implementation, or in the process of registration considering exceptional circumstances in the event of an emergency, and that it has the required legal capacity to enter into the signed GA and implement the project, and that it shall comply with any legislation applicable to it. The partner must also certify that there are no claims, investigations or proceedings in progress or pending or imminent against the organisation. Furthermore, it shall ensure that its Personnel discharge their function free of prejudice and conflict of interest and that sufficient mechanisms are in place to ensure the humanitarian principles are respected.

3.7.4 Monitoring

The partner must have robust internal monitoring and reporting procedures in place. It shall also facilitate the monitoring of the projects in collaboration with the HFU, cluster coordinators and other relevant parties. The OCHA Country Office and HQ reserve the right to organize visits with partners, external experts or donors to review completed or on-going project activities.

3.7.5 Reporting

The PARTNER shall provide narrative and financial reports in line with the reporting requirements stipulated in the GA or otherwise agreed in the AF of the fund. In addition, any constraints (e.g. financial, logistical, security) that may lead to significant changes to the project must be communicated to the DRHC and/or OCHA (HoO and HFU) immediately.

4 Allocations

The THF provides the DRHC with two modalities to allocate funds:

- **Standard Allocation (SA)** (through an open call for proposals) is issued on a periodic basis at the discretion of the DRHC and linked to the priorities of the HRP;
- **Reserve Allocation (RA)** (approximately 10% of the total fund) may be maintained to respond to unforeseen requirements.

4.1 Allocation modalities

4.1.1 Standard Allocation (SA)

The DRHC uses the SA process to support targeted priorities within the HRP. 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. The process of the SA is executed through a number of steps which are outlined below:

1. Allocation strategy development;
2. Submission of project proposals;

⁴ The GA may be modified to accommodate necessary changes in projects.

3. Strategic review;
4. Preliminary approval by DRHC;
5. Technical and financial review;
6. Final approval by DRHC;
7. Disbursement.

The following table provides a snapshot of the workflow for the SA. As mentioned earlier, there are two types of project review: a strategic review of project proposals to ensure alignment with HRP priorities and a technical review to determine the soundness and quality of proposals. The reviews are discharged by respective cluster committees operating separately by cluster.

Table 2: Standard allocation workflow (with indicative number of weeks/days)

Steps	What	Who	Timeline
1. Allocation strategy development	1. Cluster consultations and development of the Draft Allocation Paper	ICCG, HFU	2 weeks
	2. DRHC/AB Strategy Endorsement	DRHC and AB	1 week
	3. Launch of Allocation Paper	HFU	1 – 2 days after the AB feedback
2. Submission of project proposal	<ul style="list-style-type: none"> - The project proposal should address the priorities outlined in the Allocation Strategy Paper. This needs to be supported by clear log frames with outcomes, outputs, SMART indicators and detailed activities; - The complementarity in service delivery and partnerships should be taken into consideration when developing project proposals; - The project proposal must have a detailed budget outlining all the project related expenditures under relevant budget lines; - The budget proposals must reflect the correct and fair budget breakdown of the planned costs and clearly outline units, quantities and percentages. Partners should avoid including only lump sum amounts and use the automated Bill of Quantities inherent in the GMS budget. 	IP	2 to 3 weeks
3. Strategic review	<ul style="list-style-type: none"> - The SRCs verify if the project proposal is in line with the HRP and the allocation strategy and objectives and the assessment is conducted using the scorecard in the GMS. 	Clusters and HFU	1 week
4. Preliminary approval by DRHC	<ul style="list-style-type: none"> - The HFU shares the SRC recommendations with the AB for information and feedback if necessary⁵; - The recommended projects are submitted to DRHC for pre-approval; - The partners with recommended projects are informed of DRHC pre-approval or rejection. 	HFU, AB and DRHC	1 to 3 days

⁵ If the AB does not object within 24 hours, the proposal is considered approved. If the AB objects, the DRHC will have to take the final decision. The DRHC has the power to overrule the advice of the AB.

5. Technical and financial reviews		<ul style="list-style-type: none"> - The TRCs, OCHA HQ/FCS, conduct the technical and financial review of the shortlisted projects; - The HFU shares consolidated technical feedback (cluster and THF) with partner for re-draft; if the project does not meet quality standards thereafter, it will be rejected by the DRHC (maximum of 3 rounds of revisions recommended). 	Cluster and OCHA (HFU, and FCS).	2 weeks
6. Final approval by DRHC	1. DRHC proposals endorsement	Following the clearance of the technical review process the DRHC officially approves the project and the AB will be informed.	AB, DRHC, and HFU	1 week P.S: The deadline for signature will be set jointly with the cluster and must be respected by the prospective partners to proceed.
	2. GA Preparation	The HFU liaises with the PARTNER to determine the start date of the project. The agreed upon start date will be included in the GA (Annex B).	HFU and PARTNER	
	3. DRHC GA signature	The DRHC approves the project(s).	DRHC and HFU	
	4. Partner GA signature	Upon signature by the DRHC, the HFU notifies the partner that the project has been approved, and shared the GA for counter signature. The eligibility of expenditures will be determined by the date of partner's signature of the GA.	IP	
7. Disbursement	1. GA final clearance	Once the partner has countersigned, the GA is sent to OCHA Executive Officer (EO) for the final signature.	EO	10 days maximum
	2. First disbursement	The payment request is processed through OCHA FCS.	OCHA FCS, EO	

4.1.2 Reserve Allocation (RA)

The RA is intended for rapid and flexible allocation of funds in response to unforeseen circumstances, emergencies, or contextually relevant needs. Therefore, the RA requires a strategy/case for funding which may of course be limited in scope and criteria when compared to SA.

In case of an emergency the DRHC can activate a RA to respond to imminent and unforeseen needs. The AB is consulted on the proposed strategy (priorities, timeline and process) and the decision of the DRHC is made with 48 hours. The DRHC, under exceptional circumstances, can launch a RA and notify the AB post factum.

The fund is normally active and open to project proposals based on discussions between the HFU, the cluster coordinators and eligible partners. The RA can be limited to one or more identified projects, nevertheless. However, when it is expected to receive more than one proposal, or when the DRHC has called for a limited competitive process, the RA proposals should undergo a competitive prioritization process through the use of scorecards in the GMS, and the decision to accept project proposals rests with the DRHC.

While It is recommended to keep a maximum of ten per cent (10%) of the available contributions to the THF as a reserve, nevertheless any funding that is not programmed through SAs could be allocated through the RA in case of emergency.

The process of the RA is executed through a number of steps which are outlined below:

1. Allocation strategy development;
2. Submission of project proposal;
3. Strategic, technical and financial review;
4. Final approval by DRHC;
5. Disbursement.

Table 3: Reserve allocation workflow (with indicative number of weeks/days)

Steps		What	Who	Timeline
1. Allocation strategy development	1. Cluster consultations and development of the Draft Allocation Paper	Cluster Prioritization of activities.	Cluster consultations and development of the Draft Allocation Paper	
	2. DRHC/AB Strategy Endorsement	The draft Allocation Paper shared with the DRHC for endorsement.	DRHC/AB Strategy Endorsement	24 hrs
	3. Launch of Allocation Paper	The allocation paper is launched on GMS and cluster coordinators and THF relevant partners are informed accordingly.	Launch of Allocation Paper	1 – 2 days after the notification of the AB
2. Submission of project proposal		<ul style="list-style-type: none"> - The project proposal should address the priorities outlined in the Allocation Strategy Paper. This needs to be supported by clear log frames with outcomes, outputs, SMART indicators and detailed activities; - The complementarity in service delivery and partnerships should be taken into consideration when developing project proposals; - The project proposal must have a detailed budget outlining all the project related expenditures under relevant budget lines; - The budget proposals must reflect the correct and fair budget breakdown of the planned costs and clearly outline units, quantities and percentages. Partners should avoid including only lump sum amounts and use the automated Bill of Quantities inherent in the GMS budget. 	IP	3 to 5 days
3. Strategic, Technical and Financial review ⁶		<ul style="list-style-type: none"> - A joint Review Committee verifies if the project proposals are in line with the HRP and the allocation strategy and objectives; - The strategic assessment is conducted using the scorecard in the GMS; - The Review Committee conducts the technical review of the shortlisted projects; - The HFU shares consolidated technical feedback (cluster and THF) with partner for re-draft; if the project does not meet quality standards thereafter, it will be rejected by the DRHC (maximum of 3 rounds of revisions recommended). <p><u>P.S:</u> It should be possible for partners to re-submit project proposals at least twice upon receiving written comments following technical review. If not feasible to arrange a meeting to conduct the technical review, other options may be considered as long as the quality of the process is maintained.</p>	Cluster committee, and OCHA - HFU, OCHA - FCS.	2 to 5 days
4. DRHC approval	1. HC proposals endorsement	<p>Following the clearance of the technical review process the DRHC will officially approve the project and the AB will be informed accordingly.</p> <p><u>P.S:</u> If the AB does not object within 24 hours, the proposal is considered approved. If the AB objects, the DRHC will have to take</p>	AB, DRHC and HFU	3 to 5 days maximum at the country level <u>P.S:</u> The deadline for signature will

⁶ Strategic and Technical reviews may be combined as per Global Guidelines and Guidance Note on CBPF Allocation Planning regarding Reserve Allocations.

		the final decision. The DRHC has the power to overrule the advice of the AB.		be set jointly with the cluster and must be respected by the prospective partners to proceed.	
2.	GA Preparation	The HFU will liaise with the partner to determine the start date of the project. The agreed upon start date will be included in the GA (Annex B). P.S: If the signature of the GA occurs after the agreed upon start date in Annex B, the date of the signature of the GA takes precedence.	HFU and Partner		
3.	DRHC GA signature	DRHC approves project	DRHC		
4.	Partner GA signature	Upon signature by the DRHC, the HFU notifies the partner that the project has been approved, and sends the GA for counter signature. Eligibility of expenditures will be determined by the date of partner's signature of the GA.	IP		
5.	GA final clearance	Once the partner has countersigned, the GA is sent to OCHA Executive Officer (EO) for the final signature.	EO		
6.	Disbursement	First disbursement	The payment request is processed through OCHA FCS.	OCHA FCS, EO	10 days maximum

4.2 Allocation criteria

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

- **Partner eligibility and capacity:**
 - approved THF DD and CA,
 - confirmed active cluster membership targeted cluster(s) with proven technical capacity to apply to this allocation,
 - partner's performance with the THF (shared with the existing THF partners), including recent audit findings and spot check reports;
- **Grant ceiling:** the ceiling per project per allocation is defined based on the partner risk level and project duration, as outlined in the Operation Modalities;
- **Adherence to humanitarian principles:** support a principled humanitarian response to the vulnerable newly displaced people;
- **Access:** proven existing operational presence and confirmed independent access during/throughout the proposed timeline of the project in the areas of operation within the relevant sector/activities prioritized for this allocation; the location of the project must be clearly identified;
- **Strategic relevance:** clear linkage to HRP strategic and cluster(s) objectives, compliance with the terms of the THF allocation strategy as described in the allocation strategy paper, and alignment of activities with areas of special focus of the Fund;
- **Technical soundness and cost effectiveness:** the proposal meets technical requirements and cluster technical guidelines to implement the planned activities; and the budget is fair, proportionate in relation to the context, and adequate to achieve the stated objectives;
- **Respect of the Allocation timeline and process:** this includes the submission and the deadlines set by the clusters for the review process;
- **Needs-based:** the needs are well explained and documented and beneficiaries are clearly described;
- **Appropriateness:** the activities are adequate to respond to the identified needs;
- **Risk management:** assumptions and risks are comprehensively and clearly spelled out, along with risk management strategies;

- **Monitoring:** a realistic monitoring and reporting strategy is developed in the proposal. The THF encourages the use of participatory approaches, involving affected communities in needs assessment, implementation and monitoring and evaluation;
- **Complementarity with other funding:** proposal recommending activities that have received funding from other sources should be weighted more favorably than activities that have no other funding, unless justified by the cluster with solid needs analysis. Cluster partners are requested to provide most up to date funding update on FTS;
- **Value for Money:** projects that can demonstrate the most 'value for money' (e.g. maximum outcome and beneficiary reach for each dollar invested and effectiveness of the intervention) relative to the project budget are prioritized;
- **Time criticality:** in accordance with the cluster strategies, the allocations prioritise time sensitive activities, i.e. activities that are most urgent in nature and require immediate response that cannot be postponed;
- **Protection, gender, age and disability mainstreaming:** the allocation promotes protection, gender, age and disability mainstreaming and to check the extent to which appropriate measures have been integrated into project design;
- **Environment Marker:** the CRCs verify to which extend the project design is respecting the environmental measures (when it applies);
- **Deconfliction:** The prospective partner is **encouraged to deconflict** their humanitarian project sites through the process established by the Humanitarian Liaison Group in Gaziantep. Though no guarantees can be provided, de-confliction provides options for protection for humanitarian staff and assets in accordance with international humanitarian law.

4.3 Project Duration

The implementation of the THF funded projects should not exceed twelve (12) months from the project start date as indicated in the final approved project documents. Exceptions can be made by the DRHC when a longer duration is necessary to meet programmatic requirements.

The project pre-financing is limited only to the budgeted costs (of the approved project proposal) incurred in the interim period between the project's approval start date (first possible start date is the date when the DRHC and the partner have both signed the GA) and the date of actual cash disbursement to the recipient project.

If necessary, the Partners can request project revisions and/or No-Cost Extension (NCE) to re-program and/or extend the duration of the grant.

4.4 Grant value

The Handbook for CBPFs grant ceiling determines the maximum amount that a partner can receive per project. The THF partners' grant ceiling is defined based on the partner risk level and project duration, as outlined in the Operational Modalities.

A THF partner can submit **only one project per allocation**. The project could include one or more cluster.

While the ceiling per partner does not vary between a standard and reserve allocation, the recommended minimum limit per project is **\$ 250,000** for SA and **\$ 100,000** for RA.

Exceptions on the above can be determined by the DRHC and ceiling(s) can be amended per allocation or partner in consultation with the AB.

4.5 Grant Management System (GMS)

The GMS is a web-based platform that supports the management of the entire grant lifecycle for all CBPFs. It is a mandatory tool for the THF and a fundamental management instrument for the fund manager.

The GMS promotes efficiency, effectiveness and supports risk management. GMS harmonizes business processes while catering to the special needs of each fund. The system strengthens OCHA's data analysis and information management capacity. The GMS streamlines allocations and facilitates interaction among all stakeholders involved in the grant management process, supporting them in discharging their functions. GMS allows grant recipients to submit project proposals online. Financial and narrative reporting can therefore be done in real time, together with any project revisions. The system provides for real time tracking of processes, tasks, reminders and feedback. The GMS is a robust mechanism allowing fund managers to oversee and monitor business processes. The system is integrated with other relevant online systems, including OCHA Contribution Tracking System, OCHA FTS, and other databases as necessary. This real time access to data allows OCHA to quickly provide information and analysis on questions raised both at the field and HQ level. The GMS strengthens OCHA capacity to effectively implement a risk-based management approach. The system supports fund managers in the implementation of THE DD process and agreed upon control mechanisms. The GMS also allows for proper monitoring and accounting of fund management performance. The system monitors the speed and the quality of different processes, including allocations, disbursement of funds, monitoring, reporting and audits.

The GMS Business Intelligence (BI) modules are publicly accessible and will provide real time data, including commitments, contributions, allocations, recipient partners, geographical coverage, and funding distribution among clusters.

For all the reasons mentioned above the THF partners will no longer be anonymous on the public BI page on the GMS.

5 Accountability Framework (AF)

As the level of operational, financial and reputational risks are considered to be substantial in Turkey within the Syrian Crisis Context; the THF AF is based on a comprehensive risk management model; which aims at linking principles of due diligence, performance and CA throughout the project cycle.

This section provides an overview of the four following pillars of accountability under the THF:

Pillar One: CA of partner and risk management;

Pillar Two: Monitoring and reporting;

Pillar Three: Evaluation; and

Pillar Four: Auditing.

The objective is to manage risk and verify performance in line with the THF strategy and approved project plans. The AF will be endorsed by the DRHC in consultation with the AB who ensures adequate resources are allocated under the THF to the proposed activities to guaranty its full implementation. Once endorsed, the framework will serve as an operational tool to guide how and when partners will be assessed and determined eligible for THF funding. The AF will outline the requirements for monitoring and reporting; the basis on which evaluations and audits will be carried out; the parties responsible for each pillar of accountability; key actions to be taken; and the resources necessary for ensuring overall accountability.

5.1 Risk Management

The management of the THF will be based on a risk-based approach to ensure a thorough analysis of risks is undertaken and that adequate assurance modalities are identified to mitigate these risks.

The 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.

The risk management process includes the following:

- Establish context;
- Risk identification;
- Risk analysis;
- Risk evaluation;
- Risk treatment;
- Monitor and review of the risk identified; and
- Communication and consultation around the identified and potential risks.

The risks are analysed at the level of the partner by undertaking DD activities and a comprehensive ICA (the category /score of the partner risk will determine the funding instalments and reporting frequency); as well as at the level of the fund. Funding decisions should take into account risk analysis at both levels suggesting the appropriate assurance mechanisms.

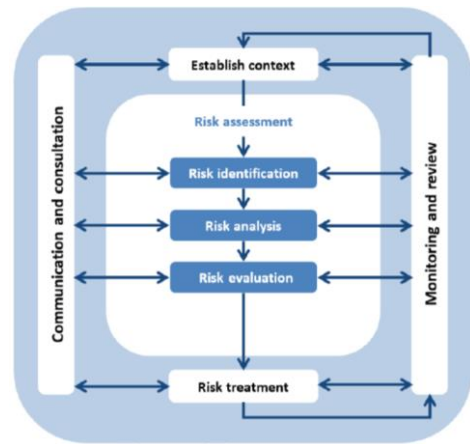


Figure 1: Risk Management Process

5.1.1 Risk Management at the Fund Level

A number of strategic, programmatic, financial and management risks are inherent as part of the administration of any funding mechanism. It is therefore essential to have in place a risk management framework to assist the DRHC in making strategic decisions that maximise the ability of the THF to achieve its objectives. This will ensure that priority risks are mitigated, initially at the fund level, but also at the global level in the context of OCHA's corporate risk registry.

Risks in the context of the THF are not limited to agencies that receive funding and implement projects. Risk management is closely related to strategy and covers the full range of risks that may affect the achievement of fund's objectives.

The THF Risk Management Framework broadens the definition of risk beyond programmatic and financial risks associated with partners, and identifies the key factors of risks faced by the fund in the national context. Based on the likelihood and potential impact of the risks identified, a heat map is developed that allows to classify risks and to highlight the most pressing ones. Based on the heat map, an action plan is developed to outline strategies to mitigate or prevent the risks faced by the fund. The fund-level risk analysis clearly spells out residual risks to enable informed decision-making based on full knowledge of the potential consequences.

The Strategy is intended to be a live document that will be regularly updated depending on the changing circumstances. The HFU will update the AB on the implementation progress of the risk treatment actions that have been taken at the quarterly AB meeting. The AB will advise the DRHC accordingly on the critical risks, assessment of the critical risks and outstanding action plans.

5.1.2 Partner-level risk management (Risk-based Grant Management)

In line with the Operational Handbook for CBPFs, there are four components to risk-based grant management:

- The Capacity Assessment (CA) of NGO partners, including reference to registration and due diligence;
- The operational modalities;
- The performance management;
- The compliance mechanisms.

NGOs interested in applying for funding under the THF have to participate in a ICA process to become eligible as partners. This is one of the four major pillars of the THF AF. The main aim is to ensure that the HFU is equipped with the necessary information about the capacities of the non-governmental partners with access to THF funding.

The ICA is open to interested prospective partners throughout the year⁷. The process is comprised of four inter-linked steps as follows:

- **Step 1: Registration**

Prospective partners initiate the process to become a partner and request access to GMS by contacting the HFU (ochahpf@un.org) and submitting a copy of registration certificate (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 GA and the disbursement process.

- **Step 2: Due diligence**

Once the registration process is concluded, the partner is granted access to the GMS (gms.unocha.org) and the DD process begins. A thorough review of DD applications and documents is performed by the HFU 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 DD requirements and forms in the GMS within a maximum of two weeks - see Annex 2.1.a and Annex 2.1.b.

As mentioned previously, the DD is not required for UN agencies.

The DD documents are collected on GMS. The DD will be only approved if all the required information and documents are successfully submitted to the HFU. Once the DD process has been finalized and the partner has been approved on GMS, the organization will undergo a CA (step 3) to determine their eligibility for funding and risk rating.

- **Step 3: Capacity assessment (CA)**

In order to be eligible for funding, NGOs must undergo a CA to determine their eligibility and risk rating. One of the major pillars of the THF AF, the objective of the CA is to systematically review the institutional, technical, management and financial capacities of the partner, and to ensure that the THF has the necessary information to make an informed decision about eligibility and initial risk rating.

The THF applies **Internal Capacity Assessment (ICA)** on all prospective partners which will be required to submit the documents listed in the ICA checklist (Annex 2.2) by email or hard copy as agreed with OCHA/HFU. The assessment and scoring will be done in the GMS using the THF ICA feature.

An ICA global questionnaire (Annex 2.3) is used to capture key elements of THF partner's capacity in the following categories:

1. DD;
2. Governance and Institutional Capacity;
3. Programmatic Response Capacity;

⁷ The HFU will prioritise the review of the applications of humanitarian actors operating in geographical areas with limited coverage.

4. Coordination and Partnership Capacity; and
5. Financial Capacity.

Table 4: ICA weight per category

ICA Categories ⁸		Weight	Note
A	Due Diligence	YES/NO	If an organization does not have approved CBPF 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	A minimum of 15 points is a compulsory requirement to be eligible for THF funding. The ICA takes into account and, whenever possible, the results of an existing Harmonized Approach to Cash Transfers (HACT). An NGO's HACT result will be used to score Category E of the ICA as follows: High = 0; Significant = 10; Medium = 20; Low = 30 ⁹
Total Weight		100	

The assessment is conducted by an integrated HFU (Finance/programme) team and it includes two components:

1. **A desk-based review** of the documents provided by the partner. On conclusion of this step ICA, the HFU will let the organization know if the application can proceed to the next step of the process.
2. **Interviews** with the organization's staff members; where possible visits to the organisation's offices, and interviews with key informants such as previous/existing donors and partners, as well as cluster leads¹⁰ and members.

The timeline for the CA review is about three to four weeks and results are shared with the applicant. The ICA takes into account and, whenever possible, encompasses existing assessments such as Harmonized Approach to Cash Transfers (HACT).

On exceptional basis, if conducting an ICA is not possible due to extenuating circumstances security concerns or lack of access for example, then an alternative proxy CA may be considered following AB and DRHC approval for modality and costs.

It is at the discretion of DRHC and in consultation with the AB to add any new mandatory or optional requirements to the registration, due diligence and/or the ICA. The new requirements could be applied on new partners or retroactively on all eligible partners of the THF.

- **Step 4: Risk Rating**

Based on the score obtained during the CA, eligible partners will be categorized in three risk-level categories: low, medium and high. The resulting risk level will determine the operational modalities and control mechanisms that are applicable as defined in the THF's AF. 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.

⁸ The categories and weights in the ICA questionnaire are fixed globally.

⁹ This measure will be applied on existing THF partners as endorsed by the AB on 04 May 2018.

¹⁰ The list of prospective partners will be shared with the respective cluster lead to verify the active membership and the technical expertise of each applicant per cluster, as well as the level of implementation inside Syria (through the 4Ws).

The risk rating in the below table will be applicable on new prospective partners and exiting THF partners based on their performance with the fund.

Table 5: Partners' risk level

Organization Score (in percentage)	Eligibility
91 – 100	Organisation is eligible as a Low Risk partner.
71 – 90	Organisation is eligible as a Medium Risk partner.
51 – 70	Organisation is eligible as a High Risk partner.
0 – 50	Organization is not eligible. A new submission for CA can be considered by the THF six (6) months after this review date.

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.

The partner CA reflects the capacity of a partner at one particular point in time. As a partner implements projects, OCHA will review and score the partner on its implementation of THF projects and the performance of partners as well as new any other development (such as an update of the partner's manuals and policies; other donors' audit reports) will be used alongside the original CA to determine and adjust the risk level.

Partners who do not qualify and are considered ineligible¹¹ are given another opportunity to approach the HFU after **six months**¹², provided that they can demonstrate that the elements that caused the rejection have been addressed.

Eligible partners that have not implemented THF projects for more than **two consecutive years** will be required to undergo a new CA.

The grant ceilings are defined based on the partner risk level and project duration, as outlined in the following Operational Modalities and control mechanism table.

As mentioned earlier, under exceptional circumstances, the limits on the "Maximum amount per project" and the number of "Disbursements" can be reviewed by the DRHC based on solid programmatic reasons, duly explained and documented.

Exceptions to the operational modalities shall be submitted through OCHA HQ/FCS for approval to the EO (or a duly delegated officer). In the case of projects implemented by UN agencies, 100 per cent of the approved budget will be disbursed upon signature of the GA.

¹¹ The HFU will develop a performance plan for Partners made non eligible and have on-going projects funded by the THF. The plan will be endorsed by the DRHC and is expected to be respected by the partner until the end of the implementation.

¹² The six months will be waived exceptionally in 2018 for the partners made ineligible based on the increased thresholds. Therefore, a partner made ineligible for the first 2018 Standard Allocation can approach the HFU to review its respective ICA once the process is in place.

Table 6: Operational modalities and control Mechanisms

Risk Level	Project Duration months	Project Value (\$K)	Disbursement			Financial Reporting			Progress	Narrative Reporting		Monitoring			Audit
			1st Tranche	2nd Tranche	3rd Tranche	For disbursements	31-Jan	Final		Progress report count	Final	Programme monitoring	Financial check	Spot	
Non-governmental															
H*	<7	< 250	60	40	-	1	1	1	1	1	1	1	1	1	
		250 - 500	50	50	-	1	1	1	1	1	1	1	1	1	
	7 - 12	<250	40	40	20	1	1	1	1	2	1	1	1		
	7 - 10	250 - 800	40	30	30	1	1	1	1	2	1	1	1		
	10 - 12	250 - 800	40	30	30	1	1	1	1	3	1	1	1		
M*	<7	< 250	100	-	-	0	1	1	1	1	1	0	0		
		250 - 700	80	20	-	1	1	1	1	1	1	1	0		
	7 - 10	< 250	80	20	-	1	1	1	1	1	1	0	0		
	10 - 12	< 250	80	20	-	1	1	1	1	1	1	1	1		
	7 - 12	250 - 1200	60	40	-	1	1	1	1	1	1	1	0		
L*	<7	<400	100	-	-	0	1	1	0	0	1	0	0		
		>400	80	20	-	1	1	1	0	0	1	0	0		
	7 - 12	<400	100	-	-	0	1	1	1	1	1	1	0		
		>400	80	20	-	1	1	1	1	1	1	1	1	1/ partner / YEAR of implementation	
UN agencies															
H	<7	< 250	100	-	-	0	1	1	1	1	1	1	1	-	
		250 - 500	100	-	-	0	1	1	1	1	1	1	1	-	
	7 - 12	< 250	100	-	-	0	1	1	1	2	1	1	-		
	7 - 10	250 - 800	100	-	-	0	1	1	1	2	1	1	-		
	10 - 12	250 - 800	100	-	-	0	1	1	1	3	1	1	-		
M	<7	< 250	100	-	-	0	1	1	1	1	1	0	-		
		250 - 700	100	-	-	0	1	1	1	1	1	1	-		
	7 - 10	< 250	100	-	-	0	1	1	1	1	1	0	-		
	10 - 12	< 250	100	-	-	0	1	1	1	1	1	1	-		
	7 - 12	250 - 1200	100	-	-	0	1	1	1	1	1	1	-		
L	<7	<400	100	-	-	0	1	1	0	0	1	0	-		
		>400	100	-	-	0	1	1	0	0	1	0	-		
	7 - 12	<400	100	-	-	0	1	1	1	1	1	0	-		
		>400	100	-	-	0	1	1	1	1	1	1	-		

* High: H; Medium: M; Low: L

5.2 Compliance mechanism

Through the aforementioned accountability mechanisms, the DRHC will aim to safeguard programmatic and financial management of HFs. Compliance measures enables the DRHC to address non-compliance with the legal terms agreed between the fund and the recipient organization, especially related to the following types of situations:

1. Overdue financial or narrative reports;
2. Non refund of unspent funds;

3. 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);
4. Critical findings from monitoring and financial spot checks;
5. Violation of humanitarian principles and code of conduct (including PSEA);
6. Indication of possible fraud, corruption or misuse of funds;
7. Breach of the GA and/or the DD declarations.

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 (see Annex 2). 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 relevant contractual agreement, the DRHC, through the HFU, will take progressive actions to address partners' behavior. Amicable solutions should be pursued to the extent possible.

5.3 Monitoring and Reporting (M&R)

Implementing partners to THF are expected to have adequate internal mechanisms for project management, reporting and monitoring. The capacity of each organization will be verified during the CA, during the project approval process and finally during the monitoring and reporting phase. Project performance information is effectively generated through internal mechanisms developed by the THF partners. The role of THF management is to collect, organize and provide quality control of the information that has been generated through these mechanisms.

The partners (UN Agencies and NGOs) have to share their THF funded project and other associated evaluation reports with the HFU when available.

Appropriate monitoring methodologies are applicable on the THF partners in reference Operational Modalities as for the reporting timelines they are determined according to each partner's risk level and indicated in the GA. Both financial and narrative reporting is conducted over GMS.

The DRHC is responsible for ensuring that a representative sample of projects funded under a HFU are effectively monitored through appropriate monitoring modalities. The HFU is further responsible for coordinating monitoring efforts and ensuring that monitoring of projects is carried out.

5.3.1 THF Project Monitoring Modalities

The THF identified the following monitoring approaches as a source of information for verifying outputs and results of the funded projects.

5.3.1.1 Third Party Monitoring (TPM)

Third Party Monitoring (TPM) is considered the main monitoring approach suitable for THF due to lack of physical access to the project implementation locations by OCHA staff and the cluster. This approach enables the THF to obtain independently verified information about the status of implementation of funded projects inside Syria, with emphasis on the achievement of project outputs. The approach combines field visits and desk reviews of available fund-related documentation (e.g.,

project proposals and any other relevant information/documentation).

HFU is responsible for the following:

- preparing TPM plan as per the OM;
- developing the Terms of Reference (TOR) for contracting external expertise for TPM;
- establishing TPM management process; and
- facilitating the implementation of selected TPM.

5.3.1.2 OCHA Field Assistants (FAs) Monitoring

The Field Assistants (FAs) projects is a monitoring activity coordinated by the OCHA Access team. It aims at gathering relevant information on the humanitarian situation from various locations inside Syria as an additional source of information to the HRP assessment and planning exercises.

The FAs capacity will be used on an ad-hoc basis to verify the progress and the quality of the implementation of selected projects' activities. The monitoring is conducted after a partner has submitted progress narrative report with certain accomplishments.

5.3.1.3 Programmatic spot-check

The Programmatic spot-check is an additional monitoring exercise introduced by the HFU in 2017. With the limited access to the field and the increased risk of the implementation, the HFU had to identify other means of verification of the implementation and the progress of the activities.

The Programmatic spot-check visit, to the partner's office in Turkey, takes place once after a partner has submitted progress narrative report with an important level of achievements. The exercise allows to identify key reported output/result and discuss with the partner's key staff the planned activities.

The Programmatic spot-check are prioritized for projects not programmed for TPM, it is recommended to conduct at least one programmatic spot-check per partner, to the extent possible the visit has to be scheduled together with the financial spot-check.

5.3.2 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 addition, any constraints (e.g. financial, logistical, security) that will lead to significant changes to the project must be communicated to the DRHC and/or OCHA immediately.

The narrative and financial reporting requirements for NGOs are determined according to the Operational Modalities. The partner's reporting requirements (type and schedule) are determined based on the risk level of the partner, the duration and the size of the project. Reports must be submitted by the dates specified in the GA.

In line with the operational modalities described above, the number and percentage of each disbursement, as well as the narrative and financial reporting requirements will be clearly stipulated in the GA between OCHA and the partner. Therefore, partners who will receive their grant in more than one tranche will submit financial statements when requesting the next disbursement (the 2nd and subsequent instalments for NGOs could be requested upon expenditure (no commitments) of 70 % of the previous instalment received).

Depending on the partner risk level and/or spot-check findings and/or context changes, the HFU may request additional financial reporting. The frequency of additional reporting is decided by the HFU on a case by case basis.

5.4 Roles and Responsibilities

Effective monitoring relies on agreement on the roles and responsibilities of all stakeholders (OCHA,

Partner, Clusters, etc.) during the different stages: preparation; monitoring and reporting. OCHA, in consultation with the AB, will ensure that there is adequate staffing within the HFU to ensure correct Monitoring and Reporting (M&R) functions, such as:

- Developing, maintaining and updating a comprehensive THF monitoring plan;
- Reviewing and analysing information collected through monitoring activities and reporting;
- Evaluating the performance of the partner.

As for the clusters, their role starts at the project's review stage by ensuring the following:

- The proposals have sufficient M&R and AAP arrangements;
- The project log has a clear link between project objectives and activities, and have standardized output indicators identified in the HRP.

The clusters also provide assistance during monitoring and review monitoring reports and assist in developing recommendations and action points for partners.

5.5 Performance Index (PI)

As eligible partners implement projects, their risk level will be adjusted by their Performance Index (PI) score. This tool is a key part of the AF, and will allow OCHA to have an up to date rating of partner performance.

The rating of the performance of partners (UN and NGOs) in the implementation of projects will be used alongside the original capacity assessment to determine and adjust as necessary partner risk levels. During project implementation, the following categories of partner performance are tracked and scored:

- The quality and timeliness of submissions of project documents (proposals, budget and concept notes);
- The quality and timeliness of implementation against approved targets;
- The quality and timeliness of reporting;
- The frequency, timeliness and justification of project revision requests;
- The quality of financial management; and
- The audit findings.

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

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

*audit findings are not applicable for UN projects

The PI score is captured in GMS and is used along with the original capacity assessment score to determine the performance score and risk level. The scoring and the weighting are standardized across funds and the GMS will make the calculations automatically.

The score from PI will progressively be given more weight and the capacity assessment score will become less significant as partners implement more projects. In other terms, 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 2.4.

The scores assigned to the partner in each of these factors will be summarized in a Partner Performance Index (PI). The overall risk rating score will therefore be updated in January of each year¹³ 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.

The PI score can be used to assess future funding decisions and frequency of monitoring. 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 on the basis of poor performance. Ineligible partners can re-apply for capacity assessment **one year after being rendered ineligible**, provided that they can demonstrate that the elements that caused the poor performance have been addressed.

5.6 Audit

UN agencies are subject to internal oversight audit systems and other mechanisms established by their respective governing bodies. NGO partners receiving funds from the THF are subject to external audit by the THF.

The external audit is an oversight mechanism and an essential component of the AF. It enhances the transparency and sound financial management of resources allocated through the THF.

External audits allow the DRHC to obtain evidence-based assurances on the use of funds transferred to NGOs. In particular, external audits help to mitigate financial risks, including the misuse of resources and fraud; identify weaknesses in financial and operational management and recommend critical improvements; and identify ineligible expenditures.

External audit findings provide essential feedback to the partner and the system, promoting continuous improvement of NGO financial and operational management and performance, and enabling the DRHC to make better-informed funding decisions.

When the audit shows critical (high risk) findings/qualified audit opinion of non-compliance of the partner with the requirements described in this handbook and reflected in the contractual agreement or a violation of any other obligations stemming from the contractual agreement (e.g 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) OCHA will progressively take corrective actions commonly referred to as compliance measures (Annex 15, 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 HFU will keep a log of all audit findings to ensure that partners address previous findings on management weaknesses before applying for new THF funding. The audit results will feed into the performance of the grantees.

¹³ The PI will be applied on THF partners for the first time in 2018. Therefore, the CA scores will be amended based on the PI results of the projects funded between 2014 and 2017. The scores of new projects will be captured in a partners' performance evaluation plan developed by the HFU.

As mentioned in the THF operations modalities, the THF applies a project-based approach to audit funded NGOs. Within a three years' period, all NGO partners funded by the THF must be audited. Therefore, OCHA Turkey Office shall maintain the validity of the audit service Long-Term Agreement (LTA) to ensure it does not expire before a new LTA has been obtained, or that the existing LTA has been extended. The costs of auditing services will be covered by the THF as part of the donors' contributions to the Fund.

While the THF will continue to maintain the project-based approach audit, OCHA HQ is looking into a risk-based approach to audit partners, the aim is to maximize the objective of the audit as an oversight mechanism. Therefore, the partner-risk level and allocation amounts will not be the sole basis to determine the sample. Safeguards will be applied while defining audit plans and specific thresholds and percentages will be determined later between the THF and OCHA HQ.

5.7 Appeals Process and Arbitration

Stakeholders with insufficiently addressed concerns or complaints regarding the THF processes or decisions can at any point in time contact the OCHA HoO with these concerns on ochaHF@un.org. Complaints will be compiled, reviewed and raised to the Humanitarian Coordinator, who will then take a decision on necessary action(s). The DRHC will share with the AB any such concerns or complaints and actions taken thereof.

5.8 Complaint mechanisms

General feedback from partners or stakeholders regarding the THF can be sent to ochathffeedback@un.org, and will be answered by the pertinent focal point within the Humanitarian Financing Unit, in order to fully address or answer the issue raised by the sender.

The following email address is available to receive feedback from stakeholders who believe they have been treated incorrectly or unfairly during any of the THF processes. OCHA will compile, review, address and –if necessary- raise the issues to the DRHC, who will then take a decision on necessary action.

6 Administration of the THF

This Section outlines some administrative rules and regulation as described in the Global Handbook for CBPFs, such as budget preparation and project's changes.

6.1 Budget preparation principles

A clear segregation of duties underpins the preparation, review and clearance of the project budget. This is critical to preserve the country-driven nature of CBPFs and necessary to ensure central and internal controls to reduce the risk of approving erroneous or inappropriate project. In this regard, fund managers in the field, certifying finance officers at HQ, and partners have the following specific roles and responsibilities:

6.1.1 Fund managers are responsible to ensure that:

The principles of economy, efficiency, effectiveness, transparency and accountability are adhered to in the sense that the project budget inputs are commensurate with the planned activities and the expected outputs, more specifically, that the project budget is a correct, fair and reasonable reflection of the project proposal/logical framework;

- The cost estimates are reasonable in the specific country context so that funding will be used in the most efficient way.

6.1.2 The role of certifying finance officers in HQ is to:

- Verify the budget's factual correctness, checking coherence with the project proposal and logical framework;
- Flag concerns and seek clarification from fund managers on issues that may compromise compliance with UN rules and affect financial transparency and accountability.

6.1.3 In the budgeting process, partners are expected to:

- Provide a correct and fair budget breakdown of planned costs that are necessary to implement activities and achieve the objectives of the project;
- Use and comply with the budget template (Global CBPF Guidelines Annex 9 a and b: Project Budget and Financial Reporting Tool) and guidance provided by OCHA for the classification and itemisation of planned costs;
- Provide a budget narrative (as an essential component of the budget) that clearly explains the object and the rationale of every budget line. For example, shared costs, expensive assets, and costs/equipment required to support the regular operation of the partner, are clear cases that require a budget narrative.

6.2 Eligible and Ineligible Costs

The Global Handbook for CBPFs presents a list of rules and regulation of cost breakdown as described below:

6.2.1 Eligible costs

The eligible costs must:

- be necessary and reasonable for the delivery of the objectives of the project.
- comply with the principles of sound financial management, in particular the principles of economy, efficiency, effectiveness, transparency and accountability;
- be identifiable in the accounting records and backed by original supporting evidence as incurred in accordance with the approved project proposal and period.

These may include:

- All staff costs (including salaries, social security contributions, medical insurance, hazard pay (when applicable) and any other cost included as part of the salary benefits package of the organization;
- Salaries and costs may not exceed the costs normally borne by the partner in other projects;
- Costs for consultancies involved in the implementation of the project;
- Support staff costs at country-level directly related to the project;
- Travel and subsistence costs directly linked to the project implementation for project staff, consultants, and other personnel that may also be eligible, provided the costs do not exceed those normally borne by the partner;
- A contribution to the partner's Country Office costs, as shared costs charged on the basis of a well explained calculation and reasonable allocation system. Shared costs must be itemized;
- The financial support to beneficiaries, including cash and voucher-based distribution;
- Purchase costs for goods and services delivered to the beneficiaries of the project, including quality control, transport, storage and distribution costs;
- Costs related to non-expendable items (assets) such as equipment, information and technology equipment for registration and similar field activities, medical equipment, water pumps and generators;
- Expenditure incurred by the partner related to awarding contracts required for the implementation of the project, such as expenses for the tendering process;
- Costs incurred by sub-implementing partners, directly attributable to the implementation of the project;

- Other costs derived directly from the requirements of the GA such as monitoring, reporting, evaluation, dissemination of information, translation and insurance, including financial service costs (in particular bank fees for transfers).

6.2.2 Ineligible costs

The following costs are ineligible:

- Costs not included in the approved budget (taking into consideration duly approved budget revisions);
- Costs incurred outside the approved implementation period of the project (taking into consideration duly approved no-cost extensions);
- Debts and provisions for possible future losses or debts;
- Interest owed by the partner to any third party;
- Items already financed from other sources;
- Purchases of land or buildings;
- Currency exchange losses;
- Cessions and rebates by the partner, contractors or staff of the partner of part of declared costs for the project;
- Government staff salaries;
- Hospitality expenses, provision of food/refreshments for project staff (not including water and hospitality for trainings, events and meeting directly related to project implementation);
- Incentives, mark-ups, gifts to staff;
- Fines and penalties;
- Duties, charges, taxes (including VAT) recoverable by the partner;
- Global evaluation of programmes;
- Audit fees/system audit fees – these costs are paid directly by the fund.

6.2.3 Other Types of costs

On a case-by-case basis and depending on the objectives of the fund, the fund manager retains the flexibility to consider the following costs as eligible:

- Government staff training as a component of a project activity that contributes to the achievement of the overall project objectives;
- Visibility material of the partner directly related to projects funded by THF International travel costs when directly linked to the delivery of the project objectives. When international travel costs are requested to support additional activities outside those of the project, such costs can only be considered if they are well justified and in the proportion attributable to the project;
- Vehicles;
- Depreciation costs for non-expendable/durable equipment used for the project for which the cost is not funded in the current budget or prior THF funding;
- Equipment for the regular operations of the partner;
- Recurrent costs for the partner's current operations.

6.3 Direct and Indirect Costs

There are two categories of eligible expenditures: direct costs and indirect costs.

6.3.1 Direct Costs

Direct costs have to be clearly linked to the project activities described in the project proposal and the logical framework. They are defined as actual costs directly related to the implementation of the project to cover the costs of goods and services delivered to beneficiaries, and the costs related to the support activities (even partial, such as a security guard or a logistician partially working for the

project), required for the delivery of services and the achievement of the project objectives. Thus the direct costs include:

- Staff and related personnel costs, including consultants and other personnel;
- Supplies, commodities, materials;
- Equipment;
- Contractual services;
- Travel costs, including transportation, fuel, and daily subsistence allowances for staff, consultants and other personnel linked to the project;
- Transfers and grants to counterparts;
- General operating and other direct costs including security expenses, office stationary, and utilities such as telecommunications, internet, office rental and other direct costs, including expenses for monitoring, evaluation and reporting, related to the implementation of the project.

6.3.2 Indirect Costs

Indirect costs are referred to as Programme Support Costs (PSC). PSC are all costs that are incurred by the partner regardless of the scope and level of its activities and which cannot be traced unequivocally to specific activities, projects or programmes. These costs typically include corporate costs (i.e. HQ and statutory bodies, legal services, general procurement and recruitment etc.) not related to service provision to a particular project. PSC is charged as a maximum 7 per cent of the approved direct expenditures incurred by the partner. The PSCs of sub-implementing partners associated to the implementation of a specific project must be covered by the overall maximum 7 per cent of the actual project expenditures.

Indirect costs do not have to be itemized in the project budget.

6.3.3 Shared Costs

Sharing costs between different donors and projects under a country programme of a partner is an acceptable practice for CBPFs. The partner may share certain Country Office costs to different uses and projects, for example staff, office rent, utilities and rented vehicles. The following guidance applies to shared costs in the project budget:

- All shared costs must be directly linked to project implementation;
- All shared costs must be itemized in the budget, following standard accounting practice and based on a well-justified, reasonable and fair allocation system, to be clearly explained in the budget narrative of the project and assessed and approved by the HFU;
- The partner should always be able to demonstrate how costs were derived and explain in the project proposal/logical framework how the calculation was made (e.g. pro-rata, averages).
- If a position is cost-shared, the percentage of the monthly cost corresponding to the time that the person will dedicate to the project shall be budgeted. Portions of a unit may not be budgeted as staff costs; only percentages are acceptable;
- Non-staff shared costs must be shared on the basis of an equitable cost allocation system;
- Accordingly, the percentages in the budget are to be assessed and approved by the HFU;
- Shared-costs, including staff-related costs, should be charged for the entire duration of the project. If this is not possible, the rationale of the apportionment must be explained in the budget narrative.

6.3.4 Guidance on itemization of budget lines

Each budget line requires the following cost breakdown:

- Itemize each national and international staff, consultant and other personnel by function, and provide unit quantity and unit cost (monthly or daily rates) for each staff position;
- Any budget line whose total value exceeds \$10,000 (as cumulative value) requires a clear explanation of the calculation in the budget narrative;

- When budget lines contain costs of multiple items (exceeding \$10,000) a budget breakdown should be included in excel listing item, unit, quantity, value or cost (per unit and total cost);
- Documentation must be uploaded in the GMS;
- Provide unit or quantity (e.g. 10 kits, 1,000 metric tons) and unit cost for commodities, supplies and materials to be purchased. The budget narrative should properly reference unit measures (length, volume, weight, area, etc.);
- Provide technical specifications for items whose unit cost is greater than \$10,000;
- Provide technical specifications for items whose unit costs can greatly vary based specifications (e.g. for generators, a reference to the possible range of power would be sufficient to properly evaluate the accuracy of the estimated cost);
- Provide details in the budget narrative so that the objective of the budget line can be clearly identified;
- Itemize general operating costs (e.g. office rent, telecommunications, internet, utilities) for project implementation providing quantity and unit cost. A lump sum for operating costs is not acceptable.
- Travel costs can be estimated as long as the calculation modality is accurately described in the budget narrative (e.g. providing estimates on the number of trips and average duration in days, daily subsistence allowance rates, etc.);
- Travel (In-country and International) or International travel: estimate number of trips and cost per trip;
- Provide list of items and estimated cost per item for kits when the cumulative budget line value exceeds \$10,000;
- Provide the list of items for globally standardized kits such as Post-Exposure Prophylaxis kits and Interagency Emergency Health Kit. This does not include standard kits agreed upon in each country;
- In the case of construction works exceeding \$10,000, only labour costs and known essential materials may be budgeted and itemized, providing unit/quantity and unit cost. The budget narrative should explain how construction costs have been estimated on the basis of a standard prototype of building (e.g. latrine, health post or shelter), type of materials (e.g. wood, prefabricated or brick/cement/concrete) and the formula or rationale used to estimate construction cost (e.g. per square foot or meter or previous experiences);
- The partner is responsible and accountable to ensure the budget(s) of the sub-implementing partner(s) adheres to the principles of economy, efficiency, effectiveness and transparency. The partner must ensure the sub-implementing partner(s) budget(s) are commensurate with the planned activities and outputs, and is reasonable in the specific country context;
- The sub-implementing partner budget should be provided as a single line under the budget category Transfers and Grants to Counterparts. The breakdown details are not required to be provided in GMS. However, at the request of OCHA and/or the auditors, the partner is responsible and accountable to provide the necessary detailed documentation to support the budget and expenditure incurred by the sub-implementing partner. The sub-implementing partner's budget and expenditure details must be available, if requested, at the same level of detail and format applicable to the main implementing partner. These documents must remain available for at least a period of 5 years after the project termination.

6.4 Grant Agreement Signature

Countersigned by the authorized representative of the partner as recorded in the DD module of the GMS. GAs are then sent to OCHA HQ/FCS for final approval and signature by EO (or a duly delegated officer). The GAs amendments (see Global CBPF Guidelines Annexes 18 and 19, GAs with NGOs and UN agencies) must be submitted to OCHA HQ/FCS by the fund manager through the GMS. The following supporting documents must be submitted:

- Copy of the GA signed by the DRHC and partner;

- Project proposal (as approved by the HC);
- Project budget (as approved by the HC).

The signature of GAs has a processing time of up to 3 business days, provided that the documentation submitted to OCHA HQ/FCS is complete, accurate and consistent;

The GA is only valid upon signature by both the DRHC and partner. The start date, agreed by the HFU in consultation with the partner, is indicated in the Annex B of the GA. The start date on Annex B can be as early as the signature date of the IP to accommodate expenditure eligibility. If the signature of the GA by the partner occurs after the agreed upon start date, the date of the signature of the GA will determine the official start date of the project.

Expenditure is eligible from the date of signature by the partner, which marks the entry into effect of the GA.

6.5 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 coordinators will assess whether the proposed changes need formal written authorization, whether an amendment to the initial GA is necessary (see Global CBPF Guidelines Annex 18, Amendment to GA with NGOs, and Annex 19, Amendment to GA with UN agencies) or whether the breath of the proposed changes is such that the project needs to be terminated. Global CBPF Guidelines Annex 20 (Project Revision Request Form and 14 a and b (Budget Tool for Amendments) of these guidelines provide the format to request a NCE/Budget Revision.

Depending on the nature of the revision, relevant GMS workflows will be activated by the HFU allowing partners to request the required amendments.

A signed GA 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 GA.

The following changes do not require a GA 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.

6.5.1 No-Cost Extensions (NCEs)

No-Cost Extension (NCE) 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.

Project Revision Requests should be submitted at least four weeks 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.

6.5.2 Budget Modification

There are three types of acceptable budget revisions:

1. **Budget revision not exceeding 15 per cent of the approved budget**

- This type of modification does not require formal authorisation by the HC, which means that within this limit the partner has the flexibility to make adjustments to the project budget as needed throughout the implementation;
- Cost redeployments to budget categories not exceeding 15 per cent of the originally approved budget category are acceptable for all categories except the “Staff and other Personnel Costs” category. Any variation in “Staff and other Personnel Costs” should be approved in writing by OCHA;
- Redeployment must be done against existing budget lines;
- Budget variations of this type, without prior consent, are acceptable as long as the activities retain the same scope and nature of the original grant.

2. **Budget revision exceeding 15 per cent**

- Cost redeployments to budget categories exceeding 15 per cent of the amount originally approved require the DRHC authorization;
- The partner will make the request to the DRHC (Global CBPF Guidelines Annex 18 Annexes 20: Project Revision Request Form and 9 a and b, tab 7, Budget Tool for Amendments), after prior consultation with the fund manager;
- Should the budget modifications imply programmatic changes (within the scope and nature of the original grant) the partner will also submit a revised logical framework;
- The DRHC approval of such modification will be formalized through an amendment to the original GA (inclusive of all necessary supporting documents, project proposal, and project budget).

3. **Addition of a new budget line**

Please note that:

- Under no circumstances should budget revisions increase the approved total budget;
- Budget line variations within the same category, not affecting the total value of the category, are acceptable without previous consent;
- Any additional budget lines within a category, even if they have no impact of the total amount of the category, require prior written consent of OCHA; Interest income earned on project funds must be reported in the Financial Statements;
- Interest income up to \$10,000 can be used in line with previously approved project budget and activities with prior approval from OCHA. However, total expenditure of the project must not exceed the total approved budget.

6.5.3 Project Changes

Deviations from the original project objectives, including changes in the geographic location of the project, the target population, or the scope of project activities will be assessed on case-by-case basis by the HC through the OCHA HoO.

Major changes may require a project revision and subsequent amendment of the GA. Project revisions are subject to the approval of the governing entities. Requests for project revision must be formally submitted to the DRHC by the recipient organization. The request should clearly explain why the GA needs to be amended and indicate the current operational status of the project. A financial statement detailing expenditures incurred to date should be submitted (Annex 9 a. and b. Project Budget and

Financial Reporting Tool). See paragraph 254 for revision requests that may not require GA Amendment and will be approved in GMS through the ‘approval without GA amendment’ feature.

6.6 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;
- Partners must submit the final financial statement (including an inventory of assets purchased under the grant with purchase value over \$10,000 per asset) within 2 calendar months after the end of the project implementation (including NCEs). Once the final financial statement has been received, it will be pre-cleared by the fund manager and cleared by OCHA HQ/FCS (within one month);
- After clearance of the Financial Final Report (FFR), projects will be audited within 2 months;
- OCHA HFU and FCS will review and close the project within two months from receipt of the audit report;
- Following the closure of a project and its audit (when applicable), partners will be notified by OCHA about the exact amount to be refunded. Partners have one month from the date of notification to refund amounts due. Non-compliance with the request will be subject to specific measures (Global CBPF Guidelines Annex 15, Compliance Measures). Proof of payment needs to be received and acknowledged by OCHA.

OCHA reserves the right to audit NGO partners (see 6.6 below). On this basis, OCHA may also request the reimbursement of unspent or qualified expenditures. Upon written notification from OCHA, the partner shall refund the requested amount within one calendar month.

6.7 Gender

The Inter-Agency Standing Committee (IASC) Gender Marker is utilized by all CBPFs throughout the programme cycle: prospective partners are required to indicate the Gender Marker code as part of the project proposal, and to report on how gender was addressed during implementation. Beneficiary numbers should be broken down by sex, age and other diversifying factors whenever possible. If there are challenges and barriers to collecting disaggregated data and information, mechanisms should be put in place to address the gap during implementation. At the reporting stage, partners are required to describe how projects have contributed to promoting gender equality.

7 Contact information

All correspondence and general inquiries about this allocation process should be sent to the OCHA Humanitarian Financing Unit at: ochahpf@un.org;

For substantive issues regarding programme implementation and management:

Mr. Trond Jensen, Head of Office Tel: + 90 530 041 9152 email: jensen8@un.org	Or Ms. Rawad El Zir, Acting Fund Manager Tel: + 90 534 263 0151 email: elzir@un.org
--	--

For more information, visit the THF BI webpage: <https://gms.unocha.org/content/cbpf-contributions>

8 Review date

- The OM is a living document and is subject to be amended based on the request of the DRHC.
- This version must be reviewed and presented to the Advisory Board no later than 31 December 2018.