



**CBPF** Country-based  
Pooled Funds

**Country-based Pooled Funds**

# **Global Guidelines**

*December 2022*

## TABLE OF CONTENTS

<b>1. INTRODUCTION .....</b>	<b>3</b>
1.1. PURPOSE AND SCOPE OF THE GLOBAL GUIDELINES .....	3
1.2. GOAL OF CBPFs .....	4
1.3. PRINCIPLES .....	5
1.4. STRATEGIC ADDED VALUE .....	5
1.5. STRATEGIC AND OPERATIONAL IMPACT .....	6
1.6. LEARNING .....	6
1.7. THE GRANT MANAGEMENT SYSTEM .....	7
<b>2. GOVERNANCE AND MANAGEMENT .....</b>	<b>8</b>
2.1. GLOBAL GOVERNANCE .....	8
2.2. COUNTRY-LEVEL GOVERNANCE .....	10
2.3. MANAGEMENT .....	13
2.4. FEEDBACK AND COMPLAINT MECHANISMS .....	15
<b>3. EFFECTIVE PROGRAMMING .....</b>	<b>16</b>
3.1. INCLUSIVE PROGRAMMING .....	16
3.2. OTHER AREAS OF EFFECTIVE PROGRAMMING .....	18
3.3. COMPLEMENTARITY .....	20
<b>4. ALLOCATIONS .....</b>	<b>21</b>
4.1. ALLOCATION MODALITIES .....	21
4.1.1. <i>Standard Allocation</i> .....	21
4.1.2. <i>Reserve Allocation</i> .....	24
4.2. FLEXIBLE FUNDING PROVISIONS .....	27
4.2.1. <i>Pre-positioning of funding for '48-hour response'</i> .....	27
4.2.2. <i>Contingency budget line</i> .....	28
4.2.3. <i>Project amendments</i> .....	29
4.2.4. <i>Sub-granting and consortia arrangements</i> .....	30
4.2.5. <i>Multi-year funding</i> .....	31
<b>5. RISK MANAGEMENT .....</b>	<b>32</b>
5.1. RISK MANAGEMENT IN THE CONTEXT OF CBPFs .....	32
5.2. GLOBAL-LEVEL RISK MANAGEMENT .....	33
5.3. FUND-LEVEL RISK MANAGEMENT .....	34
5.4. PARTNER-LEVEL RISK MANAGEMENT (RISK-BASED GRANT MANAGEMENT) .....	36
5.4.1. <i>Eligibility and the assignment of an initial risk level for non-UN partners</i> .....	37
5.4.2. <i>Performance Index</i> .....	42
5.4.3. <i>Operational Modalities</i> .....	43
5.4.4. <i>Monitoring</i> .....	48
5.4.5. <i>Reporting</i> .....	51
5.4.6. <i>Auditing</i> .....	51
5.4.7. <i>Non-compliance measures</i> .....	52
5.4.8. <i>Fraud and other incidents involving loss</i> .....	53
5.4.9. <i>Protection from Sexual Exploitation and Abuse</i> .....	53
<b>6. ADMINISTRATION OF CBPF FINANCIAL RESOURCES .....</b>	<b>54</b>
6.1. RATIONALE AND BASIC PRINCIPLES .....	54
6.2. PROJECT BUDGETS .....	55
6.3. GRANT AGREEMENTS .....	63
6.4. PROJECT AMENDMENTS .....	64
6.5. AUDIT OF CBPF RESOURCES .....	66
6.6. PROJECT CLOSURE .....	66
6.7. DEROGATIONS AND EXCEPTIONS .....	67
<b>7. RESOURCE MOBILIZATION AND COMMUNICATIONS .....</b>	<b>68</b>

7.1.	RESOURCE MOBILIZATION .....	68
7.2.	VISIBILITY AND COMMUNICATIONS .....	69
7.3.	REPORTING AND OTHER PUBLICATIONS .....	71
<b>8.</b>	<b>ESTABLISHMENT AND CLOSURE OF COUNTRY-BASED POOLED FUNDS .....</b>	<b>72</b>
8.1.	ESTABLISHMENT .....	72
8.2.	CLOSURE .....	73

# 1. Introduction

## 1.1. Purpose and scope of the Global Guidelines

1. The purpose of these Global Guidelines is to ensure a coherent and harmonised approach to the governance and operations of Country-based Pooled Funds (CBPFs). These Global Guidelines set out arrangements that enhance the quality of CBPF practices and their accountability to stakeholders, including United Nations (UN) Member States, donors, humanitarian operational partners (hereafter referred to as 'partners'), and people affected by disasters and emergencies.
2. The Global Guidelines describe minimum global standards for effective and efficient management of CBPFs, aligning approaches while recognising the contextual specificity of each Fund. They build upon the extensive experience of the UN Office for the Coordination of Humanitarian Affairs (OCHA) over many years of managing CBPFs in different country contexts. The Global Guidelines comprise this main body and annexes, providing further details on certain topics.
3. The Global Guidelines also apply to the Regionally-hosted Pooled Fund (hereafter referred to as 'Regional Fund'), which is being piloted in Central and West Africa. This innovation aims to bring the benefits of pooled funding to new geographies where establishing a fully-fledged CBPF may not be feasible while strengthening regional approaches to programming. Regional Funds also have the potential to support a coherent approach to regional emergencies and/or promote cross-border collaboration and synergies between country-specific allocations. The concept builds on the learning and good practices related to CBPFs. The pilot will capture emerging practices, draw lessons learned and provide an evidence-based analysis about its utility. Explicit references are made when differences exist in the application of the Guideline provisions to the Regional Fund. The Regional Fund concept and characteristics will continue to evolve and be refined subsequent to the issuance of these Global Guidelines.
4. Primary users of these Global Guidelines are OCHA Country Offices, in particular their Humanitarian Financing Units (HFUs), which support and manage the CBPFs. The Guidelines also serve as a reference document for partners, as they also describe the roles and responsibilities of Humanitarian Coordinators (HCs); OCHA; partners, including UN agencies, national and international non-governmental organizations (NGOs);<sup>1</sup> coordination platforms, including sectors/clusters; and other stakeholders.
5. Six CBPFs (Afghanistan, Central African Republic (CAR), Democratic Republic of the Congo (DRC), South Sudan, Sudan and Somalia) are administered by the Multi-Partner Trust Fund (MPTF) Office. At the time of issuance of these Global Guidelines, OCHA and MPTF Office are in discussions on the transition of the MPTF Office's administrative role. For further information, please refer to the MPTF Office Website (<https://mptf.undp.org/>) and relevant documents provided by the Office.
6. Each CBPF functions in a specific context and is managed by OCHA at the country level. While the Funds are required to align practices with these Global Guidelines, they retain the flexibility to build upon the minimum standards and adopt additional provisions to best meet the demands of that context. Where humanitarian objectives and operational requirements require deviation from minimum standards for financial and risk management,<sup>2</sup> the HC may request approval of an exceptional waiver by OCHA's Executive Officer (EO) – which will be considered in light of the corresponding justification and risk management implications. Under the leadership of the HC, OCHA HFU, in consultation with the Advisory Board (AB), will develop an 'Operational Manual', describing specific arrangements appropriate to the context. Key elements of the Operational Manual will include membership of governance bodies; steps in the allocation process; the accountability framework, including procedures for risk management, and financial and budgetary administration. In the case of a Regional Fund, a regional Operational Manual will be established with country-

<sup>1</sup> Organizations of the RC/RC Movement can access funding under CBPFs. Eligibility and funding applications are handled in the same manner as for NGOs.

<sup>2</sup> For further information refer to chapters 5 and 6.

specific details set out in annexes as required.

7. These Global Guidelines are subject to periodic review, indicatively every three to four years or when required by a significant change in the context, in line with learning and the continuing evolution of good practices (see section 1.6). Annexes may be revised more frequently as and when necessary, potentially coming into effect ahead of the next review of the entire Global Guidelines.

## 1.2. Goal of CBPFs

8. CBPFs are multi-donor humanitarian financing instruments established by the Emergency Relief Coordinator (ERC)/ Under-Secretary-General for Humanitarian Affairs (USG), managed by OCHA at the country level under the leadership of the HC in consultation with the humanitarian community. While OCHA has managed humanitarian Pooled Funds at the country level since 1997, CBPFs are rooted in the 2005 Humanitarian Reform and the Secretary-General's report "In larger freedom",<sup>3</sup> which calls for predictable and flexible humanitarian funding to meet the needs of at-risk communities. Humanitarian financing, including pooled fund management, is one of OCHA's core functions. In addition to the CBPFs OCHA manages the Central Emergency Response Fund (CERF), ensuring complementarity between the two funding mechanisms.

### Saving Lives and Alleviating Suffering

9. The core mandate of the CBPFs is to allocate funding to save lives, alleviate suffering, and maintain human dignity based on humanitarian needs and priorities identified at the country level. By providing timely, coordinated, and principled assistance, CBPFs enhance the effectiveness and accountability of the humanitarian response.
10. CBPFs promote partnership and diversity in humanitarian efforts by supporting a variety of humanitarian organizations with resources to contribute to the response, and their engagement in Fund governance. CBPFs identify best-placed partners, be they local, national or international NGOs, the International Red Cross and Red Crescent (RC/RC) Movement, or UN agencies, to deliver prioritized humanitarian action on the ground.

### Localization

11. While addressing humanitarian needs is the primary goal of CBPFs, localization is recognized as a secondary aim. CBPFs have become a key vehicle for advancing localization. CBPFs are aligned to the Grand Bargain commitment to making principled humanitarian action "as local as possible and as international as necessary". This encompasses:
  - i. **Quantity of funding:** CBPFs are committed to reach and surpass the global, aggregated benchmark established under the Grand Bargain in 2016 of providing at least 25 per cent of humanitarian funding to local and national responders as directly as possible.
  - ii. **Quality funding:** CBPFs promote local and national actors, with a commitment to providing adequate and fair support to accomplish jointly established objectives through constructive partnership.
  - iii. **Governance:** Meaningful engagement of local and national actors in Fund governance and processes is promoted.
  - iv. **Capacity development:** CBPFs contribute to developing the performance and capacity of local and national humanitarian NGOs to expand opportunities to access funding and improve the assistance delivered. This may take various forms, including providing feedback and mentoring during routine Fund processes such as capacity assessments, funding applications, project monitoring and audits, and set-piece training. Funding may occasionally be allocated to dedicated capacity development initiatives where (i) justified by context-specific criteria, (ii) agreed to by the HC with support by the AB and (iii) aligned with any broader in-country capacity development efforts.
  - v. **Visibility:** CBPFs are committed to supporting visibility for local and national actors which are recipients of CBPF resources and to adequately showcase their contributions to the humanitarian

<sup>3</sup> UN General Assembly, In larger freedom: towards development, security and human rights for all: report of the Secretary-General, 21 March 2005, A/59/2005.

response. CBPFs will also seek to provide visibility for the efforts of international partners and contributing donors to advance localisation and related Grand Bargain commitments.

### 1.3. Principles

12. CBPFs are critical tools to support the delivery of the OCHA's humanitarian coordination mandate. They receive softly earmarked funding<sup>4</sup> from donors and allocate it in response to jointly identified priorities through an inclusive and field-driven decision-making process. CBPFs are guided by the fundamental humanitarian principles of humanity, impartiality, neutrality and independence. CBPFs operate in line with recognized international standards as determined by the Inter-Agency Standing Committee (IASC) as well as humanitarian financing principles as codified under the Good Humanitarian Donorship (GHD) Initiative and in compliance with the Core Humanitarian Standard.<sup>5</sup>
13. OCHA's approach to the management of CBPFs is anchored in the principles of the IASC Transformative Agenda<sup>6</sup> which stresses the importance of providing predictable, timely and consistent resources for principled humanitarian action. This is in line with CBPFs' primary aim of enabling a life-saving response. CBPFs play a key role in contributing to the delivery of Grand Bargain commitments, including to localization, reduced earmarking, and harmonized reporting, among others.
14. In addition to the fundamental humanitarian principles, CBPFs are grounded in five specific operating principles:
  - i. **Inclusiveness:** A broad range of partner organizations (UN agencies, local, national and international NGOs, the RC/RC) participate in CBPF processes and may receive funding to implement projects addressing identified priority needs.
  - ii. **Flexibility:** The programmatic focus and funding priorities of CBPFs are set at the country level and may shift rapidly, especially in volatile humanitarian contexts. CBPFs adapt rapidly to changing priorities and work with partners to identify appropriate solutions to address humanitarian needs in the most effective way.
  - iii. **Timeliness:** CBPFs allocate funds to save lives as humanitarian needs emerge or escalate.
  - iv. **Efficiency:** Management of CBPFs enables efficient coverage and prioritization of strategic responses to identified humanitarian needs. CBPFs seek to employ cost-efficient and context-appropriate processes, including effective and fast disbursement mechanisms, minimizing transaction costs while operating in a transparent and accountable manner.
  - v. **Risk management:** CBPFs manage risks at the global, Fund and partner levels. They use a range of accountability tools and measures to monitor partner capacity and performance.

### 1.4. Strategic added value

15. CBPFs are strategic tools to support HCs in delivering their vision for principled, prioritized and needs-based humanitarian action in the local context. While providing life-saving humanitarian response and enhancing localization, CBPFs are not intended to fill funding gaps but add value by being catalytic, promoting system change and bringing about improvements in the way the humanitarian community responds. CBPFs foster innovation and new approaches that can improve the quality of assistance, and also contribute to improving

<sup>4</sup> In line with Grand Bargain terminology, funding earmarked to a country is denominated as 'softly earmarked'. In the case of CBPFs donors 'softly earmark' their contributions to a given country, however the use of the resources within that country is unearmarked and determined through country-level processes.

<sup>5</sup> For further information refer to: <https://corehumanitarianstandard.org/>.

<sup>6</sup> Building on the Transformative Agenda, the need for and importance of providing predictable, timely and consistent resources towards principled humanitarian action is reiterated in the IASC Guidance on Strengthening Participation, Representation and Leadership of Local and National Actors in IASC Humanitarian Coordination Mechanisms (<https://interagencystandingcommittee.org/operational-response/iasc-guidance-strengthening-participation-representation-and-leadership-local-and-national-actors>).

the humanitarian response by promoting learning.

16. To enhance the strategic nature of CBPFs and articulate their distinctive added value in each context, HCs, in consultation with the ABs, will develop a Vision Paper for each Fund. The paper will set out the way in which the Fund intends to make a difference in its operating environment and funding context, shaping the humanitarian response while taking into account other funding mechanisms that exist. The paper will also outline key themes, including localization and selected effective programming areas,<sup>7</sup> where the Fund intends to make particular investments, consider specific innovations and demonstrate change. The Vision Paper will be reviewed annually and evolve in line with global and country-level developments.
17. Allocations are aligned with the Fund's Vision Paper and conducted under an allocation-specific strategy, which sets out the strategic impact that is sought from the allocation and explains the approach to the allocation. Allocations are intended to advance priority humanitarian strategies and are not intended to "fill funding gaps". Allocations take place against the backdrop of Humanitarian Response Plans (HRPs) and other collective planning initiatives as part of the Humanitarian Programme Cycle (HPC), and fund a prioritized portion of these, as determined by the HC in consultation with partners in country. CBPFs ensure that the humanitarian system gives proper attention to and enables meaningful participation by the most at-risk populations and are vehicles to advance global priorities to improve the quality of assistance and ensure the best use of donor investments.
18. Recognizing the multi-faceted nature of humanitarian needs experienced by affected people, CBPFs prioritize multi-sectoral and integrated programming to optimize impact. In some circumstances, where there is a particular need, a sectoral intervention may be warranted. Emphasis remains on the strategic and operational impact that CBPFs have through each allocation, as evidenced by the collective results of projects and the catalytic effect that allocations have on humanitarian operations.
19. Given that CBPFs often operate in the same contexts as CERF, OCHA and partners are committed to ensuring that the two funding instruments are used jointly and strategically for the greatest overall impact under the in-country leadership of the HC. Complementarity between CBPFs, CERF and other funding streams, globally and at the country level, is derived from recognising and building on the respective comparative advantages of each mechanism and their unique value addition.<sup>8</sup>

## 1.5. Strategic and operational impact

20. The impact of CBPFs is in their contribution to saving lives and restoring dignity, in line with their humanitarian mandate. They do not act alone but as part of wider efforts, contributing directly through the projects and activities funded and indirectly by influencing system enhancements that improve the quality of, and add value to, collective humanitarian response. CBPFs cannot aspire to directly measure the number of lives saved, which is problematic methodologically and in terms of resource requirements.
21. At the time of issuance of these Global Guidelines, work is ongoing to develop a clearer framework for articulating strategic and operational impact, which may include different initiatives such as conducting After-Action Reviews (AARs) for allocations.

## 1.6. Learning

22. A commitment to learning and sharing lessons underpins CBPFs' efforts, supporting continuous improvement and opportunities for innovation. The approach is reflected in numerous provisions in these Global Guidelines, which themselves draw on recent learning, contemporary best practices in managing the Funds and the disposition to innovate. The CBPFs pursue a range of initiatives to compile and promote best practices and

---

<sup>7</sup> For further information on effective programming, refer to chapter 3. While the Funds will consider all of the priorities in their work, the Vision Paper allows for an articulation of selected priority areas that the Fund will champion through innovation and learning.

<sup>8</sup> For further information on complementarity between CBPFs and CERF, refer to chapter 3.

ensure that the evolution of policy and guidance is evidence-based.

23. Examples of learning practices may include:

- i. Periodic global evaluations of the CBPFs and/or individual Funds
- ii. Internal reviews of individual allocations, such as AARs
- iii. Compilation and synthesis of lessons learned from the allocation process and from project monitoring
- iv. Synthesis and dissemination of learning and best practices in programmatic areas, sharing practices between Funds
- v. Studies on thematic issues commissioned by the HC in consultation with the AB, or through OCHA, conducted by independent consultants
- vi. Analysis and review of reports submitted by partners
- vii. Synthesis and dissemination of learning and best practices in financial and administrative work to enhance business processes, including, as examples, internal and external audits as well as fraud management processes

## 1.7. The Grant Management System

24. CBPF processes and operations at the headquarters (HQ) and country-level are managed on the Grant Management System (GMS).<sup>9</sup> The system was developed and is maintained internally by OCHA to ensure Fund management aligns with best practices and standards. As such, the system will continue to evolve following the introduction of these Global Guidelines to reflect its updated provisions.
25. The GMS is a mandatory tool for CBPFs to ensure efficient management of all operations, including partner registration and the eligibility process, allocation processes and throughout the grant cycle. The system can integrate with external and internal UN systems without manual intervention from stakeholders.
26. The advantages of the GMS include i) facilitating partners' interaction with the CBPFs through a standard platform; ii) promoting efficiency, effectiveness and transparency through the ability to monitor the speed and the quality of different processes; iii) supporting risk management, allowing real-time monitoring of partner performance and capacity, including compliance with statutory requirements; iv) harmonizing business processes while catering to the special needs of each Fund; and v) strengthening OCHA's data analysis and information management capacity through the publicly accessible DataHub platform.<sup>10</sup>
27. At the time of issuance of these Global Guidelines, OCHA is preparing to launch a common GMS platform (oneGMS) for CBPFs and CERF to enhance harmonization of portfolio data. The new platform will support project proposals, narrative and financial reporting, project revisions and closure processes across the two OCHA-managed Pooled Funds. It will enhance OCHA's capability to coordinate project review, monitoring and reporting, track process timelines and partner performance, and promote accountability in humanitarian response.

<sup>9</sup> For further information on GMS refer to: <https://gms.unocha.org/>.

<sup>10</sup> For further information refer to: <https://pfddata.unocha.org/>.



## 2. Governance and management

### 2.1. Global governance

#### Emergency Relief Coordinator / Under-Secretary-General

28. The ERC/USG holds authority over and is accountable for all CBPFs. The ERC/USG makes decisions on the establishment and closure of Funds and monitors the performance of each Fund through the CBPF Section at OCHA Headquarters. The ERC/USG issues these Global Guidelines and monitors compliance with the provisions and any other guidance that may apply.

#### Pooled Fund Working Group

29. The Pooled Fund Working Group (PFWG) is an advisory body to OCHA, informing the strategic direction and management of the CBPFs. Its objectives are:
- i. To promote effective coordination and collaboration amongst all key stakeholders
  - ii. To advise on global policy underpinning the functioning, impact and strategic use of CBPFs
  - iii. To monitor and discuss the performance of CBPFs in relation to the principles, approaches and standards set out in the Global Guidelines and
  - iv. To address common issues identified by partners, providing advice and recommendations about appropriate actions and solutions
30. Membership of the PFWG comprises key CBPF stakeholder organisations, including contributing Member States/donors; the Advisory Group of the CBPF-NGO Dialogue Platform; representatives from recipient UN agencies; as well as OCHA representatives. Members of the PFWG are expected to have decision-making authority at the capital or headquarters levels.
31. The PFWG is permanently co-chaired by OCHA and a contributing donor on a rotational basis nominated by the wider group of contributing Member States/donors. The tenure of the co-chair contributing donor is normally one year.

#### CBPF-NGO Dialogue Platform

32. The CBPF-NGO Dialogue Platform provides an open and inclusive consultative forum for regular dialogue between OCHA and national and international NGOs to inform the strategic direction and management of CBPFs. It strengthens the partnership between OCHA and the NGO community vis-à-vis CBPFs, complementing the continual interaction between OCHA and NGOs at the country level.
33. The CBPF-NGO Dialogue Platform, as a consultative forum, has three main objectives:
- i. Policy: strengthening CBPF global policy to ensure that it is reflective of the views of a broad range of stakeholders, including national and international NGOs
  - ii. Operations and management: improving the effectiveness, accountability and transparency of CBPF management through strengthened policy and enhanced practice, based on sharing of best practices and open discussion of challenges with NGO partners
  - iii. Advocacy: developing joint advocacy between OCHA and national and international NGOs in support of CBPFs, where appropriate
34. Membership of the Platform is open to all national and international NGOs interested in working with CBPFs. A three-tier membership arrangement allows for effective representation and dialogue among NGO members and with OCHA:
- i. Informational level: all interested national and international NGOs;
  - ii. Consultative level: National and international NGOs that serve as members of CBPF AB;
  - iii. Platform Advisory Group: six representative NGOs that also sit on the PFWG.

35. The Platform is permanently co-chaired by OCHA, and one national or international NGO on a two-year rotational basis nominated by the wider NGO membership. The NGO co-chair manages communication and consultation with members, playing a liaison role between OCHA and the NGOs for effective dialogue.

#### OCHA Executive Officer

36. The OCHA EO has overall fiduciary responsibility for CBPFs as delegated by ERC/USG and in accordance with UN Financial Rules and Regulations.<sup>11</sup> The EO:
- i. Signs Grant Agreements and amendments, if any, with HCs and fund-recipient partners
  - ii. Approves exceptional waivers to the minimum standards for financial and risk management<sup>12</sup>. In such cases, the EO will consider the merits of the justification and any related risks before giving approval
  - iii. Makes key decisions regarding OCHA's institutional position in relation to cases of partner misconduct, including fraud and sexual exploitation and abuse (SEA)
  - iv. Delegates financial authorities to different OCHA Officers as appropriate for efficient and accountable fiduciary management
  - v. Establishes the necessary ledgers within OCHA's corporate financial systems to receive donor contributions and make disbursements in line with allocation decisions
  - vi. Ensures proper closure of the ledgers where Funds are operationally closed, in collaboration with the Donor Relations Section (DRS) and the CBPF Section

#### Pooled Funds Management Branch / CBPF Section

37. OCHA's Pooled Fund Management Branch (PFMB) provides global-level support to the governance, management and oversight of the Funds. Through the CBPF Section, it advises the ERC/USG and OCHA's senior leadership in the development of guidance, including these Global Guidelines, policy and the delivery of operations. The CBPF Section has a management 'dotted-line' to Heads of Humanitarian Financing Units in the Country Offices, providing support and advice to them. The CBPF Section supports OCHA's Operations and Advocacy Division (OAD) and Regional and Country Offices, working closely with Heads of Offices (HoOs).
38. Through the Guidance, Learning and Reporting Section (GLRS), the Branch helps promote approaches to thematic priorities, learning, reporting, communications and interaction with key global advisory and consultative entities, such as the PFWG. The Guidance, Learning and Reporting Section also helps ensure coherence and complementarity<sup>13</sup> between CERF and CBPFs.

#### Partnership and Resource Mobilisation Branch / Donor Relations Section

39. The DRS in OCHA's Partnership and Resource Mobilisation Branch (PRMB) negotiates and concludes agreements with Member States/donors making financial contributions to the CBPFs.<sup>14</sup> It facilitates the efforts of HCs, and HFUs in resource mobilisation, including support for the development of resource mobilisation plans for each Fund and outreach and communications with donors, including donor visibility.

#### Operations and Advocacy Division

40. The OAD manages OCHA country-level operations worldwide with a direct management line from OCHA

<sup>11</sup> Six CBPFs (Afghanistan, CAR, DRC, South Sudan, Sudan, and Somalia) are administered by the MPTF Office. At the time of issuance of these Global Guidelines, OCHA and the MPTF Office are in discussions on the transition of the MPTF Office's administrative role.

<sup>12</sup> For further information on Risk Management, refer to chapter 5.

<sup>13</sup> For further information on complementarity between CBPFs and CERF, refer to chapter 3.

<sup>14</sup> For the six CBPFs administered by MPTF Office (Afghanistan, CAR, DRC, South Sudan, Sudan, and Somalia) responsibility for contribution agreements lies with MPTF Office. At the time of issuance of these Global Guidelines, OCHA and MPTF Office are in discussions on the transition of the MPTF Office's administrative role.

headquarters to OCHA Country Offices through Heads of Country Offices. As such, management of the Funds falls within OAD supported by a management 'dotted-line' with the PFMB/CBPF Section, as noted above. At Headquarters, OAD has the following responsibilities that are carried out in consultation with the CBPF Section:

- i. Support OCHA Country Offices to develop concept notes for the establishment and closure of Funds
- ii. Support OCHA Country Offices in recruitment processes for HFU staff
- iii. Review and clear HFU cost plans, subject to prior endorsement by the CBPF Section

## 2.2. Country-level governance

### Humanitarian Coordinator

41. The HC acts as the custodian of the CBPF on behalf of the USG/ERC. Leadership of the CBPF is highlighted in the annual HC/ERC Compact.<sup>15</sup> The HC has a range of specific responsibilities in relation to the Fund (see below), and ensures the Fund delivers against its key objectives and is managed in accordance with these Global Guidelines. The HC is supported by the AB and OCHA and engages with the full range of Fund stakeholders, including donors and partners.
42. The HC's specific responsibilities include:
  - i. Lead the process at the country level of establishing and closing the CBPF
  - ii. Define the vision for the Fund, highlighting how the Fund will promote and support the humanitarian response in the country in line with the strategic priorities for CBPFs
  - iii. Lead country-level resource mobilization activities for the Fund, and encourage the Advisory Board to contribute to resource mobilization efforts
  - iv. Approve and lead the review and periodic update of the country-level CBPF Operational Manual that is developed based on these Global Guidelines
  - v. Define the strategic focus and amount of funding for each allocation, including the articulation of a Strategic Allocation Statement (hereafter referred to as Strategic Statement) setting out its intent and added value and serving as a basis to assess its success
  - vi. Lead efforts to assess the strategic impact of each allocation, in accordance with the allocation strategy.
  - vii. Ensure complementary use of CBPF funding with other funding sources, including CERF<sup>16</sup>
  - viii. Make final funding decisions, approve projects and sign corresponding Grant Agreements
  - ix. Request exceptional waivers of minimum standards for financial and risk management after considering the merits of the justification and any related risks, for review and approval by the OCHA EO
  - x. Ensure that key governance entities of the CBPF – the AB and the Review Committee(s) – operate in accordance with the provisions of these Global Guidelines
  - xi. Endorse the nomination of AB members by their respective constituencies and exercise the prerogative to nominate additional observer members. Convening and chairing AB meetings.
  - xii. Undertake periodic risk analyses, including audit findings, with a focus on lessons learned, and developing corresponding risk management plans and mitigation measures
  - xiii. Issue the Fund's annual report, and other reporting that may be required

<sup>15</sup> A 'Compact' is developed annually and provides an opportunity for the HC and ERC to agree on objectives and support requirements under key priority areas, including humanitarian financing.

<sup>16</sup> For further information on complementarity between CBPFs and CERF refer to chapter 3.

Advisory Board

43. The AB supports the HC in articulating the strategic vision of the CBPF, ensuring the strategic nature of individual allocations, and overseeing Fund performance. The AB has a consultative role, ensuring that the HC is informed by the views of donors, UN agencies, the NGO community and relevant technical experts. Sample Terms of Reference (annex 1) are included.
44. The AB's responsibilities include four key areas:
- i. **Strategy:** The AB advises the HC on how global policies and priorities can be best translated into country-level strategies, as reflected in the HC's vision for the Fund and the Operational Manual. It also advises the HC on Allocation Strategies, discusses funding priorities and how the deployment of resources can maximise the added value of the pooled funding mechanism. The AB advises and supports the HC in strategic resource mobilization efforts, advocating for the Fund as a key instrument to address critical needs and promote system improvements.
  - ii. **Risk Management:**<sup>17</sup> The AB supports the HC in undertaking periodic risk analyses and developing commensurate risk management plans (see chapter 5 on Risk Management) as a key element of risk-sharing.
  - iii. **Transparency:** The AB supports the HC in monitoring Fund processes to ensure that all stakeholders are treated fairly and that the management of the Fund abides by established principles and guidelines.
  - iv. **Performance:** The AB supports the HC in monitoring and reviewing operations, providing advice to optimise performance in line with the Common Performance Framework.
45. The composition of the AB is determined by the HC in consultation with the humanitarian community, including contributing donors, UN agencies,<sup>18</sup> national NGOs and international NGOs. AB members are nominated by their constituencies in a transparent and participatory manner. Their nomination is endorsed by the HC.
46. The AB should ensure genuine, equitable and vocal participation of all four constituencies. To ensure efficient proceedings, the composition of the AB is limited to a maximum of 12 constituency representatives (i.e., a maximum of three representatives from each of the four mentioned constituencies). Equal gender representation should be sought.
47. Additional Observer members may be co-opted at the prerogative of the HC to enrich discussions and analysis. Observer members may include a non-contributing donor, or other reference people, to improve the quality and transparency of decision-making processes and overall coordination of the humanitarian response. The AB works on the basis of consensus.
48. Fund-recipient organizations with pending non-compliance concerns cannot be members of the AB. If such concerns emerge during their tenure, the HC should seek their resignation pending resolution.
49. In support of inclusive programming areas, the AB must include representation of gender and disability inclusion expertise. When possible, experts can be identified from among donor, UN, International non-governmental organization (INGO) or National non-governmental organization (NNGO) constituency representatives. Alternatively, experts can be co-opted as additional observer members of the AB.
50. In support of the localization commitments identified in the Grand Bargain and in line with OCHA's corporate Gender Action Plan in place at the time of issuance of these guidelines to promote the agency of local women's organisations in the governance of CBPFs, at least one of the three representatives of the NNGO constituency

---

<sup>17</sup> For further information on Risk Management refer to chapter 5.

<sup>18</sup> These should be humanitarian mandated UN agencies and may include cluster/sector lead agencies or those with other leadership roles in country level humanitarian coordination arrangements.

will be a representative of a national women-led<sup>19</sup> or women's rights<sup>20</sup> organization (WLO/WRO).

51. AB membership should rotate on a regular and staggered basis, normally with 12-month tenures.<sup>21</sup> Membership is at senior leadership level (for example, Heads of agencies, senior humanitarian officials contributing donors etc.). To ensure continuation, a smooth handover between rotating AB members should be facilitated.
52. Other participants in AB proceedings are the OCHA Head of Office, responsible for the management of the Fund, and the OCHA Head of HFU, acting as the AB secretariat.
53. For the Regional Fund an AB will be set up in each country in which a country envelope is established. In addition to the Heads of Offices, the OCHA Head of Regional Office will sit on the respective ABs to provide a regional perspective and support as the supervisor of the Regional HFU.

#### Review Committees

54. In CBPF allocation processes, project proposals pass through two types of review: i) project vetting to identify and prioritize project proposals considered best suited to deliver the Allocation Strategy, and ii) final technical and financial review to ensure those pre-selected project proposals are of the highest possible quality before final approval by the HC. Review Committees are only required for the first of these. For the second, OCHA involves relevant subject matter or technical experts, as required. Sample Terms of Reference (annex 5) are included. The Review process should be set up in a way that achieves the overall objective, while ensuring speed and minimizing transaction costs.
55. For project vetting purposes, the Review Committees are responsible for assessing the design of the project proposals and recommending for funding those which are deemed to best support the delivery of the Allocation Strategy, based on criteria outlined therein. Review Committees should conduct efficient project reviews, minimizing transaction costs, while operating in a transparent and accountable manner.
56. The Review Committees should be established by the HFU through a consultative process with the in-country coordination mechanisms, such as sectors/clusters, and should include subject matter experts. They should ensure balanced representation of UN agencies, national NGOs and international NGOs. To mitigate potential conflict of interest and perceptions of bias, representatives of organizations applying for funding shall not exert any influence on the review of project proposals submitted by their organizations. This includes scoring and other general discussions about such project proposals.<sup>22</sup> Independent subject matter experts may be co-opted as observers to support the Review Committees in making judgements on the technical and other specific parts of the proposal and budget.<sup>23</sup>
57. The HFU chairs the Review Committees and takes part in decision-making, supporting the committees in discharging their functions, and ensures a fair and transparent review. The chairing role may be exceptionally assigned by the HFU to another member of the committee, for example, to expedite the work of multiple committees taking place in parallel. The assigned chair remains accountable to the HFU for due process.
58. Review Committees should be established taking into consideration the strategic priorities outlined in the Allocation Strategy and can therefore be established by targeted population, thematic area, geographical prioritization or sector, among others, to promote an integrated and multi-sectoral approach.

---

<sup>19</sup> A WLO is defined as an organization with a humanitarian mandate/mission that is (i) governed or directed by women or; (ii) whose leadership is principally made up of women, demonstrated by 50 per cent or more occupying senior leadership positions.

<sup>20</sup> A WRO is defined as (i) an organization that self-identifies as a woman's rights organization with primary focus on advancing gender equality, women's empowerment and human rights; or (ii) an organization that has, as part of its mission statement, the advancement of women's/girls' interests and rights (or where 'women,' 'girls', 'gender' or local language equivalents are prominent in their mission statement); or (iii) an organization that has, as part of its mission statement or objectives, to challenge and transform gender inequalities (unjust rules), unequal power relations and promoting positive social norms.

<sup>21</sup> In exceptional circumstances tenure may be renewed by approval of the HC, for example where important for 'sequencing' of rotations in order to ensure continuity and cohesion of AB proceedings.

<sup>22</sup> Cluster coordinators are considered as representatives of the organization in which they are hosted and as such shall not exert influence on the review of proposals submitted by their host organizations.

<sup>23</sup> Subject matter experts may include for example gender, GBV, disability, protection, Cash and Voucher Assistance, and PSEA.

## 2.3. Management

### OCHA Head of Office

59. The OCHA Head of Office (HoO) is responsible for the operation of the Fund in support of the HC, and its effective management according to these Global Guidelines. Responsibilities include:
- i. Participate in AB proceedings, responsible for the management of the Fund
  - ii. Support the development of the HC's Vision Paper for the Fund
  - iii. Support the development of Allocation Strategies and the articulation of a Strategic Statement for each allocation;
  - iv. Promote complementarity among humanitarian funding mechanisms, including CERF,<sup>24</sup> CBPF and other sources of funding
  - v. Assess the impact of allocations in relation to their original strategic intent, in collaboration with stakeholders
  - vi. Ensure that OCHA fulfils its accountability requirements, including risk management;<sup>25</sup>
  - vii. Lead the development and implementation of the CBPF resource mobilization activities while promoting donor investments more widely and increasing visibility of the Fund
  - viii. Support the management of cases of partner misconduct, including incidents of fraud and SEA, in line with Standard Operating Procedures
  - ix. Supervise the OCHA HFU, ensuring it is fully integrated and coordinated with other Units of the OCHA Country Office (CO) and sub-offices and ensuring that Fund processes are streamlined and efficient
  - x. Ensure that the HFU is resourced adequately and overseeing the recruitment and development of staff members
  - xi. Prepare the HFU cost plans, inform the AB on them, submit them for approval to OAD in consultation with the CBPF Section and monitor their implementation.
60. In the case of Regional Funds, the Head of the Regional Office manages and is responsible for the regional HFU, fulfilling the responsibilities outlined above in collaboration with HoOs in the different countries involved with the Regional Fund.<sup>26</sup>

### Humanitarian Financing Unit

61. HFUs are responsible for the daily management of all programmatic and financial aspects of the CBPF on behalf of the HC and under the supervision of the OCHA HoO, in coordination with the CBPF Section. The OCHA HFU executes HC decisions and organizes the process of allocating funds and overseeing their use according to these Global Guidelines and the corresponding country-specific Operational Manual.
62. Core functions of the HFU are allocation management, including the facilitation of prioritisation, strategy development and promotion of effective programming; monitoring; financial management; partnership and risk management; and communication and reporting. Key responsibilities include:
- i. Ensure compliance with minimum standards stipulated in these Global Guidelines, and interpret these as appropriate to the country-specific context when drafting the Fund's Operational Manual
  - ii. Serve as secretariat for the AB
  - iii. Advise and support the HC and OCHA HoO on Fund strategies and any other policy matters related to CBPFs

<sup>24</sup> For further information on complementarity between CBPFs and CERF, refer to chapter 3.

<sup>25</sup> For further information on Risk management, refer to chapter 5.

<sup>26</sup> At the time of issuance of the Global Guidelines, the respective roles and responsibilities are being clarified as the Regional Fund is being piloted.



- iv. Advise the HC in the development of the HC's vision for the Fund and Allocation Strategy
  - v. Support the OCHA HoO in ensuring complementary use of CBPF resources with other funding sources, including the CERF<sup>27</sup>
  - vi. Oversee the entire funding cycle from the launch of an allocation to project closure
  - vii. Support partners throughout the allocation process and promote a feedback system for continuous learning. Facilitate and train stakeholders on the use of GMS and DataHub
  - viii. Support and advise the HC and OCHA HoO in the development and implementation of the Accountability Framework
  - ix. Coordinate and facilitate capacity and performance assessment, risk management, monitoring and reporting, and external audits
  - x. Prepare the CBPF Annual Report
  - xi. Engage with CBPF donors and coordinate with other humanitarian donors in the country
  - xii. Support the development and implementation of the resource mobilization action plan in coordination with the HC, OCHA HoO and OCHA headquarters (DRS)
  - xiii. Produce reports, analyses and other documents as necessary to support decision-making, coordination, communication and resource mobilization activities with the support of the CBPF Section. This may include funding updates, monthly reports, fact sheets, allocation dashboards, talking points, key messages, mission briefing kits, among others.
  - xiv. Facilitate public information sharing with all stakeholders. This includes ensuring that relevant documentation is available on the relevant country page at [www.unocha.org](http://www.unocha.org).
63. The work requirement of the HFU is determined by different factors, including: (i) the financial turnover of the Fund; (ii) the number of projects funded each year; (iii) the character of humanitarian coordination structures; (iv) geographical size of the country. The operational cost of the HFU is considered as a direct cost of the CBPF and will be determined in view of these factors. Costs for establishing and maintaining the HFU will be drawn from contributions to the CBPF.
64. Regional Funds are managed by a regional HFU based in a OCHA Regional Office under the leadership of the Head of Regional Office. The regional HFU supports the in-country leadership (RC/HC, OCHA HoO), where a country envelope is established to supervise the operations and the performance of the Fund. Costs of establishing and maintaining the regional HFU will be drawn from contributions to the Regional Fund and are part of the direct cost of the Fund.

#### Head of Humanitarian Financing Unit

65. The Head of HFU acts as Fund Manager under the management of the HoO and in support of the HC and has additional responsibilities in relation to OCHA's core humanitarian financing function. The Head of HFU is responsible to, among others:
- i. Advise the HC on CBPF management and CERF processes, in conformity with prevailing policies and guidelines and aligned with the country/regional context
  - ii. Liaise as necessary with relevant OCHA HQ entities, including OAD and HFRMD.
  - iii. Coordinate with all stakeholders, such as sectors/clusters, donors and humanitarian partners, particularly local and national NGOs and networks
  - iv. Assist the HC and the OCHA HoO in preparing and facilitating the AB meetings and other strategic processes
  - v. Manage, oversee and support CBPF and CERF allocations
  - vi. Facilitate the development of the HC's Vision Paper for the Fund, including the integration of effective programming areas
  - vii. Oversee proper financial management and auditing process of funded projects

<sup>27</sup> For further information on complementarity between CBPFs and CERF, refer to chapter 3.

- viii. Support the OCHA HoO in ensuring the implementation of applicable global policies and guidelines and advise the HC and the OCHA HoO on compliance and risk management, including partners' performance
- ix. Monitor the Fund performance as per Common Performance Framework
- x. Ensure that the CBPF Operational Manual is developed and/or updated
- xi. Oversee monitoring and reporting processes of projects and systematically provide information on project status to the HC, the OCHA HoO, donors and the AB
- xii. Ensure that periodic analyses of humanitarian financing information, as well as funding trends and requirements, are conducted and updated, and data from all relevant sources are gathered
- xiii. Ensure strong relationships with contributing donors and develop key strategic partnerships with new donors
- xiv. Promote synergies with other sources of funding, including humanitarian, development and peacebuilding funding, among others
- xv. Lead public communication and advocacy on the role and added value of the Fund
- xvi. Plan staffing and operational requirements and corresponding budget for approval by the HC, the HoO and the EO
- xvii. Liaise with relevant OCHA HQ departments
- xviii. Support the HoO in the preparation of the HFU cost plan and in monitoring its implementation

## 2.4. Feedback and complaint mechanisms

- 66. All CBPFs shall put in place a formal mechanism that allows stakeholders to provide feedback on Fund processes, raising complaints if they feel that due process has not been followed.
- 67. Feedback and complaint mechanisms should be accessible, user-friendly and promoted to ensure awareness by stakeholders of their existence and intended purpose. Standardized e-mail addresses (*feedback.[countryname]hf@un.org*) shall be used. Hotlines may also be established, with appropriate dissemination of phone numbers.
- 68. Feedback and complaint mechanisms are also one of the channels to report concerns of financial or sexual misconduct, or any concerns related to the misuse of resources or other misconduct.<sup>28</sup>
- 69. In the first instance, feedback and complaints are reviewed by the OCHA HoO, since the HFU may be implicated in concerns raised. The OCHA Country Office compiles, reviews, addresses and – if necessary – raises issues to the HC, who then takes the decision on appropriate action and ensures follow-up.
- 70. The HoO ensures that issues of confidentiality are managed appropriately. While the details of particular feedback or complaints may need to be managed confidentially to promote confidence in the mechanism and protect its users, periodic overviews of the types and trends of feedback and complaints received may be discussed by the AB with a view to promote learning and the continual improvement of Fund governance and operations.

---

<sup>28</sup> For further information on PSEA see chapter 5.



### 3. Effective programming

71. In line with the report of the 2019 CBPF Global Evaluation, this chapter outlines programming areas for CBPFs to provide strategic added value, bring about system change and stimulate innovation and transformation in the Funds and the wider humanitarian system (see section 1.4). The guidance provided in this chapter does not intend to replace or reproduce more detailed reference materials available - rather, it outlines the importance that CBPFs give to each of these areas, highlighting and moderating expectations of what CBPFs can achieve and how. Strategically (at the Fund level) these areas will be further reflected in HCs' Vision Papers, Allocation Strategies, AB deliberations, the work of Review Committees and Fund-level tracking and reporting. Operationally (at the project level), design quality vis-à-vis the areas will influence project selection, monitoring, and reporting. CBPFs are committed to learning and sharing practices for effective programming.

#### 3.1. Inclusive programming

72. This section reflects commonly accepted key principles for inclusive programming to be systematically incorporated in every humanitarian operation so that among all affected people, the response recognises and prioritises those most at risk and most impacted by inequalities and discrimination.

##### Strengthening Accountability to Affected People

73. Through partners, collective platforms and coordination mechanisms, CBPFs facilitate the participation of affected people in all phases of the project cycle and empower communities to influence and determine their own priorities. CBPFs promote organizational and collective feedback mechanisms across the humanitarian landscape to collect and act upon the voices and expressed priorities of affected people across gender, age, disability and other diversity factors. All people, with and without disabilities, should be able to access the mechanisms to improve the quality and appropriateness of assistance provided.

74. In project proposals, partners are expected to specify how affected people, specifically community members, have been included in the design and will be consulted throughout the project cycle, including through organizational and collective mechanisms, to ensure participation and transparency. More specifically, CBPF-funded projects adhere to AAP quality standards.<sup>29</sup> Further, partners are expected to create new or identify and promote existing, accessible mechanisms to enable communities to provide feedback on the response, including reporting serious breaches of accountability such as SEA and other sensitive complaints. For these channels and mechanisms, partners should ensure two-way communication.

75. Partners shall develop with affected people services and information materials for affected people. All people, including persons with disabilities, should have access to the information throughout all levels of the process. In turn, affected people can give feedback to partners as well as inform the appropriateness of projects undertaken by partners. This feedback should be taken into consideration and lead to programme adaptation where appropriate.

76. Throughout the CBPF project cycle, the participation in community engagement and accountability mechanisms of those most impacted as a result of compound and complex risks and systemic, structural, and attitudinal barriers, amongst them specifically women and girls and those with disabilities, is required. Based on collected feedback, project modifications should be facilitated. Monitoring and reporting must include (i) the assessment of the level of participation and access to information and methods to provide feedback; and (ii) templates/frameworks adequately reflecting age, gender and diversity factors, and using appropriate terminology and indicators.

##### Promoting the Centrality of Protection

77. In line with the IASC Policy on Protection in Humanitarian Action, protection is defined as “all activities aimed

<sup>29</sup> This includes the Core Humanitarian Standard on Quality and Accountability: <https://corehumanitarianstandard.org/the-standard>.

at obtaining full respect for the rights of the individual in accordance with the letter and the spirit of the relevant bodies of law (i.e., International Humanitarian Law)".<sup>30</sup>

78. CBPFs advocate and support actions that promote the centrality of protection, reducing and preventing the exposure of adults and children to risks, and ensuring respect for the rights of individuals by all responsible stakeholders. They promote the centrality of protection as a priority in humanitarian assistance, including by supporting analysis to identify the most significant protection risks affecting different parts of the population and drivers of those risks and building mechanisms to monitor protection risks across sectors and humanitarian operations. CBPFs support preventative and responsive action to address priority risks as defined by the humanitarian community, combining programming and advocacy toward common objectives.
79. The commitment to the centrality of protection is affirmed in all stages of the Fund cycle, with contextual details on protection considerations provided in all Allocation Strategies. CBPFs encourage 'protection integration,' meaning the attainment of clearly articulated protection objectives (in line with the HRP or other strategic and policy documents) through the work of partners in all sectors, including sectors other than Protection.
80. Protection is included as a scoring criterion during the project proposal review process and therefore influences the selection of projects for funding, with protection experts involved in assessing the soundness and relevance of their design. CBPFs encourage collaboration with Protection Standby Capacity Project (ProCap) advisers during strategic prioritization and project review.

#### Responding to Gender-Based Violence

81. CBPFs strengthen the response to Gender-Based Violence (GBV). In disasters and emergencies, women and girls are typically amongst the most at risk and marginalised and can face increased vulnerabilities, including additional risks of GBV. CBPFs build partnerships with gender, GBV and protection experts to better inform programming to address and mitigate GBV, exploring opportunities for collaboration with Gender in Humanitarian Action Working Groups (GiHA WGs), the Gender Reference Group (GRG) and national and local gender, GBV working groups and other relevant structures to provide technical support to country-level processes.
82. CBPFs integrate the response to GBV in all phases of the Fund cycle by systematically considering it a priority in Allocation Strategies and in individual projects. Scorecards used to recommend projects for funding will reflect GBV considerations. Quantitative and qualitative data/indicators are required in project proposals and in monitoring and reporting templates.

#### Addressing gender equality

83. CBPFs promote gender equality, contributing to equal opportunities and equal access to assistance for all affected people.
84. CBPFs include dedicated gender expertise and promote gender-balanced representation in strategic-level decision-making processes, including in deliberations of ABs and Review Committees.
85. CBPFs ensure sound gender analysis and the systematic integration of gender in the development of all Allocation Strategies and funding decisions, with appropriate reflection on and increased visibility of the diverse circumstances of women and girls during the prioritization of needs and response.
86. CBPFs make use of the Gender with Age Marker (GAM) and other appropriate tools throughout the project cycle, including in funding applications and reporting. Projects are designed, implemented, monitored, and reported on considering the specific needs and constraints faced by women, girls, boys and men, mainstreaming gender in proposals reflected in the consistent collection of gender and age disaggregated data and information throughout the whole project cycle.
87. Project Review Committees include gender as an assessment criterion during project appraisal. Support of a Gender and/or GBV Advisor or other gender experts shall be incorporated to ensure that gender analyses are

<sup>30</sup> For further details please refer to <https://interagencystandingcommittee.org/system/files/2020-11/IASC%20Policy%20on%20Protection%20in%20Humanitarian%20Action%2C%202016.pdf>.

at the core of the needs-identification, that the GAM is accurately reflected, and that there is necessary capacity and resources allocated to address gender and GBV issues during project implementation.

88. CBPFs support the engagement of local and national WLO/WRO. OCHA acknowledges that WLO/WRO can be best placed to play critical roles in crisis response and community empowerment. As part of enhancing localization, CBPFs encourage access to funding for WLOs/WROs to provide needs-based and life-saving assistance and commit to dedicated capacity development of WLO/WRO. In line with OCHA's corporate Gender Action Plan in place at the time of issuance of these guidelines, CBPFs commit that by the end of 2022 and going forward at least 25 per cent of national NGOs that receive training on CBPF guidelines and procedures are WLO/WRO.

#### Including Persons with Disabilities

89. CBPFs support persons with disabilities and strengthen disability inclusion in all phases of the Fund cycle, systematically considering disability inclusion as a priority in Allocation Strategies and in the selection of project proposals. Scorecards used to recommend projects for funding will reflect disability considerations. The use of disability-inclusion language and disaggregated quantitative and qualitative data are required in project proposals and in monitoring and reporting.<sup>31</sup>
90. Persons with disabilities shall be consulted at the project level, and the intersectionality of disability with other vulnerabilities should be taken into consideration for the respective context of the response.
91. In line with the IASC Guidelines on the Inclusion of Persons with Disabilities in Humanitarian Action and the UN Disability Inclusion Strategy (UNDIS), CBPFs aim to foster full and effective participation and inclusion of persons with disabilities. Funds promote such participation through more flexible procedures and, where necessary, increase accessibility measures. Disability experts can participate in CBPF decision-making, including all AB deliberations, to sensitize Fund leadership on the importance of disability inclusion. These disability experts are identified from within the humanitarian community or in the disability rights community in the respective country or internationally.
92. CBPFs make efforts to increase the involvement of Organizations of Persons with Disabilities (OPDs)<sup>32</sup> in all processes, including through training/capacity development, facilitation of the application process, participation in project review committees, and the use of sub-granting arrangements, especially where OPDs have not yet completed capacity assessment.
93. CBPF partners commit to non-discrimination towards persons with disabilities. The eligibility process will require each partner to validate this commitment through an explicit, written affirmation.
94. OCHA Regional and Country Offices may establish relationships with relevant national and regional disability groups and networks in relation to CBPF processes. CBPFs recognize the importance of the potential technical support and advisory role of these groups, including the global Disability Reference Group (DRG). Relevant outputs of the DRG or other relevant can be considered to support the impact that CBPFs can make.

## **3.2. Other areas of effective programming**

95. This section reflects other aspects of good programming to be incorporated where feasible. Actions may vary, dependent on the diverse context and programming focus of the Funds.

#### Advancing Cash and Voucher Assistance

96. In line with the Grand Bargain, CBPFs promote Cash and Voucher Assistance (CVA), prioritizing its use across the project portfolio where feasible and appropriate to address needs.

<sup>31</sup> CBPFs performance on disability inclusion is expected to be aligned with the [United Nations Disability Inclusion Strategy \(UNDIS\)](#).

<sup>32</sup> Organizations of Persons with Disabilities (OPDs) should be rooted in and committed to the Convention on the Rights of Persons with Disabilities (CRPD) and should fully respect the principles and rights that it affirms. OPDs must be led, directed and governed by persons with disabilities. A clear majority of their memberships should be persons who have disabilities.

97. CVA, particularly when provided via unrestricted cash, can offer flexibility, dignity and efficiency to people affected by crises, commensurate with their diverse needs. As such, CBPFs specifically encourage the use of multi-purpose cash (MPC) to meet basic needs and complement sectoral responses where appropriate. The use of CVA and MPC is based on thorough analysis, and the feasibility of either in-kind or CVA must be considered for all projects, taking into consideration country-specific conditions and associated risks. Where feasible, CVA should be considered as the default modality.
98. CBPFs promote the increased scale of CVA through setting quantitative and qualitative targets and by ensuring that CVA is considered in the development of Allocation Strategies and in the selection of projects. As a general approach, CBPFs ask that if assistance is not provided via cash and vouchers, that partners (at the project level) articulate the rationale and explain 'why not'. As relevant, CVA is reflected as a criterion in scorecards which guide the review and selection of projects. Project reporting templates track and report on the usage of CVA, including MPC.
99. To ensure the coherent use of CVA, CBPFs work closely and consistently with in-country coordination mechanisms and, in particular, cash working groups (CWG) that are established in many contexts. CWGs can offer expertise and advice at the strategic level in defining allocation strategies, as well as technical support to CBPFs and partners, including on issues of transfer values in line with the Survival/Minimum Expenditure Basket, appropriate transfer modalities, project design, best practices and standards.

#### Improving humanitarian access

100. CBPFs contribute to ensuring humanitarian access, as a prerequisite to effective humanitarian action. They facilitate and coordinate humanitarian partners' efforts to establish and maintain access, and to overcome factors that inhibit humanitarian access, including bureaucratic restrictions, physical infrastructure, and safety and security. Safe and unimpeded access is critical to establish operations, assess needs, monitor the delivery of assistance, move goods and personnel where needed, and enable affected people to benefit from assistance and access basic services safely.
101. When used strategically, CBPFs can help improve access to new locations and population groups, promote cooperation between authorities and humanitarian actors, and build trust with the communities. CBPFs help sustain and/or improve humanitarian access by prioritising this in Allocation Strategies. Operationally, this will result in CBPFs supporting relevant activities, locations and partners; as well as funding access-enabling projects that contribute to a safe and conducive operating environment. Prioritisation takes place in coordination with relevant experts on access data and analysis.
102. CBPFs help identify alternative solutions to access people in need and/or enable people in need to access services by promoting cash assistance, localization and innovation. They contribute to creating a more systematic and coherent response to identified access impediments and help roll out agreed access strategies.

#### Promoting Anticipatory Approaches, including Anticipatory Action Frameworks

103. CBPFs promote and encourage anticipatory approaches, which can mitigate the impact of predictable shocks and allow the humanitarian community to reach affected people with humanitarian aid more effectively with speed, dignity and efficiency. In many contexts, occurrences such as perennial flooding, seasonal cholera outbreaks and recurrent droughts are predictable, and typically inform allocation strategies and funding decisions. Through their unique positioning within the humanitarian landscape, CBPFs may play a catalytic role in supporting collective anticipatory approaches.
104. An area for further exploration is the extent to which CBPFs may support the formulation and implementation of more formal collective anticipatory action frameworks or other in-country mechanisms and capabilities for anticipatory action. The extent to which funding from the CBPF is considered appropriate and strategic will take into consideration the wider context, including other humanitarian needs and available resources. At the time of issuance of these Global Guidelines, a pilot initiative is consolidating experience and learning around the engagement of Funds in collective anticipatory action frameworks, including in complementarity with existing CERF initiatives. CBPFs could, for instance, provide complementary, pre-agreed, anticipatory financing to frontline responders within collective anticipatory action frameworks, with a focus particularly on

local and national NGOs. Discussions of HC with Advisory Boards are required to understand the extent to which these approaches are possible and advisable given other demands on CBPF funding, and also to better understand the unique value that the CBPFs can bring to anticipatory approaches.

### 3.3. Complementarity

105. CBPFs work in complementarity with other sources of humanitarian funding and stakeholders across the wider humanitarian effort. This includes complementarity between OCHA's Pooled Fund mechanisms, with other humanitarian Funds, and with development and peacebuilding funding streams.
106. The HC's leadership and decision making ensure complementarity at country-level, translated throughout the CBPF cycle, including in Allocations Strategies, project design and implementation, monitoring and reporting.
107. Ensuring complementarity with the OCHA-managed CERF is a key objective to maximize effectiveness, advance innovative, strategic considerations and strengthen coherence in delivering results for affected communities. CBPF and CERF processes inform respective programming, optimizing engagement and working relations with relevant stakeholders and coordination platforms, collaborating in amplification of messaging, and contributing to mobilizing broader support for a common agenda.
108. CBPFs also promote the collaboration and complementarity between humanitarian, development, and peacebuilding funding more broadly (commonly referred to as the nexus) by encouraging, and where possible, catalysing coordination and informal cooperation among relevant actors, donors and other funding mechanisms, including:
  - i. Share information on Allocation Strategies and potential partners with development and peacebuilding actors, seek advice at the strategic allocation level and compare approaches and situation analysis.
  - ii. When reviewing projects, request input from development and peacebuilding experts during the technical review on specific projects, as relevant, and consider including specific criteria on the nexus in the project proposal prioritization scorecard, including but not limited to conflict sensitivity, the Do No Harm principle and resilience building.
  - iii. Maintain regular informal contact on the situation and needs in the country, inviting representatives from other funds to attend AB meetings when relevant issues are discussed.
  - iv. Engage with other funds to deliver inputs, such as training, where fund staff may offer relevant technical input.
  - v. Explore ways to enhance collaboration or to leverage funding from development and peacebuilding funds in complementarity, where there is potential to use it to deliver principled humanitarian response, or vice versa.

## 4. Allocations

109. CBPFs provide the HC with two modalities to allocate funds to humanitarian partners and projects: i) the Standard Allocation (see section 4.1) and ii) the Reserve Allocation (see section 4.2). The HC, in consultation with the AB, determines the appropriate use of the modalities given the context and the strategic intent of any given allocation, as well as considering process efficiency and transaction costs.
110. Paid donor contributions and pledges (i.e., contributions for which the donor has made an official commitment in writing) will be taken into account when planning funding availability for allocations. Anticipated donor contributions without a commitment in writing cannot be considered available for allocation.
111. To enhance the strategic nature of CBPF allocations and related messaging to stakeholders, for each allocation the HC develops a Strategic Statement as the first, overarching element of the allocation strategy, articulating why the allocation is critical at a particular moment in time and the way in which it will add value, for example, by promoting agreed, system-wide priorities, enhancements to the system, and improvements in the quality of assistance. It explains how the allocation will make a difference in key areas over and above addressing prioritised humanitarian needs - the added value that responding through a Pooled Fund brings. It can serve as a basis to assess the allocation's success.
112. Country-specific approaches can be applied within the different generic steps of the allocation processes described below. Any country-specific adjustment should be described in the country-specific Operational Manual.

### 4.1. Allocation modalities

#### 4.1.1. Standard Allocation

113. The HC uses the Standard Allocation process to support the response when an allocation is less time sensitive than a Reserve Allocation. Typically a large number of partners have the potential to deliver on the objective of the allocation, requiring a competitive process. The allocations take place against the backdrop of the HRP or other equivalent collective humanitarian plans. However, the funding available for any given allocation is usually small in relation to the funding requirements of such plans – so each allocation is focused by a clear articulation of the humanitarian strategy it will advance, aligned with the HC's Vision Paper for the Fund. The allocations are not simply intended to “fill funding gaps” – such an approach will result in a protracted process to determine funding decisions and a fragmented project portfolio with diluted focus and impact.
114. The process is conducted under the auspices of the HC, informed by the AB and in close consultation with the existing coordination mechanisms, which may include sectors/clusters and/or other relevant coordination platforms, to ensure the best possible analysis and use of resources. The consultation process will be set up to ensure inclusivity, while managing the time required/speed and transaction costs. Allocation strategies and funding decisions are supported by appropriate documentation, and all relevant information is communicated to key stakeholders in a timely manner. Transparency is essential for the Fund to function properly and in a principled manner.
115. The selection of projects under a Standard Allocation follows a competitive process, including a call for proposals. Project proposals submitted by eligible partners are reviewed using pre-established criteria, with those best able to deliver against the Allocation Strategy recommended for funding.
116. Projects selected for funding through Standard Allocations will have a maximum implementation period of 24 months. This is a maximum and should not be construed as an entitlement. The appropriate time period for any given project will be considered in line with any relevant specifications in the Allocation Strategy and on a case-by-case basis and will be commensurate with the envisaged activities, outputs, programme quality and value for money. Proposals with unrealistically short timeframes in order to appear economical and



competitive, but for which achievement of the envisaged activities, outputs and desired level of quality is not feasible, will be deprioritised. Projects with protracted timeframes which go beyond what is required to achieve the envisaged activities, outputs and programme quality and may include undue recurrent costs will be similarly deprioritised.

117. The total amount of funding to be allocated through Standard Allocations is set out in the Allocation Strategy. Maximum grant ceilings are set out in the Operational Modalities<sup>33</sup> for each Fund, regulated by the risk level assigned to any given partner and the project duration.
118. CBPFs will explore, on an ongoing basis, how allocation processes can be streamlined and light. Efforts to streamline and expedite the allocation process are critical, minimising transaction costs. Where possible timelines will be shorter, while the indicative timeline for a Standard Allocation process ranges from 35 to 45 working days through to the signature of Grant Agreements<sup>34</sup>, followed by up to 10 working days for first disbursements. The steps are as follows:

#### Step 1: Allocation Strategy development

119. The HC determines that an allocation process will be conducted, in consultation with AB and the HFU, setting out its strategic intent in a concise Strategic Statement that will be part of the full Allocation Strategy. The Strategic Statement outlines why the allocation is appropriate at a particular juncture and the added value that addressing needs through the Fund will bring in terms of system improvements and quality of the wider response.
120. Guided by the Strategic Statement, the HFU prepares a detailed Allocation Strategy (annex 2A) in consultation with the existing coordination mechanisms, which may include sectors/clusters and/or other relevant coordination platforms and stakeholders. The detailed Allocation Strategy is evidence-based with reference to verifiable data. It includes:
- i. The Strategic Statement
  - ii. List of priorities - defined as clearly as possible to allow for focused and best use of the limited resources available
  - iii. Total amount to be allocated (which should be detailed to the extent possible by, for example, by priority, theme, expected outcome, geographic area)
  - iv. Complementarity with CERF<sup>35</sup> and other funding sources
  - v. Criteria for project prioritization/selection
  - vi. Partner eligibility criteria
  - vii. Timeline for the further steps in the process
121. The HFU provides a draft Allocation Strategy and ensures adequate dialogue with the CBPF Section to allow for feedback and guidance and ensure high-quality Allocation Strategies in conformity with global templates and standards. Each Allocation Strategy should be reviewed by the CBPF Section before final endorsement.
122. The HFU shares the Allocation Strategy with the AB for feedback and the HC for final review. Once the HC endorses the final version of the Allocation Strategy, it is issued by the HFU, which then launches the call for proposals.

#### Step 2: Submission of project proposals

123. Eligible partners prepare project proposals that address the strategic intent and specific priorities outlined in the Allocation Strategy. Project proposals (annex 3) are submitted for consideration through the GMS.<sup>36</sup>

<sup>33</sup> For more information on Operational Modalities refer to chapter 5.

<sup>34</sup> Eligibility of expenditures can start prior to signature of the Grant Agreement, as noted in paragraphs 131 and 326.

<sup>35</sup> For further information on complementarity between CBPFs and CERF refer to chapter 3.

<sup>36</sup> The project proposal template and corresponding reporting template will be updated with the launch of the OneGMS, as described in chapter 1.3 and may be subject to further refinements from time to time.

Step 3: Review of project proposals

124. The HFU conducts a preliminary screening of all project proposals submitted to verify minimum requirements and that the applicant organisation meets any other basic specifications set out in the Allocation Strategy. It does not assess the substantial aspects of the project design.
125. The HFU, in consultation with sectors/clusters and/or other relevant coordination platforms and stakeholders, establishes Review Committees which may be organized around thematic, geographic, sectoral or other configurations most suited to the Allocation Strategy. Review Committees are responsible for assessing the design of the project proposals and their alignment with the Allocation Strategy. A scorecard with fixed weighted categories is used to inform a systematic and objective review process (see annex 4 for scorecard sample indicators), which may be complemented by other tools of relevance to the nature of the proposals. Based on the outcomes of the review, Review Committees recommend funding those proposals which are deemed to best support the delivery of the Allocation Strategy.<sup>37</sup>
126. The HFU consolidates recommendations from the Review Committees of projects to be funded, scrutinizes the recommendations for coherence with the agreed Allocation Strategy and any relevant parameters, and then submits to the HC a full list of recommended projects. The HC reviews and endorses the projects for final technical and financial review.
127. Through the GMS, each partner receives a notification about whether its project(s) has been recommended for funding, including an explanation of the decision. The AB may be provided with a summarized overview of the indicative portfolio.

Step 4: Final technical and financial review of proposals recommended for funding

128. The final technical and financial review ensures that proposals are of the highest possible quality before final approval by the HC. It ensures that any required modifications identified during the previous vetting stage are incorporated and examines other technical and financial details. The HFU conducts the final technical and financial review in liaison with subject matter experts (for example, sector/cluster representatives, gender and disability inclusion experts) as needed. The review includes the appropriateness of the proposed budget and its conformity with any relevant financial and budgetary rules. Final budget clearance may be made by the Finance Officer of the HFU or the Finance Unit in the CBPF Section, subject to prevailing delegations of authority.
129. Partners address comments from the Review Committee, as well as those arising from the final technical and financial review. Partners resubmit proposals through the GMS to incorporate required changes and ensure robust final quality, with each re-submission receiving further comments as appropriate. If, after three cycles of re-submission, a proposal does not meet requirements, it may be removed from the process.

Step 5: Final project approval by HC and signing of the Grant Agreement

130. Once the final technical and financial review is completed, the HFU will recommend the project to the HC for final approval and preparation of the Grant Agreement.
131. The HFU will liaise with partners to determine the start date of the projects. At the request of the partners, the agreed start date may be specified as early as the date when the budget was cleared by OCHA. This is a provision to accommodate the early start of activities and eligible expenditures in advance of signing the Grant Agreement and completing the first disbursement, should the partner wish to proceed in this manner. If the Grant Agreement, for extraordinary circumstances/force majeure, is not signed following the budget clearance, then the partner will be liable for any expenditures incurred – however, this scenario is extremely unlikely.
132. Following the preparation of the Grant Agreement, it will be signed first by the HC, second by the partner, and finally by OCHA's Executive Officer. All signatures are made through the GMS, and electronic signatures are acceptable.

---

<sup>37</sup> For more detailed roles and responsibilities of the Review Committees refer to the ToR (annex 5).



133. The HFU makes consolidated information on the allocation and the project portfolio widely available to stakeholders, including through the CBPF DataHub, Allocation Dashboards, and/or via mailing lists.

#### Step 6: Disbursement

134. Following the final signature of the Grant Agreement by the OCHA Executive Officer, the initial disbursement of funds will take place within 10 working days.

<b>Standard Allocation workflow</b> (indicative timeline 35-45 working days <sup>38</sup> , plus disbursement)
<b>Step 1: Allocation Strategy development</b>
<b>1.0 HC</b> decides to launch an allocation in consultation with the AB, setting out its strategic intent in a concise Strategic Statement.
<b>1.1 OCHA/HFU</b> prepares a detailed Allocation Strategy with inputs from sectors/clusters and/or other coordination mechanisms and from relevant stakeholders.
<b>1.2 OCHA/CBPF Section</b> reviews the Allocation Strategy to allow for feedback and guidance and ensure high-quality Allocation Strategy in conformity with global templates and standards.
<b>1.3 OCHA/HFU shares</b> the Allocation Strategy with the AB for feedback. The HC endorses the final version of the Allocation Strategy.
<b>1.4 OCHA/HFU</b> issues the Allocation Strategy by way of initiating the call for proposals.
<b>Step 2: Submission of project proposals</b>
<b>2.1 Eligible partners</b> submit project proposals.
<b>Step 3: Review of project proposals</b>
<b>3.1 OCHA/HFU</b> conducts preliminary screening of submitted project proposals to verify basic eligibility requirements.
<b>3.2 Review Committees</b> recommend funding project proposals based on selection criteria specified in the Allocation Strategy and informed by the use of scorecards and other tools.
<b>3.3 OCHA/HFU</b> consolidates recommendations from Review Committees, scrutinizes coherence with the agreed Allocation Strategy and any relevant parameters, and submits to the HC a final list of recommended projects. The HC reviews and endorses the projects for final technical and financial review.
<b>Step 4: Final technical and financial review</b>
<b>4.1 OCHA/HFU</b> in liaising with <b>technical experts</b> as needed and conducts the technical and financial review.
<b>4.2 Partners</b> address comments from Review Committees, OCHA/HFU and technical experts. Proposals can be revised in three cycles to reach the required quality.
<b>4.3 OCHA/HFU or the CBPF Section</b> conducts budget clearance, subject to prevailing delegations of authority.
<b>Step 5: Final approval by HC and Grant Agreement</b> <sup>39</sup>
<b>5.1 HC</b> gives final approval for projects. <b>OCHA/HFU</b> prepares Grant Agreements with start date, reporting timelines, disbursement schedule and other conditions.
<b>5.2 HC, Partner and finally OCHA EO</b> sign Grant Agreement
<b>Step 6: Disbursement</b> (10 working days)
<b>6.1 OCHA/CBPF Section</b> actions disbursement.

### 4.1.2. Reserve Allocation

135. The Reserve Allocation is intended primarily to respond to rapid onset and unforeseen circumstances and address corresponding needs. Rapid response to an unforeseen cholera outbreak in a particular geographical location is an illustrative example.
136. Exceptionally, the Reserve Allocation may also be used to support special initiatives which may not be rapid

<sup>38</sup> Eligibility of expenditures can start prior to signature of the Grant Agreement, as noted in paragraphs 131 and 326.

<sup>39</sup> While OCHA is responsible for the signing of the HC and EO, the timeline is also contingent on partners signing the Grant Agreement.

onset or unforeseen per se, but where the HC considers that the CBPF is uniquely placed to play a strategic role of critical importance to the wider humanitarian response, and for which there are very few suitable partners, and a Standard Allocation process would be inefficient. Undertaking a specialised needs assessment, procuring specialised emergency supplies or supporting a unique common service not generally obtainable through other means are illustrative examples.

137. A key characteristic of the Reserve Allocation, differentiating it from the Standard Allocation, is that funding applications will be entertained from a limited number of partners by invitation, and identified according to explicit criteria. In this way, the process can be streamlined as compared with a Standard Allocation. To ensure transparency, the HFU will consult with sectors/clusters and/or other relevant coordination platforms and stakeholders to identify the criteria and the best-placed partners to be invited to submit proposals.<sup>40</sup> The Allocation Strategy (annex 2B) will outline the selection criteria for partner(s) invited to submit proposals. A fully-fledged Allocation Strategy comparable to that of a Standard Allocation is not required – however, the Strategic Statement will be accompanied in a short Allocation Strategy by other key parameters to execute the allocation quickly, such as geographical area(s), types of project(s) to be implemented, amount to be allocated.
138. Projects selected for funding through Reserve Allocations will have a maximum implementation period of 12 months. This is a maximum and should not be construed as an entitlement. The appropriate time period for any given project will be considered in line with any relevant specifications in the Allocation Strategy and on a case-by-case basis and will be commensurate with the envisaged activities, outputs, programme quality and value for money. Proposals with unrealistically short timeframes to appear economical and competitive but for which achievement of the envisaged activities, outputs and desired level of quality is not feasible will be deprioritised. Projects with protracted timeframes which go beyond what is required to achieve the envisaged activities, outputs and programme quality and may include undue recurrent costs, will be similarly deprioritised.
139. The total amount of funding to be allocated through the Reserve Allocation is set out in the Allocation Strategy. Maximum grant ceilings are set out in the Operational Modalities<sup>41</sup> for each Fund, regulated by the risk level assigned to any given partner and the project duration.
140. CBPFs explore allocation processes that are streamlined and light. The indicative timeline for a Reserve Allocation ranges from 15 to 20 working days<sup>42</sup> through to the signature of Grant Agreements, followed by up to 10 working days for the first disbursements. The steps are as follows:

Step 1: Strategic Statement and Allocation Strategy development

141. The HC determines that an allocation process will be conducted, setting out its strategic intent in a concise Strategic Statement that outlines why the allocation is appropriate at a particular juncture and the added value that addressing needs through the Fund will bring in terms of system improvements and quality of the wider response.
142. HFU prepares a short Allocation Strategy, in consultation with the existing coordination mechanisms, which may include sectors/clusters and/or other relevant coordination platforms and other stakeholders, that includes the Strategic Statement and other key parameters to execute the allocation quickly (such as geographical area(s), types of project(s) to be implemented, amount to be allocated, and criteria for the partner(s) invited to submit proposals).
143. The Allocation Strategy is reviewed by the CBPF Section to allow for feedback and guidance before being submitted to the AB. This ensures high quality and conformity with global templates and standards.

<sup>40</sup> In situations where the application of the criteria to identify partners for invitation to submit proposals results in more than one partner being invited to submit a proposal for the same scope of work, a limited competitive process may be conducted. In such cases a rapid strategic review may be required, similar to the process used in Standard Allocations with a Review Committee to recommend project(s) for funding.

<sup>41</sup> For more information on Operational Modalities refer to chapter 5.

<sup>42</sup> Eligibility of expenditures can start prior to signature of the Grant Agreement, as noted in paragraphs 131 and 326.

144. HFU shares the Allocation Strategy with the AB for feedback. A meeting is not required, and a no-objections feedback process conducted within 24-48 hours is sufficient.
145. The HC endorses the final version of the Allocation Strategy. HFU invites identified partner(s) to submit proposal(s) supporting the delivery of the Allocation Strategy.

Step 2: Submission of project proposal(s)

146. Invited partner(s) submit project proposal(s) that address the strategic intent and specific priorities outlined in the Allocation Strategy through the GMS.

Step 3: Final technical and financial review of proposal(s)<sup>43</sup>

147. The objective of the technical and financial review is to ensure that proposal(s) are of sufficient quality before the final approval by the HC. The HFU conducts the final technical and financial review in liaison with subject matter experts (for example sector/cluster representatives, gender and disability inclusion experts), as needed, to ensure the appropriateness of project design and the proposed budget, including its conformity with relevant financial and budgetary rules. The HFU will send consolidated comments to partners. Final budget clearance is conducted by the HFU, the Finance Officers at the HFU or the Finance Unit in the CBPF Section and is subject to prevailing delegations of authority.
148. Partners resubmit proposals through the GMS to incorporate required changes and ensure robust final quality, with each re-submission receiving further comments as appropriate. Given the urgency of the response, if after two cycles of re-submission a proposal does not meet requirements, it may be removed from the process.

Step 4: Final project approval by the HC and signing of Grant Agreement

149. Once the technical and financial review is completed, OCHA/HFU will recommend it to the HC for final approval and preparation of the Grant Agreement.
150. HFU will liaise with the partner to determine the start date of the project. At the request of the partner, the agreed start date may be specified as early as the date when the budget was cleared at HQ level. This is a provision to accommodate the early start of activities and eligible expenditures in advance of signing the Grant Agreement and completing the first disbursement, should the partner wish to proceed in that manner. If the Grant Agreement, for extraordinary circumstances/force majeure, is not signed following the budget clearance, then the partner will be liable for any expenditures incurred – however, this scenario is extremely unlikely.
151. Following the preparation of the Grant Agreement, it will be signed firstly by the HC, secondly by the partner, and finally by OCHA's EO. Signatures are made through the GMS and electronic signatures are acceptable.
152. The HFU makes consolidated information on the allocation and the project portfolio widely available to stakeholders, including through the CBPF DataHub, Allocation Dashboards, and/or via mailing lists.

---

<sup>43</sup> In situations where the application of the criteria to identify partners to invite to submit proposals may result in more than one partner being invited to submit a proposal to complete the same scope of work, a limited competitive process with a rapid strategic review may be required.

Step 5: Disbursement

153. Following the final signature of the Grant Agreement by OCHA/EO the initial disbursement of funds will take place within 10 working days.

<b>Reserve Allocation workflow</b> (indicative timeline 15-20 working days <sup>44</sup> , plus disbursement)
<b>Step 1: Allocation Strategy development</b>
1.1 HC decides to conduct an allocation and drafts the Allocation Strategy (including the Strategic Statement) with the support of OCHA/HFU and other stakeholders.
1.2 OCHA/CBPF Section reviews the Allocation Strategy and provides feedback.
1.3 OCHA/HFU shares the revised Allocation Strategy with the AB for feedback. HC endorses the final version.
1.4 OCHA/HFU issues the Allocation Strategy and invites identified partner(s) to submit proposal(s).
<b>Step 2: Submission of project proposals</b>
2.1 Invited partner(s) submit project proposal(s).
<b>Step 3: Final technical and financial review</b>
3.1 Technical experts and OCHA/HFU conduct the technical and the financial review respectively.
3.2 Partner(s) address comments from technical experts and OCHA/HFU. Proposal can be revised in two cycles to reach required quality.
3.3 OCHA/HFU or the CBPF Section conducts budget clearance, subject to prevailing delegations of authority.
<b>Step 4: Final approval by the HC and preparation of Grant Agreement<sup>45</sup></b>
4.1 HC gives final approval for projects. OCHA/HFU prepares the Grant Agreements with start date, reporting timelines, disbursement schedule and other conditions.
4.2 HC, Partner and finally OCHA EO sign the Grant Agreement.
<b>Step 5: Disbursement (10 working days)</b>
5.1 OCHA /CBPF Section makes initial disbursements.

## 4.2. Flexible funding provisions

### 4.2.1. Pre-positioning of funding for '48-hour response'

154. In coordination with contingency planning processes and in view of the strategic use of the CBPFs to respond to sudden-onset emergencies as quickly as possible, allocations may include projects designed to pre-position funding with partners to enable a '48-hour response'. Pre-positioning of funding overcomes the need to conduct a new allocation process and establish new Grant Agreements following a sudden-onset situation, which requires a longer timeframe as outlined above.
155. Funding will be pre-positioned with pre-selected partners as a stand-alone "48-hour response" project, unrelated to any other project selected for funding. The funds provided cannot be for extending or otherwise modifying other projects. The following criteria apply to the selection of best-placed partners for pre-positioned funding:
- i. Geographical coverage: Partners must have the capacity to operate and/or have access to location(s) susceptible to sudden-onset emergencies and where the HC considers that 48-hour response capability is a strategic objective for the Fund.
  - ii. Operational capacity: Partners must have the technical capacity to provide an integrated, multi-sector response and be able to deliver quickly.
156. In consultation with the AB and after the endorsement of the HC, a specific envelope for pre-positioning

<sup>44</sup> Eligibility of expenditures can start prior to signature of the Grant Agreement, as noted in paragraphs 131 and 326.

<sup>45</sup> While OCHA is responsible for the signing of the HC and EO, the timeline is also contingent on partners signing the Grant Agreement.

- funding may be considered in either a Standard or Reserve Allocation. The Allocation Strategy should include specifications related to geographical areas, the amount of funding to be pre-positioned, and the criteria used to identify partners.
157. Project proposals for a 48-hour response should include basic information about the context, objective and budget – however, details about the actual deployment of the funding will not be established until a sudden-onset situation materializes.
  158. Once funding has been pre-positioned with any given partner, it cannot be used unilaterally, rather explicit authorisation must be obtained. The trigger and approval for the use of the pre-positioned funding to put into effect a '48-hour response' is as follows:
    - i. Upon onset of a sudden emergency, the partner with pre-positioned funding contacts the HFU. Contact may also be initiated by OCHA and through other coordination mechanisms, to activate response.
    - ii. The request by the partner to deploy pre-positioned funding should include basic information about the situation, needs, proposed response activities and corresponding budget utilization.
    - iii. The HFU consults with HC, OCHA HoO and sectors/clusters and/or other relevant coordination platforms and stakeholders, as required.
    - iv. The HFU provides a written response to the partner within 48 hours of the partner's request, approving or rejecting the use of the pre-positioned funding, including any caveats and conditions, including the amount of funding to be deployed which may be all or part of the amount pre-positioned. The date of HFU approval is the date from which expenditures can be deemed eligible. The HC and the AB are notified.
  159. Within 20 working days of the approval of the 48-hour response, the original proposal shall be modified in GMS to reflect detailed activities, people targeted, and budget breakdown and be formalized through a Grant Agreement Amendment. The partner is required to meet the financial and narrative reporting obligations as set out in the amended Grant Agreement.
  160. The amount of the pre-positioned funding that is not utilized by the end of a project period will be refunded. In consultation with the HFU, a fair and reasonable cost related to the administration of the grant may be recognized, even when activities are not carried out.

#### 4.2.2. Contingency budget line

161. A contingency budget line may be added to selected projects to enable partners to facilitate a rapid response to unforeseen urgent humanitarian needs (including those outside of the original scope of the project) in an evolving context. The amount of the contingency cannot exceed 4 per cent of the total direct project cost, exclusive of the contingency amount.
162. The contingency budget line shall not be used to compensate for overspending or other adjustments to the original project – it is purposefully appended to the project as pre-positioned funding for addressing new, unforeseen, and urgent needs.
163. Deployment of the contingency budget line requires prior written approval by the HFU (through e-mail). The partner should communicate with the HFU regarding the new and unforeseen needs to be addressed and the intended use of the budget. Review and approval, when appropriate, will be completed within 24 hours of the request.
164. The actual use of the contingency budget line shall be described in the subsequent narrative and financial reports. If the contingency budget line is not utilized, or only partially utilized, within the project implementation period, the remaining amount shall be refunded at the time of final financial reporting and audit as per standard procedures.

### 4.2.3. Project amendments

165. Project amendments fall under three categories: reprogramming, no-cost extensions (NCE) and cost extensions (CE). For the purposes of learning and ensuring that the Funds remain flexible and responsive while also ensuring the best use of resources, the AB shall be updated about and discuss trends and analysis about project amendments.

#### Reprogramming

166. Reprogramming refers to a situation where the outputs, activities or budget utilization of a previously approved project are modified in response to changing circumstances in which the project is implemented in order to better meet the overall objectives of the project. There are no changes to the period of project implementation or the original amount of approved funding.
167. Reprogramming can also be used to re-purpose projects and can be activated if strongly justified, including but not limited to, where:
- i. Funding is no longer required for the activities for which it was initially allocated and/or
  - ii. Planned activities can no longer be implemented due to the changed context and the nature of the activity, and/or
  - iii. A different response and activities may become a more immediate priority for life-saving humanitarian action than the activities for which the funding was originally allocated and/or
  - iv. A different response is complementary to the originally intended response and helps sustain or amplify results initially planned and/or
  - v. Feedback received from affected people substantiates the need for a re-calibration of the project design to ensure it remains evidence-based and appropriate to the context.
168. The changes can be requested by the partner or may be suggested by the HFU, sectors/clusters and/or other relevant coordination platforms and stakeholders. The HFU, in consultation with sectors/clusters and/or other relevant coordination platforms and subject matter experts as appropriate, will assess the appropriateness of the proposed changes.
169. Reprogramming is processed on a case-by-case, project-by-project basis. Depending on the type, scope and nature of changes a Grant Agreement Amendment may be required.<sup>46</sup>

#### No-cost extensions

170. A no-cost extension refers to a situation where the period for project implementation of a previously approved project is extended but without any change to the original amount of approved funding to better meet the overall objectives of the project and respond to changing circumstances.
171. The change can be requested by the partner or suggested by the HFU, sectors/clusters and/or other relevant coordination platforms and stakeholders. The HFU, in consultation with sectors/clusters and/or other relevant coordination platforms and subject matter experts as appropriate, will assess the appropriateness of the proposed changes.
172. No-cost extensions are processed on a case-by-case, project-by-project basis and the final decision and approval lies with the HC, with the recommendation from the HFU. No-cost extensions require a Grant Agreement Amendment.
173. A no-cost extension can be combined with reprogramming in a situation where the outputs, activities or budget usage, as well as the time period for implementation, are modified simultaneously.

#### Cost extensions

174. A cost extension refers to a situation where the budget of a previously approved project is exceptionally

---

<sup>46</sup> The revision process and administrative requirements are detailed in chapter 6, section 6.4 Project Amendments.



increased, to respond to changing circumstances in which the project is implemented to better meet the overall objectives of the project. The budget increase may be combined with an extension to the period for project implementation.

175. The cost extension can be requested by the partner, or suggested by the HFU, sectors/clusters and/or other relevant coordination platforms and stakeholders. The HFU, in consultation with sectors/clusters and/or other relevant coordination platforms and subject matter experts as appropriate, will assess the appropriateness of the proposed changes.
176. Cost extensions shall not be utilized to substitute for the normal allocation process and to approve what would be in effect a new project. Rather, on exceptional basis and with compelling justification they may provide some additional funding to an ongoing project in order to better achieve its objectives. Requests will be reviewed, taking into consideration the available funding and humanitarian impact. A maximum of 30 per cent of the amount of the original project budget may be allocated through CE.<sup>47</sup>
177. Cost extensions are processed on a case-by-case, project-by-project basis and the final decision and approval lies with the HC, with recommendation from the HFU. A Grant Agreement Amendment is required.<sup>48</sup>

#### 4.2.4. Sub-granting and consortia arrangements

178. Details about Grant Agreements are set out in chapter 6 (Administration of CBPF Financial Resources). It is important to note here some principles involved when considering certain types of granting modalities, since these are determined during the allocation process and decisions related to the intended outcomes of the allocation.
179. CBPFs promote the principle of direct funding to partners. Direct funding to best-placed partners is preferred where strategic and operational objectives can be met, avoiding pass-through of resources and associated transaction costs. This is of particular relevance to localization, the secondary aim of the CBPFs, where Grand Bargain commitments are expressed in terms of direct funding to local and national actors.
180. There may, however, be circumstances where the deployment of funding through sub-granting or consortia arrangements can be considered, when justified based on clear and feasible objectives.

##### Sub-granting

181. Sub-granting refers to a situation in which one partner organisation receives funding as the primary grantee to implement a project, and the project design includes a component to be implemented by another organisation. The primary grantee passes a corresponding part of the funding to another organisation which becomes a sub-partner. The primary grantee remains accountable for the delivery of the entire project and the proper use of resources, including the part of the project and the resources pertaining to the sub-partners.
182. Sub-granting arrangements can be considered when there is clear justification and rationale, including:
  - i. Where the arrangement will develop the capacity of the sub-partners, promoting opportunities for future engagement as a primary grantee. This may include strengthening technical expertise, or knowledge and familiarity with CBPFs processes, including financial rules and regulations, reporting etc. The primary grantee should demonstrate that it is capable of providing the required support and mentoring to the sub-partners, and that the arrangement will not be reduced to an entirely administrative or transactional 'pass-through' of funding. The proposed arrangement and its added value should be articulated in the project proposal.
  - ii. Where the arrangement promotes multi-sector/integrated programming. This refers to cases where the objective to achieve multi-sector/integrated programming can only be achieved through

<sup>47</sup> The cost extension request and approval process is outlined in chapter 6, section 6.7 on Project Amendments. The disbursement and other operational modalities are described in chapter 5.

<sup>48</sup> The revision process and administrative requirements are detailed in chapter 6, section 6.7 Project Amendments.

sub-granting, either to ensure the involvement of partners that are not able to receive funding directly as primary grantees, or to ensure the rigour of the programmatic approach through a single, coherent project proposal rather than multiple proposals. The primary grantee should demonstrate that it can provide the required leadership and coordination so that the arrangement achieves its purpose. The proposed arrangement and its added value should be articulated in the project proposal.

- iii. When the arrangement adds value in terms of access, knowledge, proximity etc. for the principled delivery of assistance in conflict settings and other contexts. This refers to cases where a best-placed organization that could deliver principled assistance within a programmatic strategy, due to its comparative advantage vis-a-vis access, relationships, local knowledge and proximity to the affected people, may be unable to receive funding directly. The primary grantee should demonstrate that it can provide the required leadership, monitoring and coordination so that the arrangement achieves its purpose. The proposed arrangement and its added value should be articulated in the project proposal.

### Consortia

183. A consortium is defined as an arrangement where two or more organisations come together to work towards a common goal. In terms of granting modalities, a consortium may involve (i) sub-granting by a primary grantee to one or more sub-partners under a single project proposal as described in the preceding section; or (ii) two or more projects and grantees, but where there is a bespoke, overarching coordination arrangement that ensures that the projects work in parallel and as a whole to achieve a common goal.<sup>49</sup>
184. Where the proposed consortium is essentially a sub-granting arrangement, the approach described above will apply. Where the proposed consortium involves two or more project proposals and primary grantees, it can be considered when there is clear justification and rationale, including: where the arrangement enables organisations to bring together different sectoral or technical expertise and to coordinate their activities more effectively to deliver a more holistic response to crisis-affected people, for example, a multi-sector or integrated response, or geographical convergence or streamlined activities such as procurement for greater efficiency (rather than the activities being conducted by each organisation separately and less efficiently).

## 4.2.5. Multi-year funding

185. Multi-year funding (MYF) is defined as 'funding that is intentionally provided beyond 12 months up to a maximum of 24 months.' It does not refer to projects initially designed for not more than 12 months, for which the timeframe is subsequently extended through a project modification for administrative or operational reasons.
186. While the Funds will prioritize response to existing acute needs, there is a commitment to explore the ability and utility of investments in preventing and responding to needs in a more predictable and sustained manner over periods of more the 12 months when appropriate to the context, supportive of desired outcomes, favourable in terms of cost and administrative efficiencies, and feasible within the resources available.
187. The criteria for consideration of project proposals with implementation periods beyond 12 months and up to a maximum of 24 months will be clearly established in the Standard Allocation strategy, linked to specific activity types, outputs, programme quality and value for money.
188. The extent to which any given Fund will allocate MYF will also be determined by resources available, considering the amount and timing of donor contributions. The predictability of donor contributions is a key determinant of the ability to forecast liquidity and plan investments in order to best meet the objectives of the

<sup>49</sup> In such cases the project proposals should make reference to each other and be reviewed together prior to recommendation for funding. Similarly, monitoring and reporting should make reference to each project.



Funds – in this regard, multi-year contribution agreements are highly desirable. Establishing a limit/proportion of funding for a multi-year approach at the country-level at the beginning of the year, e.g., in the HC's Vision Paper, can be considered.

189. MYF can be considered when it clearly enables:

- i. More sustainable assistance or completion of an activity in an appropriate timeframe, avoiding unrealistically short implementation periods and the likelihood of no-cost extensions (indicative examples include projects that are dependent on external timeframes, such as school years or agricultural seasons).
- ii. Cost-effectiveness in terms of the implementation of sustainable services, (indicative examples include projects that require significant upfront investment and longer implementation periods to address complex situations, including prevention and preparedness activities in protracted humanitarian contexts).
- iii. Behaviour change activities that require a longer implementation period to demonstrate effectiveness, (indicative examples include nutrition projects that integrate prevention and response, or that reinforce sanitation and hygiene practices, or that encourage agriculture practices through different cropping cycles, or psychosocial support programmes).
- iv. Developing emergency response capacity in areas with low humanitarian presence, allowing partners, particularly local and national NGOs, to plan longer projects in a more strategic manner, including larger initial investments, and facilitating continuity of operations and services to the affected people.

190. To optimise liquidity, MYF may be effected through an alternative Grant Agreement that incorporates both the total amount of the project (the amount anticipated to be allocated by the Fund over the life of the project) and the obligated amount (the amount that the Fund has committed to allocate to date, which may be a portion of the total amount).<sup>50</sup> In this way, as an illustrative example, funding for the first year of activities may be obligated at the start of the project, with additional funding obligated at a later date for activities in the second year of the project, considering progress and any project modifications that may be appropriate. The initial project proposal will cover the full intended implementation period, and disbursements will be aligned with the risk-based Operational Modalities.

191. As the ability to effect MYF is introduced for the first time with the issuance of these Global Guidelines, periodic reviews will be conducted to capture emerging practices, draw lessons learned and provide an evidence-based analysis of its utility and impact.

## 5. Risk management

### 5.1. Risk management in the context of CBPFs

192. Risk management is an important tool across the UN system, including within OCHA. For the CBPFs, robust risk management assists OCHA and the HCs in making strategic decisions that maximize the ability of CBPFs to achieve their objectives. OCHA's corporate risk register includes pooled fund management as a key area of risk for the organization, and the effective management of risks related to CBPFs is a corresponding corporate priority and key area of accountability for OCHA.

193. Risk management in the context of CBPFs happens on three levels:

- i. At the global-level (see section 5.2) risk management includes periodic global evaluations, frequent scrutiny and review by UN oversight bodies, and the maintenance of OCHA's corporate

<sup>50</sup> At the time of the issuance of the Global Guidelines the alternative Grant Agreement is under consideration.

risk register.

- ii. At the Fund-level, (see section 5.3) risk management involves a set of tools to inform decision-making processes to support the achievement of Fund objectives in a transparent manner. The process includes risk identification, risk analysis and the development of mitigation strategies to manage residual risks, as well as monitoring and review of identified risks.
  - iii. At the partner level (see section 5.4), risk management is concerned with tailoring engagement with partners according to the assessed risk level of each, which in turn is derived through a rolling assessment of each partner's capacity and performance. Of particular relevance are risk-based conditionalities and oversight procedures for each Grant Agreement.
194. The combination of the Fund-level and partner-level risk management inform Fund strategies, allocation decisions, the oversight regime for individual Grant Agreements concluded with partners and residual risks.

## 5.2. Global-level risk management

195. Management of the CBPFs is a key component of OCHA's mandate to coordinate humanitarian affairs, including humanitarian financing. Corporately, OCHA is responsible for ensuring that CBPFs are managed appropriately and can meet their objectives. Central to this is OCHA's ability to assess the risks associated with managing CBPFs and address them through appropriate actions. Global-level risk management of CBPFs is ensured through the following mechanisms.

### Evaluations of CBPFs

196. Evaluations enable independent assessments of the global CBPF mechanism and contribute to accountability and learning across all Funds. Each evaluation includes a collective assessment of all active Funds and may draw on more in-depth case studies of selected individual Funds. They focus on how CBPFs have performed as humanitarian funding instruments vis-à-vis their intended objectives. The scope of the evaluations, as well as specific questions and methodologies and the selection of Funds for in-depth analysis, are developed as part of the process of commissioning and conducting the exercises. Final decisions on the management of the evaluation will be taken by OCHA's Evaluation and Oversight Section, which operates independently from the CBPF Section. Each evaluation will also consider the appropriate timing for the subsequent evaluation.
197. OCHA responds to the findings and recommendations of the evaluations through the development of management response plans in consultation with key stakeholders, identifying actions and timeframes for follow-up in line with developments in the wider humanitarian arena, and in pursuit of optimizing the efficacy of the Funds.
198. Evaluations of CBPFs are commissioned by OCHA through external consultants. To ensure the relevance, quality and utility of their findings and recommendations, key CBPF stakeholders act in an advisory capacity at important junctures during the process. To this end, a global Advisory Group will be established. The Advisory Group consists of, preferably, experts with substantive evaluation backgrounds from UN agencies, NGOs and donors. Other key stakeholders or experts may be co-opted as demanded by the scope of the evaluation.
199. Ad hoc reviews of specific aspects of CBPF operations and performance or of specific Funds can be conducted to complement the global evaluations in liaison with key stakeholders, including the HC, the AB and OCHA at the country-level, and subject to clearance from the CBPF Section.

### UN Secretariat oversight bodies

200. OCHA, as a UN Secretariat entity, is subject to the oversight of three UN oversight bodies: the Board of Auditors (BoA), the UN Office for Internal Oversight Services (OIOS) and the Joint Inspection Unit (JIU). Together, the work of these bodies ensures a thorough and systematic review of the risks associated with managing CBPFs at the global level and typically draw on the in-depth review of selected Funds.

201. The Board of Auditors is an external, independent audit body that, on an annual basis, audits the UN Secretariat, Funds and Programmes, focusing on compliance with the UN rules and regulations. In its annual audit of OCHA, the BoA conducts a thorough review of OCHA's management of CBPFs and considers whether procedures are appropriate. It makes recommendations on how existing practices can be improved, which OCHA is accountable for implementing. Reports are publicly available.
202. OIOS regularly audits OCHA operations, with a particular focus on Country Offices and, if applicable, CBPFs. OIOS audits cover all aspects of OCHA's management of CBPFs and assess compliance with rules and guidelines. They generate findings and recommendations for the improvement of management practices, to which OCHA is accountable. Reports are publicly available.
203. The single audit principle applies to the audits performed by BoA and OIOS, whereby other parties such as donors and Member States are not to carry out additional audits to avoid duplication of efforts, minimizing disruption and costs to all parties and potentially conflicting recommendations.
204. The JIU is an external, independent oversight body mandated to conduct UN system-wide evaluations, inspections and investigations to ensure effective use of resources and reduce duplication among system entities.<sup>51</sup>
205. At the global level, OCHA shall brief the PFWG on BoA recommendations regarding CBPFs. At the country level, OCHA may brief the AB on recommendations from UN oversight bodies that are of relevance to the specific Fund.

#### OCHA corporate risk management

206. OCHA maintains a corporate-level risk register which identifies the most critical risks that could impact OCHA's ability to function effectively and achieve its strategic objectives. It also identifies strategies to mitigate those risks and enables monitoring of OCHA's overall risk exposure and the implementation of corresponding mitigation actions. The register encompasses risks associated with the management of CBPFs and pass-through of funds to partners.

### **5.3. Fund-level risk management**

207. The strategic direction of the CBPFs is anchored in the provisions of these Global Guidelines, which also set out requirements for robust and accountable Fund management. At the country level, this is further contextualized in a Fund-specific Operational Manual. The Operational Manual is revised annually, or more frequently as needed, to reflect changes in the operating context and calibration of the Fund's objectives within the general framework of the prevailing Global Guidelines.
208. An essential component of fulfilling Fund-level objectives is the corresponding ability of each Fund to identify and manage risks that may be unique to, or vary across, each specific operating context. Factors may include the funding environment, the nature of the humanitarian context, the profile of partners with which the Fund has the potential to engage, the political social and environmental situation, and others. A Fund-level Risk Management Framework (annex 6) is developed by each CBPF, identifying and analysing key risks that may inhibit the Fund's pursuit of its objectives and setting out corresponding mitigation strategies and actions. Formulation and review of the Risk Management Framework is facilitated by the HFU, and falls under the accountability of the HC, who is responsible for approving it. The Risk Management Framework and its periodic revisions also require the endorsement of the AB as a key element of risk-sharing among OCHA and the Fund's stakeholders. The process ensures the Fund remains relevant in the dynamic context in which it is operating, responsive to changing objectives and risks while adhering to the Global Guidelines. The Risk Management Framework is included in the Operational Manual of each Fund and should be reviewed

---

<sup>51</sup> For example, in 2021 the JIU conducted an evaluation of partner management across UN system entities, of relevance to CBPFs.

annually or more frequently as needed.

209. The Risk Management Framework consolidates all activities and functions that mitigate key risks. Identified risks, including recurring trends from audit findings, are analysed and categorized in terms of severity according to their relative likelihood and potential impact on the Fund's objectives. The analysis should clearly set out residual risks to enable informed decision making based on an understanding of potential consequences. The key steps outlined below are based on the ISO31000 international risk management standard and guide the process.

<b>Risk management process overview</b>	
<b>Step 1: Establish context</b>	
	Establishing the context focuses on developing a structure for the risk identification tasks to follow. This includes reviewing the context in which the fund operates, including OCHA priorities, security, coordination mechanisms, programmatic priorities, etc.
<b>Step 2: Risk identification</b>	
	Identifying risks associated with the fund in the country of operation (what incidents can occur and why the incident could occur).
<b>Step 3: Risk analysis</b>	
	The likelihood and magnitude of the risks - categorization of risk in terms of their likelihood and consequence (this is typically done in a heat-map).
<b>Step 4: Risk evaluation</b>	
	Strategies for pre-empting and treating the occurrence of a risk (options to reduce likelihood or alternatives to treat risk if it occurs).
<b>Step 5: Risk treatment<sup>52</sup></b>	
	This should detail responsibility for managing a risk (what specific stakeholder should take action to avoid or treat risk).
<b>Step 6: Monitoring and continual review of risks identified and identification of new risks as they emerge.</b>	
	Continual review of risks identified and identification of new risks as they emerge (at least annually).

<sup>52</sup> Risk treatment is a risk modification process. There are several options for risk treatment, including reducing the risk, sharing the risk, removing the source of the risk, accepting the risk, perhaps even increasing the risk if the risk could become an opportunity. Once the treatment option has been implemented it becomes a control, or a modification of a control.

## 5.4. Partner-level risk management (Risk-based grant management)

### Overview

210. An essential component of CBPF accountability is the analysis of specific risks associated with the provisions of financial resources to partners. The methodology for partner-level risk management is described below. It serves two main functions:

- i. It ensures a broad range of partners have access to CBPF funding to meet humanitarian objectives by establishing adequate oversight requirements for partners assigned with differing risk levels. Partners deemed to be of higher risk will not necessarily be excluded from receiving CBPF funding but rather will be more closely monitored through more stringent controls when compared with partners deemed as lower risk.
- ii. It helps partners identify areas for improvement that can reduce their assigned risk level to incentivize good and accountable grant management and project performance through strengthening systems and internal controls. Over time, higher-risk partners can transition to a lower risk level through good performance and the demonstration of improved capacities and systems, with a corresponding adjustment in the conditions and oversight requirements for new Grant Agreements. Partners that are deemed ineligible because of an unsatisfactory capacity assessment can work to address weaknesses in relevant areas and re-apply for eligibility when ready.

211. The assigned risk level is derived in two ways that vary over time:

- i. For new partners wishing to be considered for first-time eligibility to receive funding, capacity assessments are coordinated by the HFU.<sup>53</sup> Capacity assessments take place before an application for funding can be submitted.<sup>54</sup> The HC, in consultation with the AB and with the advice of the HFU, determines the methodology for conducting capacity assessments<sup>55</sup> and corresponding thresholds for the partner to be deemed eligible to receive funding and the assignment of a risk level. The eligibility threshold may vary across Funds to account for contextual differences and represents a measure of risk tolerance.
- ii. Over time, as any given partner implements one or more CBPF-funded projects, its assigned risk level will be increasingly informed by performance assessment. The dynamic assessment of performance in the proper management of grants and the sound delivery of projects is given increasing weight as compared to the original capacity assessment, which captured a particular set of information at a particular moment in time. A Performance Index is used for the rolling assessment of performance, capturing data and information through the project implementation and grant management cycle (see section 5.4.2).

212. All non-UN partners are assigned a risk level as described above through an initial capacity assessment and subsequent performance assessment. UN agencies partnering with CBPFs are not subject to an initial capacity assessment. As part of the UN system, UN agencies are directly accountable to the UN Member States and oversight bodies. Each UN agency has its own governance, accountability and assurance framework that applies to the management of CBPF grants. UN agencies are, however, subject to performance assessment using the Performance Index during project implementation and the grant cycle.

213. Having derived the assigned risk level for any given partner (or the performance level for UN agencies), a set

<sup>53</sup> For an international partner engaging with multiple Funds, a capacity assessment is conducted by each Fund.

<sup>54</sup> Where under exceptional circumstances a funding application may be submitted by a prospective partner prior to a capacity assessment, under no circumstances will the Grant Agreement be concluded until the eligibility process is satisfactorily completed.

<sup>55</sup> Internal Capacity Assessment conducted by OCHA (standard methodology) or alternative methodologies described further below.

of Operational Modalities determines commensurate grant conditionalities and oversight measures. The Modalities establish the maximum allowable grant amount for a project of a given duration to be implemented by a partner assigned a given risk level; and describe the minimum requirements for reporting by the partner and for oversight activities coordinated by OCHA, including monitoring, financial spot checks and audits. The generic Operational Modalities presented in table 1 represent global minimum standards. Each CBPF will develop its own contextually appropriate Operational Modalities as part of its Operational Manual. These may invoke more stringent thresholds and oversight measures at the discretion of the HC. However, any divergence from the global parameters that are less stringent shall be subject to extraordinary consideration and waiver by OCHA's Executive Officer, based on a compelling justification and advice of the CBPF Section.

#### 5.4.1. Eligibility and the assignment of an initial risk level for non-UN partners

214. Eligibility to receive funding for national and international NGO partners, as well as Red Cross/Red Crescent organizations, is determined through a four-step process which includes preliminary screening, registration, due diligence (DD) review and capacity assessment. As described above, this process also determines the initially assigned risk level for the partner.
215. During the eligibility process, and subsequently, during project implementation, monitoring and auditing, partners are requested to share a large amount of information with OCHA. NGOs sharing data that is required under the CBPF policies are subject to the application of the UN regulatory framework on data protection. Such sharing of data is in accordance with the terms of the CBPF policies or other applicable agreements with the United Nations. Only approved users with specific user rights in the GMS will be able to access personal identifying data. This will be in full compliance with the UN rules and regulations. Due diligence information entered in the GMS is not public information. OCHA is not subject to data protection laws, including, but not limited to, the European Union General Data Protection Regulation (EU) 2016/679 ("GDPR") and is immune from every form of legal process pursuant to the Charter of the United Nations and the 1946 Convention on the Privileges and Immunities of the United Nations. Any data that is transferred by or to the United Nations or otherwise processed by NGOs pursuant to, or in furtherance of, the CBPF policies or other agreements with the United Nations ("UN Data") is the property of the United Nations and constitutes property and archives of the United Nations within the meaning of the UN Convention on the Privileges and Immunities of the United Nations. It is therefore inviolable wherever located and by whomsoever held, and it is immune from search, requisition, confiscation, expropriation and any form of interference, whether by executive, administrative, legislative, judicial, or legal action.
216. The four-step eligibility process is described below.

##### ***Step 1: Preliminary screening of prospective partners***

217. Prior to starting the full eligibility process, prospective partners undergo a preliminary screening. This is a mandatory step using a set of globally standardized questions, which can be complemented by additional Fund-specific questions if deemed relevant in the context. The preliminary screening assesses whether prospective partners meet basic, minimum standards related to the organization's experience in humanitarian operations, adherence to humanitarian principles, the existence of a Code of Conduct and other required policies such as those concerning fraud, conflict of interest, the use of computerized and licensed accounting software, and the protection from sexual exploitation and abuse. See the Eligibility Guidance Note (annex 7) for the global preliminary screening questionnaire.
218. Prospective partners can access the preliminary screening questionnaire to self-assess the extent to which they meet the basic, minimum standards for eligibility. To proceed with the full eligibility process, the questionnaire can be submitted to the respective HFU. When filling out the questionnaire, prospective partners are requested to provide genuine information. The veracity of the responses will be assessed later



during the full capacity assessment – and the preliminary screening aims to reduce the costs and level of effort required to undertake a full capacity assessment in cases where the basic, minimum requirements are not met. False or inaccurate information provided in the preliminary screening will lead to the ineligibility of the prospective partner to continue with subsequent stages of the process. Partners will receive feedback on the outcomes of the preliminary screening. Organizations that do not fulfil the preliminary screening criteria can re-apply later when the basic, minimum standards for eligibility are met.

219. Some Funds may allow the continuous, year-round submission of preliminary screening questionnaires, while other Funds may establish certain windows with specified dates during which the preliminary screening process will take place. Details will be specified in the Operational Manual issued by each Fund. Funds may also request that prospective partners be recommended by Clusters/Sectors or other coordination platforms as relevant to the humanitarian coordination architecture in order to access the preliminary screening. Eligibility Guidance Note (annex 7) provides more detail.

### **Step 2: Registration in the UN Partner Portal and Grants Management System**

220. Prospective CBPF partners are required to register in the UN Partner Portal (UNPP). Partners that are already registered in the UNPP can provide their unique ID number when filling out the preliminary screening questionnaire, which will shorten the process. Prospective partners that are not registered in the UNPP should complete registration after their preliminary screening is finalized.<sup>56</sup> More information on the UNPP registration and required documents can be found in the Eligibility Guidance Note (annex 7). Failure to meet the minimum preliminary screening criteria for consideration for CBPF eligibility does not prevent a partner from initiating registration in UNPP, so that at the next appropriate moment to undertake the preliminary screening a UNPP profile and ID number has already been established.
221. After registration in the UNPP and successful completion of the preliminary screening, the prospective partner can request access to the CBPF GMS by contacting the HFU. Upon registering in the GMS, the partner will be requested to provide the unique UNPP ID number to facilitate the transfer of data. Only under exceptional circumstances can registration in GMS be entertained without prior registration in the UNPP. In such cases, the partner will be required to submit a copy of the registration certificate that indicates the full name of the organisation, preferably in English. The registration certificate is required prior to granting access to the GMS to avoid a possible naming discrepancy that will create delays in generating and preparing any eventual Grant Agreement and processing related disbursements.

### **Step 3: Due diligence and Capacity Assessment**

222. Once the GMS registration process is concluded, the DD and Capacity Assessment (CA) is conducted. The prospective partner is invited to submit all required documents for both processes at once. The documents required are listed in the Eligibility Guidance Note (annex 7). The HFU will then review these documents in three stages:
- a) *Due diligence*
223. A thorough DD review is performed to ensure that prospective partners meet all minimum requirements and that there are grounds to proceed with the capacity assessment. Partners are required to submit a DD application form, supporting documents such as a registration certificate, bank account information, a bank statement and identification documents, as well as several statutory declarations. At the discretion of each Fund, additional mandatory or desirable requirements may be added.
224. While UN agencies are not required to undergo a full DD review, the following information must be provided on GMS: i) office address, ii) contact details of the legal representative (the person who signs Grant Agreements), and iii) bank account information. These will be needed later in the event that any project is recommended for funding and a Grant Agreement is prepared.
- b) *Verification of excluding questions*

---

<sup>56</sup> Existing CBPF partners not registered in the UNPP will also need to do so, to continue to be able to receive funding.

225. Once the DD review has been finalized, and all requirements met, a verification of excluding questions will be completed prior to undertaking the fully-fledged capacity assessment.
226. A limited number of questions in the capacity assessment refer to non-negotiable minimum requirements. A list of the excluding questions is included in the Eligibility Guidance Note (annex 7).
227. Before conducting a full capacity assessment, the HFU will consider and verify the status of the prospective partner vis-a-vis these excluding questions, which are those used in the partner's self-assessment for preliminary screening. If the organization does not fulfil one or more of the minimum requirements, eligibility is denied, and the capacity assessment process is discontinued. If all minimum requirements are met, the HFU will assign a score to each question which will contribute to the final scoring of the full capacity assessment.

*c) Full Capacity Assessment*

228. The objective of the CA is to systematically review the institutional, technical, managerial, and financial capacities of prospective partners and to ensure that the Fund has sufficient elements and information to make an informed decision about eligibility and initially assigned risk level.
229. The HC, in consultation with the AB, is responsible for approving the way in which the Fund carries out the capacity assessment and caters for associated costs.<sup>57</sup> The Internal Capacity Assessment (ICA) – an assessment conducted directly by the HFU - is the preferred method. If not feasible in the operating context, two alternative methodologies are available, as described in paragraphs 234-237. The HC, in consultation with the AB, also determines the minimum capacity assessment score for eligibility, as well as the score, ranges corresponding to each risk level to be assigned. Thresholds and score ranges will be periodically reviewed and adjusted as necessary in line with learning gained through the eligibility process and subsequent partner engagement in a dynamic approach to risk management.
230. During the ICA, the HFU reviews supporting documents and assesses the level of implementation of policies and systems across the organization. Two approaches may be used in combination: first, the HFU conducts a desk-based review of the information provided by the prospective partner; as a second step, the HFU verifies the application of related policies and systems through visits to the partner's offices, project sites, interviews with key informants (staff members, previous/existing donors and partners, cluster/sector leads, etc.) and other means which may be applicable. Each Fund determines which of these two approaches to use according to the specific operating and security context. At a minimum, each Fund is required to complement the desk review with a visit to the partner's main office, which may include staff interviews. In exceptional circumstances, the visit may be conducted remotely.
231. The HFU assesses each element of the Global ICA Questionnaire and assigns corresponding scores. The questionnaire is structured around four key areas of capacity: a) Governance and Institutional Capacity; b) Programme and Partnership Capacity; c) Operational and Financial Capacity; and d) Protection from Sexual Exploitation and Abuse (PSEA). Each Fund may add questions to the baseline questionnaire but may not remove or skip any of the core questions in the Global ICA Questionnaire. The relative weighting given to the scoring of each area is defined globally and cannot be changed. The minimum total score for eligibility and score ranges corresponding to each risk level initially assigned to the partner are established at the discretion of the HC. However, it is a mandatory global requirement that a minimum score of 60 per cent must be obtained for section c) Operational and Financial Capacity to be eligible. The HFU completes the Global ICA Questionnaire in the GMS, which computes the eligibility and initial risk level to be assigned to the partner based on the scores awarded against each question.
232. The ICA seeks to reflect, as much as possible, the outcome of other assessments conducted by other entities in order to reduce duplication and promote harmonization. For example, if a prospective NGO partner has undergone the micro-assessment associated with the Harmonized Approach to Cash Transfers (HACT), the outcome of that assessment can be used as a proxy score for section c) Operational and Financial Capacity

<sup>57</sup> In cases where a third party is co-opted to support the eligibility process and capacity assessments, the approaches used will conform to the principles and minimum requirements specified in this document.



of the ICA. Similarly, the score awarded under the IASC United Nations Implementing Partner PSEA Capacity Assessment can be used as a proxy for the score of section d) PSEA of the ICA. Beyond the introduction of these Global Guidelines, OCHA is committed to exploring options for incorporating other proxies for relevant sections of the ICA.

### Alternative Capacity Assessment methodologies

#### *1) External Capacity Assessment – “outsourced”*

233. If conducting an ICA is not possible due to context-specific circumstances (such as security concerns or lack of access), the HC, in consultation with the AB, may approve the use of the External Capacity Assessment (ECA). Such approval should also consider the cost implications of the ECA and ensure these are duly covered in the HFU's cost plan. The ECA approach outsources the assessment of partners' capacity to a third party (normally an audit company or similar). The third party conducting the assessment is still required to work closely with the HFU, which provides support and overall process oversight.
234. Partners to be assessed through an ECA submit the documents required by the third party, which should align with those used in the ICA. Additional documents may be requested by the HFU or the third party. Once all documentation has been received from the prospective partner, the HFU is responsible for carrying out an initial review and will determine whether the full assessment process will continue, informing the prospective partner accordingly. Where the process continues, the third party will initiate the in-depth assessment, including a desk-based review of the documents provided by the prospective partner; interviews with the organization's staff members; visits to the partner's main office (and, where possible, to one or more field offices), and interviews with key informants such as previous/existing donors and partners, cluster/sector leads and members, and people assisted by the partner. The HFU reviews the process and outcomes of the capacity assessment to ensure overall quality and accuracy.

#### *2) Proxy Capacity Assessment*

235. The capacity assessment of prospective NGO partners may also be carried out through proxies rather than first-hand (ICA or ECA). The Proxy Capacity Assessment (PCA) uses third-party information about the partner's capacity instead of conducting a new assessment. It is not to be confused with the use of proxies as part of the ICA, which provide scores for specific sections of the ICA but do not replace the whole assessment.
236. A variety of different proxies can be used in lieu of a first-hand capacity assessment depending on the context of the Fund and access to different information sources. The following are some examples of information sources that can be used to ascertain the level of capacity of partners:
- i. Past performance when engaging with the Fund in the country
  - ii. Assessment carried out by other donors and/or UN agencies
  - iii. Assessment carried out by an OCHA CBPF in another country
  - iv. Existing partnership agreements with other UN agencies and/or bilateral donors

The merit of each proxy should be assessed individually in terms of how well it satisfies the information requirements contained in the ICA. One or more proxies can be identified as suitable in a given situation.

The PCA approach can be used only exceptionally and for a limited period of time, supported by compelling justification and endorsed by the EO, following a written waiver request from the HC, in consultation with the AB. A first-hand Capacity Assessment should be carried out as soon as circumstances allow to confirm the eligibility and risk rating of the partners.

#### *Exceptions*

237. CBPFs operate in highly volatile environments and often respond to sudden-onset emergencies. In such circumstances, there may be situations where organizations that have not been subject to a formal capacity assessment require funding to carry out mission-critical or life-saving activities that no other organization can perform. In these exceptional cases, the HC (in consultation with the AB) can recommend the use of

alternative methodologies for determining eligibility, with the written approval of the EO based on compelling justification. This could include a due diligence review prior to funding, with a full Capacity Assessment to be carried out later as soon as circumstances allow to confirm eligibility.

#### **Step 4 – Assignment of initial risk level**

238. Based on the score obtained during the capacity assessment, eligible partners will be assigned one of three risk levels: High, Medium or Low. The assigned risk level will determine the applicable Operational Modalities, including grant conditionalities and oversight activities, if a project proposal submitted by the partner is selected for funding (see section 5.4.3).
239. OCHA may share the CA results and assigned partner risk levels with other entities in the UN system through the appropriate mechanisms (UN Partner Portal or other relevant platforms). CA results and partner risk levels may also be shared with non-UN entities, provided they have a funding relationship with the partner and that the partner has provided explicit written consent to the information sharing.

#### *Feedback and capacity developing*

240. Each organization that undergoes a capacity assessment will receive a feedback report detailing the findings and the recommended areas for improvement. Partners that do not pass the verification of excluding questions will receive a summary report outlining the reasons. Partners that pass the verification of excluding questions and undergo a detailed CA will receive a detailed report, regardless of whether the eligibility threshold is achieved. For partners deemed eligible, the CA report will include recommendations for improvement, which should be actioned. Organizations that are deemed ineligible as a result of the CA may work with the HFU to create a capacity development plan to address the weaknesses identified. The capacity development aims to position concerned partners to better meet eligibility requirements and access CBPF funding. Organizations that fail to pass the CA by a small margin, particularly local and national NGOs, may be deemed eligible following verified implementation of a time-bound capacity developing an action plan, provided it addresses all key areas of weakness identified by the CA and is endorsed by the HFU.

#### *Modalities of eligibility process*

241. Funds can follow different modalities for opening up the eligibility process to new organizations. They can accept applications on a rolling basis throughout the year or publish calls for expressions of interest, with specific windows of time during which interested organizations can submit their interest and/or complete the preliminary screening questionnaire. Funds can also use a combination of different approaches. The specific modalities chosen by a CBPF depend upon several factors, including the capacity of the HFU to review registration and due diligence applications, the number of NGOs with implementing capacity on the ground, or the stage of development of the fund (for example, a new Fund may want to prioritize a few selected NGOs with proven capacity, access to prioritized locations, and/or experience in prioritized sectors). The HC approves the chosen modality and is not obliged to conduct rounds of CAs if not deemed necessary.
242. Partners deemed ineligible following the capacity assessment can re-apply after at least six months, if they can demonstrate that the elements that led to the previous ineligibility have been addressed. Partners deemed eligible following the capacity assessment but that do not obtain funding to implement projects for three years are required to undergo a new eligibility process prior to being considered for further funding. More details on these scenarios can be found in annex 7.

#### *Registration of sub-partners*

243. Partners are requested to register in the GMS prospective sub-partners that they intend to work with under CBPF-funded projects. Partners are responsible for completing such registration by indicating the name, acronym, organization type and contact details for each sub-partner and providing a registration certificate (or an equivalent document) for the organization with matches the name under which the sub-partner has been registered. If the organization is not registered with the national authorities of the country of

implementation, the HC may choose to accept a registration certificate (or an equivalent document) with sub-national level authorities or with the authorities of another UN Member State.

244. If the prospective sub-partner is already registered in the UNPP, the unique UNPP ID may be accepted in lieu of the registration details. The HFU will review and approve sub-partner registration or revert to the main partner if additional details are required.
245. While sub-partners do not need to undergo the full due diligence review and Capacity Assessment to be eligible to receive sub-grants from other eligible CBPF partners, they must be registered in GMS to be selected as prospective sub-partners in funding proposals. It is also expected that sub-partners be vetted by the main CBPF partners. Existing partners that are not currently registered in the UNPP also need to complete that registration. Partners can register their prospective sub-partners in GMS at any time, from when the partner's due diligence is initially approved through to approval of a funding proposal. Once a funding proposal has been approved, and the Grant Agreement issued, changes or additions of sub-partners will require a formal project revision process and a corresponding Grant Agreement Amendment.

### 5.4.2. Performance Index

246. The Performance Index (PI) is a key accountability tool and allows OCHA to assign an up-to-date rolling risk level to each partner. The PI considers a combination of the outcomes of the initial CA as well as the outcomes of the assessment of the partner's performance in the implementation of CBPF-funded projects and Grant Agreements.
247. The PI tool guides HFUs in assessing the implementation of each project through the complete cycle from initial submission of the proposal through to closure. The PI assesses seven key components of each project:
- i. quality and timeliness of submission of project documents (proposals and budget)
  - ii. quality and timeliness of implementation against approved targets (monitoring activities)
  - iii. soundness and effectiveness of internal controls during implementation (financial spot checks)
  - iv. quality and timeliness of narrative reporting
  - v. quality and timeliness of financial reporting and financial management
  - vi. frequency, timeliness and justification of project revision requests
  - vii. audit findings
248. The score assigned to each of the above is summarized in a Performance Index score for each project. The PI score for each project is captured in the GMS and is used, alongside the capacity assessment score, to determine the current (rolling) risk level of the partner. The PI score(s) of a partner may, over time, reach a point where the risk level of the partner needs to be adjusted – for instance, a partner with a medium risk level can move either to a lower risk level in case of consistently good performance, or a higher risk level where there are consistent concerns about performance. In these cases, the GMS will suggest updating the partner risk level (PI-recommended risk level). The HFU reviews and validates partners' PI-recommended risk levels on a regular basis, at least every six months and, where appropriate, more frequently (e.g., ahead of launching a new allocation or prior to allocating new funding to the partner). If the HFU disagrees with the PI-recommended risk level for a valid reason, the GMS suggestion to adjust the partner's risk level can be disregarded by entering a justification into the system.
249. The more projects a partner implements, the more its current risk level will be determined by project PI scores. The relative weight of the CA score in the assigned risk level will gradually decrease as the number of projects implemented increases. Similarly, the PI score of more recent projects will carry more weight than the PI scores of older projects. This dynamic approach to the assignment of risk levels is designed to incentivize

- good programmatic and financial performance in project implementation and to allow partners that become eligible while initially deemed high risk to gradually improve and lower the assigned risk level by demonstrating good performance.
250. Conversely, if a partner consistently performs poorly through the implementation of projects, its PI scores may eventually lead to the assignment of a higher risk level, and in some cases to the point where the eligibility threshold is no longer achieved, and the partner is deemed ineligible. In such cases, to regain eligibility, the partner will need to apply again for the eligibility process at least six months after being rendered ineligible, provided it can demonstrate that the elements that caused the poor performance have been addressed. The HFU, on behalf of the HC, informs the partner of changes in the risk level, including potential suspension. More details on modalities for re-assessment are included in the Eligibility Guidance Note (annex 7).
251. If a partner commits serious breaches of compliance with CBPF rules and regulations as contained in these Global Guidelines and annexes, or in the Fund-specific Operational Manual, or in the Grant Agreement, the regular performance assessment will be put on hold. In these cases, the partner's eligibility and/or ongoing projects may be suspended or terminated based on the provisions of the Non-Compliance Measures Framework (annex 8), the Guidance Note on Financial Misconduct (annex 9), or the Guidance Note on Sexual Misconduct (annex 10). Partners whose eligibility is suspended or terminated on the basis of concerns of Financial or Sexual Misconduct are ineligible both as partners and sub-partners to the CBPF. Under specific circumstances, such suspension may be applied across several CBPFs.
252. The PI tool also applies to projects implemented by UN agencies, with the exception of audits and financial spot-checks. UN projects are not subject to financial spot-checks by OCHA, nor to audits by third parties commissioned by OCHA, in light of the UN system-wide single audit principle. Projects by UN agencies do, however, receive a PI score based on all other components of the index. The PI score contributes to determining the performance level of the UN agency and, consequently, the Operational Modalities applicable to its projects.

### 5.4.3. Operational Modalities

253. The risk level assigned to NGO partners and the performance level assigned to UN partners have a direct impact on how accountability is exercised in the management of each CBPF-funded project. The control mechanisms that are used to manage projects are determined based on three elements:
- i. Partner assigned risk/performance level
  - ii. Project budget value
  - iii. Project duration
254. The combination of partner risk/performance level, project duration and budget determines the oversight regime, or “operational modalities”, that are applied by OCHA to each CBPF-funded project. The operational modalities consist of tailoring the following:

#### NGO and UN partners:

- i. Monitoring – The number and frequency of programmatic monitoring activities that the project is subject to. Monitoring can be conducted through a variety of in-person and remote methodologies.
- ii. Narrative reporting – The number and frequency of Progress Updates to be submitted by the partner. Final Reports (FR) are required for all CBPF-funded projects within three months of the end of the project.

#### NGO partners (not applicable to UN partners):

- i. Disbursements – Number of disbursements and amount of each tranche. Each partner will receive the first instalment at the beginning of the project and will be entitled to request the next disbursement(s) by submitting a financial statement once 70 per cent of the funds previously

- received have been utilised. The amount of the first and subsequent disbursements, as well as the number of disbursements, will be determined on the basis of the assigned risk level.
- ii. Funding ceiling- The maximum amount that a partner can receive per project.
  - iii. Financial spot checks – The number and frequency of financial monitoring activities that the project is subject to.
  - iv. Financial reporting - The number and frequency of Financial Reports to be submitted by the partner. This is inherently linked to the disbursement modalities since partners are required to submit an Interim Financial Report when requesting each successive disbursement, liquidating at least 70 per cent of the previous amount disbursed. Final Financial Reports are required for all CBPF-funded projects within three months of the end of the project.
  - v. Audit - Audits will be conducted on all partners except UN agencies, in accordance with the audit plan developed by OCHA Headquarters in consultation with the HFU. In line with previous recommendations and commitments, at the time of issuance of these Global Guidelines, OCHA intends to pilot a risk-based audit approach - partners that meet specific requirements can be subject to partner-based audits on an annual basis instead of project-by-project audits (see section 6.5). The audit plan will indicate the audit regime for each specific partner/year.

**Table 1: Operational Modalities****1. NGO and RC/RC partners**

Risk Level	Project duration (months)**	Project value (thousand USD)	Maximum amount per project (thousand USD)	Disbursements (in % of total)	Financial reporting			Narrative reporting		Monitoring		Audit
					Interim Financial Report (for additional disbursements)	31-Jan (Calendar year reporting)	Final Report	Progress Report	Final Report	Project monitoring	Financial spot-check	
<b>NGOs</b>												
<b>High</b>	<6	≤ 250	-	60-40	Yes	Yes	Yes	1 mid	Yes	1	1	As per plan
		> 250	500	50-50	Yes	Yes	Yes	1 mid	Yes	1	1	
	6 (incl.) - 12	≤ 400*	-	50-50	Yes	Yes	Yes	1 mid	Yes	1	1	
		> 400	700	40-40-20	Yes	Yes	Yes	2	Yes	1	1	
	12 (incl.) – 24	≤ 400	-	40-40-20	Yes	Yes	Yes	2	Yes	1	1	
		> 400	1,000	40-30-30	Yes	Yes	Yes	2	Yes	2	2	
<b>Medium</b>	<6	≤ 250	-	100	-	Yes	Yes		Yes	-	-	
		> 250	700	80-20	Yes	Yes	Yes	1 mid	Yes	1	-	
	6 (incl.) - 12	≤ 400	-	100	-	Yes	Yes	1 mid	Yes	1	-	
		> 400	1,000	80-20	Yes	Yes	Yes	1 mid	Yes	1	1	
	12 (incl.) – 24	≤ 400	-	80-20	Yes	Yes	Yes	1 mid	Yes	1	1	
		> 400	1,500	60-40	Yes	Yes	Yes	1 mid	Yes	1	1	



<b>Low</b>	< 12	≤ 900	-	100	-	Yes	Yes		Yes	-	-
		> 900	-	80-20	Yes	Yes	Yes		Yes	-	-
	12 (incl.) – 24	≤ 900	-	100	-	Yes	Yes	1 mid	Yes	-	-
		> 900	-	80-20	Yes	Yes	Yes	1 mid	Yes	1	1
<p>* New partners eligible to receive funding for the first time and assessed as high risk can apply for only one project, for a maximum of 12 months. After the Final Financial and Narrative Reports for the first project are submitted and approved by OCHA, and provided no red flags have been identified, additional project proposals can be submitted, and the regular Operational Modalities apply.</p> <p>** Maximum project duration is 24 months. Cost and No-Cost Extensions may not extend the duration of a project beyond 24 months. If following a Cost or No-Cost Extension additional monitoring and reporting is required in line with the Operational Modalities, the corresponding changes will be made in the GMS to ensure oversight activities are conducted.</p>											

## 2. UN partners

Performance Level	Project duration (months) <sup>***</sup>	Project value (thousand USD)	Financial reporting		Narrative reporting		Monitoring
			31-Jan (Calendar year reporting)	Final Report	Progress Report	Final Report	Project monitoring
<b>UN agencies</b>							
<b>Very Poor</b> (0.00 – 49.99)	<b>No allocation</b>						
<b>Poor</b> (50.00-69.99)	<6	≤ 250	Yes	Yes	-	Yes	1
		> 250	Yes	Yes	-	Yes	1
	6 (incl.) - 12	≤ 400	Yes	Yes	1 mid	Yes	1
		> 400	Yes	Yes	1 mid	Yes	1
	12 (incl.) – 24	≤ 400	Yes	Yes	1 mid	Yes	1
		> 400	Yes	Yes	1 mid	Yes	2

<b>Average</b> (70.00-89.99)	<6	≤ 250	Yes	Yes	-	Yes	-
		> 250	Yes	Yes	-	Yes	
	6 <i>(incl.)</i> - 12	≤ 400	Yes	Yes	1 mid	Yes	1
		> 400	Yes	Yes	1 mid	Yes	1
	12 <i>(incl.)</i> – 24	≤ 400	Yes	Yes	1 mid	Yes	1
		> 400	Yes	Yes	1 mid	Yes	2
<b>Good</b> (90.00-100.00)	< 12	≤ 900	Yes	Yes		Yes	-
		> 900	Yes	Yes		Yes	-
	12 <i>(incl.)</i> – 24	≤ 900	Yes	Yes	1 mid	Yes	-
		> 900	Yes	Yes	1 mid	Yes	1

255. In line with the Operational Modalities set out in the tables above, the number and amount of each disbursement for NGO projects, as well as narrative and financial reporting requirements, will be stipulated in the Grant Agreement. In the case of CEs and NCEs if the increase in budget and/or project duration changes the applicable operational modalities, the Grant Agreement Amendment will outline the new control mechanisms applicable to the revised project. In the case of CEs, the additional budget will be disbursed a) only after 70 per cent of the original project budget has been liquidated and b) according to the new operational modalities applicable to the whole project, including its original parameters and the extension. CEs and NCEs cannot extend project duration beyond the maximum duration of projects of 24 months.
256. The Operational Modalities represent minimum standards. Each Fund can set stricter limits if deemed necessary in consideration of the specific country context. Stricter operational modalities are approved at the discretion of the HC, in consultation with the AB, and form an integral part of a Fund-specific Operational Manual. As part of more stringent operational modalities, individual Funds can consider more frequent assurance activities, smaller disbursement tranches, the introduction of a lower maximum ceiling for grants to new partners, or a maximum ceiling for all active grants pertaining to any given partner at any one time, as examples.
257. Under exceptional circumstances, a Fund can request a derogation from the minimum standards set out in the Operational Modalities, to apply less stringent oversight measures to a specific partner and project, for example, regarding the “Maximum amount per project”, “Maximum duration” and regime of “Disbursements”. Such derogations will be based on solid programmatic justifications and a balanced assessment of risk, duly explained and formally recommended by the HC for written approval by the OCHA Executive Officer through an ad-hoc waiver.

#### 5.4.4. Monitoring

258. Monitoring is defined as the systematic and regular process of collecting, verifying and triangulating information to assess progress made against project outputs and activities, bearing in mind accountability to affected people and donors. Information gathered is used to make informed decisions and strengthen partnership and coordination.
259. The main purpose of monitoring is to assess progress made towards set targets and to verify the accuracy of reports submitted by partners. Monitoring also contributes to the assessment of results of an allocation. Building on the principles, CBPF monitoring has the following key objectives:
- i. Verify partner progress in delivering project outputs and activities (as per log frame and work plan), cross-cutting themes and the effectiveness of humanitarian programming, including all pillars of protection (including accountability to affected people and PSEA), gender equality and persons with disabilities, the assisted people targeting process, the use of resources (as per budget) and the internal monitoring and reporting systems.
  - ii. Triangulate information collected through other means, identify needs and trends in humanitarian operations and reflect on best practices and lessons learned using findings and recommendations for results management, risk mitigation and public information.
  - iii. Strengthen partnership and coordination between OCHA, the partner and the local authorities, and engage and seek feedback from affected communities.
260. The main principle for monitoring is that all recipient organizations are subject to monitoring by the Fund. While requirements will not be identical, it should be recognized that the HC needs reassurance of project performance, regardless of the type of partner.

261. Ad hoc donor visits to projects could be organized, subject to HFU monitoring plans and in coordination with the AB and funded partners.

*Roles and responsibilities*

262. The HC is responsible for ensuring that a representative sample of projects are effectively monitored through appropriate methods. The HFU is responsible for coordinating monitoring efforts and ensuring that monitoring of projects is carried out.

263. The HFU shall calculate the expected costs of monitoring and reporting activities based on the planned volume of activities and timeframe. These costs shall be included in the HFU cost plan as a direct cost of the Fund.

264. The HFU coordinates and participates in field monitoring visits and should work closely with clusters/sectors and/or other relevant coordination platforms in devising procedures for monitoring. A monitoring plan should be developed by the HFU following the allocation process and the establishment of a new portfolio of projects. The monitoring plan may be adjusted in accordance with changes in the operational context and information gathered through reporting. The key responsibilities of the OCHA County Office / HFU regarding monitoring include:

- i. Develop and maintain a comprehensive monitoring plan which reflects the minimum requirements of the Operational Modalities;
- ii. To the extent possible, work with cluster/sector coordinators, other coordination platforms, and subject matter experts (for example, the Cash Working Group, gender, GBV and disability experts) in ensuring that monitoring is optimized with technical inputs;
- iii. Develop terms of reference and contract external expertise to undertake third-party monitoring or remote monitoring as required;
- iv. Undertake field on-site monitoring missions in line with the monitoring plan in collaboration with OCHA field offices (sub-offices);
- v. Review and analyse information collected through monitoring activities and reporting.

265. Minimum monitoring arrangements for projects will be determined based on the assigned risk level for NGO partners and on the performance assessment for UN partners, as described above and set out in the Fund's operational modalities. Monitoring achievements as compared to plan will be reported on each Fund's Annual Report. In addition, ad-hoc monitoring visits can be conducted as necessary. Monitoring of UN agency projects is mandatory and should be based on a sampling methodology considering country-specific factors, which can be determined at the country-level according to specific agreements outlined by the HC and the AB. The monitoring mechanism can be tailored to the type of project to be implemented (for example: stakeholder satisfaction survey for pipeline projects).

*Process and monitoring tools*

266. Taking into consideration that partners' own project management systems are the backbone of monitoring, one of the objectives of CBPF monitoring tools is to provide an additional level of verification of project implementation and its contribution to the overall "collective" impact of the corresponding allocation.

267. The partners are required to describe the intended tools for internal project monitoring in the project proposal. In addition, CBPFs conduct programmatic and financial monitoring of the projects in line with the minimum standards set out in the Operational Modalities. Such monitoring activities, their schedule and modalities are outlined in the monitoring plan developed by the HFU. The following represent the tools most commonly used by CBPFs for project monitoring:

- i. *Field site monitoring* - Field site monitoring, implemented by OCHA and supported by clusters/sectors and other subject matter experts, is critical to verify that projects are delivering against targets and to allow the HC and other stakeholders to assess qualitative aspects of programme implementation. As there are limitations to what can be observed through site

visits, additional information may be collected through other means. While field monitoring will not attempt to make evaluative assessments of projects, it is essential to select an approach that covers issues beyond the delivery of project outputs. Field monitoring visits should, at a minimum, collect information that: (i) assesses the timeliness of the overall project implementation, (ii) verifies reported results, and (iii) assesses progress on key project activities.

- ii. *Financial Spot Check (FSC)* - Financial spot checks will be conducted to assess the soundness of the internal controls and the accuracy of the financial records of the NGOs and RC/RC partners. On-site financial spot checks by the HFU and special audits by external audit companies may be conducted as per the Operational Modalities or whenever warranted due to concerns about the functioning of the partner's internal controls. In instances when it is not feasible to conduct a physical FSC due to insecure and highly volatile environments with restricted access or other compelling reasons, remote FSC can be conducted as a last resort upon agreement between the HFU, partners and audit companies (where involved).
- iii. *Third-party monitoring* - Third-party monitoring is one of the appropriate monitoring approaches when access is limited in countries or regions of operation. This approach enables the Funds to obtain independently verified information about the status of implementation of projects, typically in high-risk contexts and with particular emphasis on the achievement of project outputs. The approach combines field visits and desk reviews of available documentation (e.g., project proposals and any other relevant information/documentation). The focus of third-party monitoring is to verify that agreed activities are being implemented and associated outputs delivered.
- iv. *Remote monitoring* - Remote monitoring is appropriate when it is not feasible to conduct physical project visits and when additional assurance is sought. Call centres can be established to collect statistics and record observations from key informants and affected communities about project outputs and satisfaction with overall project progress and implementation. They can operate in safe locations and may conduct telephone interviews with key informants using structured multiple-choice questionnaires. All information collected can be captured directly in a web-based platform hosted by the call centre operator using validation logic, thereby providing real-time progress information on projects that can be shared with HFU. In exceptional cases, for example, following the onset of the Covid-19 pandemic, Funds can adopt other forms of remote monitoring such as desk reviews of scanned documents, selected calls to partners, or videoconferences to verify programmatic and financial aspects of projects. For such exceptional cases in which remote monitoring becomes the main methodology for a certain period, endorsement by the HC/AB is required.

268. Following monitoring activities, HFUs score the quality of project implementation and financial management. These scores feed into the overall Partner Performance Index as described above in paragraph 5.4.2 and may lead to a change in the partner's risk level.
269. Monitoring activities may also produce findings and recommendations from the HFU for the partner. HFUs, at their discretion and in consultation with the partner, may identify critical recommendations that require follow-up. Such follow-up may take the form of corrective measures that partners commit to implementing within a timeframe communicated to the HFU. The HFU follows up on the implementation. Lack of implementation of agreed actions may lead to a non-compliance scenario, as described in annex 8.
270. Monitoring findings may also raise concerns about non-compliance with the provisions of the Grant Agreement or CBPF guidelines, in which case they may be dealt with in accordance with annex 8. When monitoring activities uncover suspicions of fraud or credible allegations of wrongdoings, the HFU may inform the Oversight and Compliance Unit in the CBPF Section at OCHA HQ in line with SOPs for fraud and misconduct.

### 5.4.5. Reporting

271. CBPFs require robust reporting by partners to ensure that activities carried out are on track toward proposed project objectives. To the extent possible, UN agencies and national and international NGOs are treated equally in terms of reporting requirements.
272. Narrative and financial reporting requirements for fund-recipient organizations are determined according to the Operational Modalities described above. Narrative and financial reports are submitted through the GMS in the corresponding templates, including the Project Budget and Financial Reporting Tool (annex 11, Project Budget and Financial Reporting Tool<sup>58</sup> and annex 12, Narrative Reporting Template).
273. When the project budget is disbursed in more than one tranche, NGO partners are required to submit Interim Financial Reports (IFRs) to reflect expenditures incurred for project activities when at least 70 per cent of the amount disbursed in the previous tranche(s) has been spent. Review and clearance of the IFRs will trigger disbursement of the next tranche. For projects ongoing on 31 December, NGO partners are required to submit an additional IFR to reflect expenditures incurred for project activities up to 31 December. This additional IFR is due by 31 January of the following year. Upon completion of the project, a Final Financial Report (FFR) covering the entire implementation period shall be submitted within 90 days of the end of implementation (including any approved extension).
274. UN agencies are required to submit IFRs to reflect expenditures incurred for project activities up to 31 December of each year by 31 January of the following year. IFRs are required to be submitted every calendar year until the submission of the FFR. Upon completion of the project, a FFR covering the period between inception and completion of the project shall be submitted by 30 June of the following year.
275. NGO partners are required to submit Progress Report(s) per the Operational Modalities. Upon completion of the project, a narrative FR shall be submitted within 90 days after the project end date.
276. UN agencies are required to submit narrative FRs within 90 days after the project end date. If the duration of the project is between 7 and 24 months, UN agencies will also submit a Progress Report to reflect achievements at the midpoint of the project implementation.
277. CBPFs promote the use of standardized output indicators for all recipient organizations. In addition to standard and custom indicators, CBPFs encourage the use of global standard indicators where appropriate to allow for cross-Fund aggregation and comparison of project-related data. Reporting will be linked to the corresponding indicators set out in the project proposal.

### 5.4.6. Auditing

278. External audit is an oversight mechanism and an essential component of accountability. It enhances transparency and promotes sound financial management of resources allocated through CBPFs.
279. All NGO partners receiving funds from CBPFs are subject to external audits commissioned by OCHA. UN agencies are subject to audit by the UN oversight bodies and, as relevant, by other mechanisms established by their respective governing bodies. In line with the single audit principle, CBPF-funded projects implemented by UN agencies are not audited by OCHA but through the oversight entities of each UN agency.
280. External audits allow OCHA and the HC to obtain evidence-based assurances on the use of funds

---

<sup>58</sup> For Funds administered by MPTF Office, UN agencies are required to report to MPTF Office according to the applicable MOU, i.e., annually as of 31 December, by 31 May of the following year. At the time of issuance of these Global Guidelines, OCHA and MPTF Office are in discussions on the transition of the MPTF Office's administrative role.



transferred to NGOs. External audits help to mitigate financial risks, including misuse of resources and fraud; identify weaknesses in financial and operational management and recommend critical improvements, and identify ineligible expenditures. Findings provide essential feedback to the partner, promoting continuous improvement of NGOs' financial and operational management and performance, and enabling the HC to make better-informed funding decisions.

281. Audit findings feed into the Performance Index of the project, as described above in paragraph 5.4.2, and may eventually lead to a change in the partner's risk level.
282. OCHA follows up on the audit findings and recommendations. HFUs, at their discretion, may identify critical recommendations that require follow-up. Such follow-up may take the form of corrective measures that partners commit to implementing within a timeframe to be communicated to the HFU. The HFU follows up on the implementation. Lack of implementation of agreed actions may lead to a non-compliance scenario as outlined in annex 8.
283. Audit findings may also raise concerns about non-compliance with the provisions of the Grant Agreement or CBPF guidelines, in which case they may be dealt with in accordance with annex 8. When audits uncover suspicions of fraud or credible allegations of wrongdoings, the HFU may inform the Oversight and Compliance Unit in the CBPF Section at OCHA HQ in line with SOPs for fraud and misconduct.
284. OCHA has committed to introducing a risk-based approach to audits in line with previous recommendations from UN oversight bodies and the PFWG. The risk-based approach establishes criteria to identify which partners will be subject to project-by-project audits and which partners will be subject to a periodic partner-based audit. Criteria include the assigned partner risk level, opinion of previous audits, period since previous audits, and amount of funding to the partner in a year, amongst others.<sup>59</sup>

#### 5.4.7. Non-compliance measures

285. Through the accountability arrangements and risk management mechanisms outlined in this chapter, the HC aims to safeguard the programmatic and financial management of the Fund. However, there may be instances of non-compliance by partners with the requirements contained in these Global Guidelines, the Fund-specific Operational Manual, and/or the Grant Agreement.
286. Instances of non-compliance may include, but are not limited to:
- i. Overdue financial or narrative reports
  - ii. Delay in refund, or non-refund of unspent balance or ineligible expenditure
  - iii. Critical (high risk) and/or repeated audit findings; qualified or adverse audit opinion
  - iv. Critical and/or repeated findings from the capacity assessment, monitoring, financial spot-checks, narrative or financial reporting
  - v. Poor performance in the programmatic and financial management of CBPF projects
  - vi. Improper management of sub-partners and/or sub-contractors
  - vii. Lack of cooperation with monitoring visits, financial spot checks, audits or investigations
  - viii. Breach of other obligations under the CBPF regulations (e.g., violation of humanitarian principles and code of conduct)<sup>60</sup>
287. In these instances, the HC or OCHA may take progressive measures to ensure that non-compliance is corrected. Suggested progressive measures for addressing different non-compliance instances are outlined in the Non-Compliance Measures Framework (annex 8). The annex provides a guiding framework that each Fund can apply on a discretionary basis. The HC or OCHA will communicate to the partner about

<sup>59</sup> For more information on the audit approach and process refer to chapter 6, section 6.8.

<sup>60</sup> GA Res 46/182 and <https://cdu.unlb.org/UNStandardsOfConduct/CodeofConduct.aspx>

the measures imposed, the reasons, and the potential conditions for lifting such measures. If non-compliance persists, the HC may suspend the partner's eligibility to receive funding.

288. Partners whose eligibility is suspended due to non-compliance measures, as well as due to alleged fraud or sexual misconduct, are not eligible to sit on the Fund's AB. In case such partners were AB members at the time of suspension, their membership will be suspended or terminated, and a new member will be nominated through a process set out by the HC.

#### 5.4.8. Fraud and other incidents involving loss

289. CBPF partners have a responsibility to uphold the UN and OCHA's zero tolerance for abuse and misconduct, including fraud and other corrupt practices. Partners' obligations in this regard are contained in the Grant Agreement (annexes 12 and 13) and are outlined in detail in the CBPF Partner Guidance Note on Financial Misconduct (annex 9). Partners are responsible for ensuring these obligations are fulfilled with reference to their personnel, resources and actions, but also with reference to personnel, resources and actions of sub-partners, contractors and vendors. Failure by the partner to take effective measures to prevent fraud or the failure to report immediately, ensure accountability at all levels and investigate credible allegations constitute grounds for termination of the Grant Agreement(s) and suspension of eligibility.
290. Suspected or alleged fraudulent acts can be reported confidentially to the OCHA Head of Office or other members of the HFU, either by e-mail or in person or through any other appropriate means. Incidents can also be reported through the feedback and complaints mechanism put in place by each Fund, or through the Hotline service of the United Nations Office for Internal Oversight Services (<https://oios.un.org/content/contact-us>).
291. OCHA takes all suspicions or allegations of fraud and misconduct extremely seriously. Should these be deemed credible and affect an NGO partner, OCHA's EO will take a decision to trigger a fraud inquiry or agree to a partner self-investigation and, where appropriate, take conservative measures to safeguard UN resources. Fraud inquiries are conducted within a framework for response to misconduct jointly agreed with OIOS. All fraud inquiries are either conducted by OIOS or, in the case of partner self-investigations and independent forensic audits, reviewed by OIOS. Following completion of a fraud inquiry, OCHA will attempt an amicable settlement, only where appropriate, and proceed with financial closure of cases. In case of suspicions or allegations of fraud and misconduct related to a UN partner or one of its sub-partners, the accountability framework of the affected UN partner will take effect, and the UN partner's own investigative capacity will be utilized to conduct appropriate inquiries. Whilst OIOS does not review the investigations conducted by UN entities, OCHA may inform OIOS of a case, including actions taken and settlement options.
292. Partners also have an obligation to report incidents of loss not related to fraud. While partners are expected to take effective measures to prevent occurrences of theft, diversion, looting and/or damage, these incidents may occur outside the partner's control. These incidents of loss must be reported in writing, and any impact on goods/services to OCHA-funded projects.

#### 5.4.9. Protection from Sexual Exploitation and Abuse

293. CBPF partners have a responsibility to uphold the UN and OCHA's zero tolerance for abuse and misconduct, including Sexual Exploitation and Abuse (SEA). Partners are obliged to comply with all requirements in the UN Standards of Conduct (<https://conduct.unmissions.org>), and to act in compliance

with the UN Protocol on SEA Allegations involving partners.<sup>61</sup> Partner's obligations in these regards are contained in the Grant Agreement (annexes 13 and 14) and are outlined in detail in the CBPF Partner Guidance Note on Sexual Misconduct (annex 10). Partners are responsible for ensuring these obligations are complied with in reference to their personnel, resources and actions, but also in reference to personnel, resources and actions of sub-partners, contractors and vendors. Failure of the partner to take effective measures to prevent SEA or the failure to report immediately and investigate credible allegations that impact CBPF funding constitute grounds for termination of the Grant Agreement(s) and suspension of eligibility.

294. Suspected or alleged incidents can be reported confidentially to the OCHA Head of Office or other members of the HFU, either by e-mail or in person or through any other appropriate means. Incidents can also be reported to the CBPF feedback and complaints mechanism or the Hotline service of the United Nations Office for Internal Oversight Services (<https://oios.un.org/content/contact-us>) partners and sub-partners, including contractors and vendors, are required to announce methods where potential victims of SEA can report misconduct.
295. OCHA takes all potential suspicions or allegations of SEA extremely seriously. Should these be deemed credible and affect an NGO partner, OCHA's EO will take a decision to trigger an inquiry or agree to self-investigation by the partner and, where appropriate, take conservative measures to prevent further potential harm. All inquiries into SEA allegations are either conducted by OIOS or, in the case of partner self-investigations, reviewed by OIOS. OCHA takes a victim-centred approach to response to SEA and will ensure that sufficient assistance is provided to the victim(s) of alleged incidents. Likewise, following the completion of an inquiry OCHA will seek evidence of provision of victim support and of implementation of corrective measures to prevent future recurrence. These are essential preconditions for the successful settlement of SEA cases. In case of suspicions or allegations of SEA related to a UN partner or one of its sub-partners, the accountability framework of the affected UN partner will take effect, and the UN partner's own investigative capacity will be utilized to conduct appropriate inquiries. While OIOS does not review the investigations conducted by UN entities, OCHA may inform OIOS of a case, including actions taken and settlement options.

## 6. Administration of CBPF financial resources

### 6.1. Rationale and basic principles

296. Clear segregation of duties underpins the administration of financial resources. This is critical to preserve the country-driven nature of the Funds, transparency and ensure adequate internal controls, reducing the risk of erroneous or inappropriate funding. HFUs, OCHA headquarters and partners have specific roles and responsibilities, as follows:
297. HFUs:
- i. Ensure the principles of economy, efficiency, effectiveness, transparency and accountability are adhered to. This means that project inputs and financial requirements are commensurate with planned activities and expected outputs and that the budget is a correct, fair and reasonable reflection of the project's /logical framework.
  - ii. Ensure the estimated project costs are reasonable in the specific country context of each Fund, such that resources are used in the most efficient and transparent way.

<sup>61</sup> The UN Protocol on SEA Allegations involving Partners can be found here: [https://www.un.org/en/pdfs/UN%20Protocol%20on%20SEA%20Allegations%20involving%20Implementing%20Partners%20-%20English\\_Final.pdf](https://www.un.org/en/pdfs/UN%20Protocol%20on%20SEA%20Allegations%20involving%20Implementing%20Partners%20-%20English_Final.pdf).

## 298. HFU Finance Officers:

- i. Conduct technical reviews to verify that project budgets are factually correct and coherent with the project proposals and their logical frameworks.
- ii. Flag concerns and seek clarifications on issues that may compromise compliance with UN rules and regulations and affect financial transparency and accountability.
- iii. Follow up with partners and verify any refunds due after completion of the projects.

## 299. HFU certifying Finance Officers:

Under Delegation of Authority (DoA) from OCHA's Executive Officer, some financial clearance functions in GMS can be performed by qualified Finance Officers in HFUs. This delegated authority cannot be sub-delegated to another staff member, even temporarily. In the absence of the certifying Finance Officer at HFU, the delegated authority will revert to the certifying Finance Officers in the CBPF Section at OCHA headquarters.

- i. Review and clear budgets for new projects and budget amendments during the lifetime of the projects, flag concerns and seek clarifications from the partner, HFU Finance Officer and Fund Manager, and ensure adherence to budgetary requirements outlined in the articles for HFUs and HFU Finance Officers above.
- ii. Clear Interim Financial Reports that do not trigger subsequent disbursements or recording of expenditures in the UN financial system.

## 300. Certifying Finance Officers at OCHA headquarters:

- i. Review and clear budgets for new projects and budget amendments during the lifetime of the projects, flag concerns and seek clarifications from HFU, and ensure adherence to budgetary requirements outlined in the articles for HFUs and HFU Finance Officers above.
- ii. Review Grant Agreements, review and approve payment and refund documents, and effect project closure processes in the UN financial system.
- iii. Provide cash flow statements for allocation planning and annual certified financial statements for each Fund.
- iv. Review and certify Interim and Final Financial Reports for projects, release subsequent disbursements to partners and record expenditures in the UN financial system.
- v. Review and clear project audit reports.
- vi. Undertake financial settlements related to cases of fraud or misappropriation of resources.

## 6.2. Project budgets

301. This guidance applies equally to all partners and provides a common framework for the appropriate administration of financial resources provided for the implementation of approved projects. It defines eligible and ineligible costs, direct and indirect costs, budget categories and the required breakdown of budget lines.

302. In the budgeting process, partners are expected to:

- i. Provide a correct and fair budget breakdown of planned costs that are necessary to implement activities and achieve the objectives of the project. The budget shall be cost-efficient with a focus on the CBPF project.
- ii. Use and comply with the requirements of the project budget template and budget breakdown (annex 11), in accordance with the classification and itemization of planned expenditures as described below. Partners should ensure the same templates and guidance are adopted by any sub-partners involved in the project and provided with financial resources.

- iii. Provide a budget narrative that clearly explains the objective, rationale and content of each budget line. Complementary documentation shall be provided to support the budget narrative.

### Budget categories

303. The following should be included within each respective budget category:<sup>62</sup>

#### Category A: Staff and other personnel costs

- i. Staff, consultants and other personnel to be recruited and paid directly by the Partner should be included in this budget category. The budget narrative shall specify the salary grade/level for each staff/budget line, duty station, details of the position and the functions that will be carried out in relation to project implementation, and cost breakdown (e.g., salary, social security, medical and life insurance, hazard pay, etc.).

#### Category B: Supplies, commodities, materials

- ii. All consumables to be purchased under the project, including associated transportation, freight, storage and distribution costs, should be included under this budget category. Cash and voucher assistance to affected people directly implemented by the partner shall be budgeted under this category. The partner should explain how the unit quantity and unit cost have been estimated. For standard and low-value kits, there should be a description of the kit composition, how the composition was agreed and how the cost of the individual component items has been estimated. For non-itemized construction materials, the narrative will describe how construction costs have been estimated on the basis of a standard prototype of building (e.g. latrine, health post, shelter), type of materials (e.g. wood, prefabricated, brick/cement/concrete) and provide a formula or rationale used for cost estimation (e.g. per square foot or metre, previous experiences, etc.). All consumables budgeted under the project should clearly indicate the project activities they are linked to.

#### Category C: Equipment

- iii. This budget category covers non-consumables to be purchased under the project, including associated transportation, freight and storage costs. The narrative should explain how the unit quantity and unit cost have been estimated. For large and/or expensive equipment items, the budget narrative should describe how the item(s) is necessary for the implementation of the project. Non-consumables budgeted under the project should have a clear explanation of their purpose and a clear rationale for their use in relation to project activities and should also include supporting technical specifications.

#### Category D: Contractual services

- iv. Services provided by vendors of commercial nature shall be budgeted under this category. For Contractual Services under this budget category, the corresponding budget narrative should provide a clear description of works and services to be contracted under the project with a corresponding explanation of how the unit quantity and unit cost for each contract/budget line have been estimated. The description should include the location and type of services to be provided and demonstrate that they are directly linked to project activities. Associated fees related to cash and voucher assistance that is delivered through a service provider should be included in this category.

#### Category E: Travel

<sup>62</sup> With regards to localization efforts, CBPFs acknowledges the importance of the quality of funding and will ensure funding is allocated fairly under the appropriate budget categories (including necessary costs for staffing, security, and safety) relevant to the project and that directly contributes to the implementation of the project.

- v. Costs related to travel of staff, consultants and other personnel-related to project implementation should be budgeted under this category. For domestic and international travel, the budget narrative should explain how the number of trips and the cost of each trip have been estimated and should provide a clear rationale for how the proposed travel directly supports project implementation.

Category F: Transfers and grants to counterparts

- vi. This budget category is used to capture planned transfers and sub-grants to counterparts of non-commercial nature. The budget narrative should include the name of the sub-partner, explain the objectives and activities related to each transfer and/or sub-grant, and provide a cost breakdown (to be uploaded to the documents tab of GMS as a separate file) in the same categories as for the main partner's budget (i.e., A. Staff and other personnel costs, B. Supplies, commodities, materials, C. Equipment, D. Contractual services, E. Travel, F. Transfers and grants to counterparts, and G. General operating and other direct costs). This budget category shall only include direct project costs of sub-partners - the programme support cost (PSC) of sub-partners should be covered within the PSC for the whole project, which should be shared fairly between the partner and the sub-partner(s) in line with the stipulations of the Grant Agreement.

Category G: General operating and other direct costs

- vii. This budget category is for general operating expenses and other direct costs, as well as contingency budget lines related to project implementation but not captured under other budget categories.<sup>63</sup> The budget narrative should explain how the unit quantity and unit cost have been estimated for each budget line and how the costs are directly related to, and necessary for, project implementation.

Eligible and Ineligible costs

*Eligible costs*

304. The following attributes define eligible costs:

- i. Must be necessary and reasonable for the delivery of the objectives of the project
- ii. Must comply with the principles of sound financial management, particularly the principles of economy, efficiency, effectiveness, transparency and accountability
- iii. Must be identifiable in the accounting records and backed by original supporting evidence as incurred in accordance with the approved project proposal and period, at the time of financial spot checks and/or audit or at the time requested by OCHA.

305. Eligible costs include:

- i. Staffing costs, including salaries, social security contributions, medical insurance, hazard pay (when applicable) proportional to the project implementation period, and any other cost included as part of the salary benefits package of the organization. Salaries and related costs may not exceed the costs normally borne by the partner in other similar projects. The appropriate amount of staffing costs shall be determined by the context and the specific project requirements rather than by any pre-determined set range or proportion of the total budget.
- ii. Bonus (e.g., holiday bonus), if mandatory or considered as a legal cost that stems from local government ordinances within the country context.

---

<sup>63</sup> For more guidance on the addition of contingency budget lines refer to chapter 4, section 4.4.



- iii. Pension benefit/allowance, severance expense, annual leave encashment and similar items that are part of standard staff entitlements but are paid only when the staff member is separated (typically after the project has been completed) may be eligible. For such costs to be considered eligible, they must be expensed within the project period and be recorded on or before the project end date to a designated account within the organization for the purpose or be charged to the fund centre if the partner has only one bank account. Since these entitlements are typically accrued in relation to each complete year of employment, where the project duration is other than an integer of years (for example, where the project has a duration of 9 months or 15 months), the cost charged to CBPF budget shall be calculated proportionately with the remaining part to be covered by other funding sources.
- iv. Costs for consultancies necessary for the implementation of the project.
- v. Allowances and/or incentives to teachers and medical personnel can be deemed eligible based on the country context and where their expertise and activities/services are not paid by the government but are required to directly support project objectives.
- vi. Hospitality expenses for training, events and meetings directly related to project implementation, where project staff and external stakeholders participate.
- vii. Support staff costs at the country level directly related to the project.
- viii. Travel and subsistence costs, whether solely or shared, are directly linked to the project implementation for project staff, consultants and other personnel, provided the costs do not exceed those normally borne by the partner.
- ix. A contribution to the partner's Country Office costs, as shared costs charged on the basis of a well-explained calculation (including through the use of timesheets) or reasonable apportionment system. Shared costs must be itemized either in the narrative for the budget line or through a separate supporting document uploaded to GMS.
- x. Financial support to affected people as targeted within the project proposal, including cash and voucher-based distribution.
- xi. Costs for purchase of goods and services delivered to affected people as targeted within the project proposal, including quality control, transport, storage and distribution costs.
- xii. Costs related to non-expendable items (assets) such as equipment, information and technology equipment for registration and similar field activities (including IT software licenses directly relevant to project activities), medical equipment, water pumps and generators. Duplicated costs for investment in the same equipment by the same partner under different project budgets shall be ineligible. The HFU shall monitor asset inventories procured through OCHA-funded projects, consider the utility life of such assets, and ensure there is no duplicated and unjustified investment.
- xiii. Expenditure incurred by the partner related to awarding contracts required for the implementation of the project, such as expenses for the tendering process.
- xiv. Costs incurred by sub-partners and directly attributable to the implementation of the project.
- xv. Banks/funds transfer fees, cash and voucher assistance fees to affected people targeted by the project and fees for payments to vendors for project activities can be eligible under the relevant budget category or under category G. General Operating Expenditures. (Partners shall establish a local bank account to directly receive CBPF funds transfer. In the case that the partner chooses to receive funds from its HQ bank account, then the partner shall be responsible for covering the transfer cost from its HQ to the local bank account via its programme support cost).
- xvi. Other costs derived directly from the requirements of the Grant Agreement such as monitoring, reporting, evaluation, dissemination of information, translation, insurance and financial service costs.
- xvii. Costs paid during the 60 days liquidation period after the project end date that is directly linked to project activities carried out during the project period and recorded in the partner's accounting system as pertaining to activities carried out during the project validity period.

- xviii. If local legislation requires that the partner pays certain taxes, such taxes are deemed eligible. However, if the local authority exempts a partner from paying taxes and the partner obtains a refund of such taxes already paid, the corresponding amounts shall be refunded to OCHA within the stipulated timeline.
- xix. Any costs outside those described above but which the partner considers eligible can be submitted for review by the OCHA HFU for exceptional consideration, in liaison with OCHA headquarters. Such costs shall obtain well-documented prior approval in order to be deemed as eligible costs.

306. On a case-by-case basis and depending on the objectives of the Fund, the HFU retains the flexibility to consider the following costs as eligible at the time of finalising the project budget:

- i. Government staff training as a component of a project activity that contributes to the achievement of the project objectives.
- ii. A reasonable level of visibility material of the partner in relation to the project funded.
- iii. Purchase of vehicles when the cost of vehicle rental during the project period exceeds the cost of vehicle purchase. In such cases, upon comprehensive cost-benefit analysis, the Fund can cover the portion of the vehicle purchase cost that is proportional to the project duration against the whole usable life of the vehicle.
- iv. Depreciation costs for non-expendable/durable equipment used for the project proportional to the project duration, for which the equipment cost is not funded in the current budget or prior CBPF funding.
- v. Equipment for the regular operations of the partner and which is also essential for the implementation of the project.

#### *Ineligible costs*

307. The following costs are ineligible:

- i. Costs not included in the approved budget or approved budget amendments
- ii. Costs incurred outside the approved implementation period, including any approved amendment/extension to the period. Any new commitments incurred after the project end date (even during the liquidation period) will be considered ineligible
- iii. Debts and provisions for possible future losses or debts
- iv. Interest owed by the partner to any third party
- v. Items already financed from other sources
- vi. Purchases of land or buildings
- vii. Currency exchange losses. Any loss incurred by the partner due to exchange rate fluctuation cannot be included as expenditure, i.e., partners cannot exceed the expenditures on the approved budget line due to exchange loss
- viii. Cessions and rebates by the partner, contractors or staff of the partner of part of declared costs for the project
- ix. Government staff salaries. Salaries to teachers and medical personnel (who are considered as government staff) are ineligible
- x. Hospitality expenses unrelated to the project or for project staff only (without involving external stakeholders)
- xi. Incentives, mark-ups, or gifts to staff and Government officials, which are not mandatory or not considered a legal cost that stems from local government ordinances within the country context
- xii. Fines and penalties
- xiii. Duties, charges, taxes (including VAT) recoverable by the partner

- xiv. Global evaluation of programmes
- xv. Audit fees of CBPF required audits – these costs are paid directly by CBPFs, and charged as direct cost for the management of the Fund
- xvi. Costs related to internal auditing of the partner

Exchange rates

308. The currency used for the purpose of the Grant Agreement, including for disbursement to the partner, reporting and refunds, is the United States Dollars (USD). When undertaking financial transactions in currencies other than USD, while the UN agency partner shall use UN Operational Rates of Exchange (UNORE), the NGO partner shall use the most favourable official rate of exchange from one of the following acceptable sources for all transactions related to the implementation of the project:
- i. UN Operational Rate of Exchange (UNORE)
  - ii. Prevailing market rate by the respective federal bank or authorized currency exchange
  - iii. InforEuro
309. Partners should ensure that when using any one of the above exchange rates, a sound accounting system that can track the transfer of funds is maintained.
310. Exchanges can only be allowed through the respective federal bank or an authorized currency exchange entity, and partners are required to provide all supporting documents of the actual transactions to substantiate the use of the exchange rate. The use of unofficial parallel market rates or black market rates are not acceptable.
311. Mean or average exchange rates in use for other donors are not acceptable.
312. Partners cannot automatically dispose of exchange rate gains. Such gains should either be offset against further disbursements from OCHA or returned to OCHA.
313. Any loss incurred by the partner due to exchange rate fluctuations cannot be included as an eligible project expenditure and shall be absorbed by the partner.

Direct and indirect costs

314. There are two categories of eligible costs - direct and indirect costs.

*Direct costs*

315. Direct costs must be clearly linked to the project activities described in the project proposal and the logical framework. They are the costs directly related to the implementation of the project. Direct costs include (a) the costs of goods, services and equipment that directly benefit affected people, such as the costs of supplies, materials, commodities and associated transportation, freight, storage and distribution costs, cash and voucher assistance, and the personnel that directly provide services to the affected people; and (b) the costs of inputs and activities that are necessary to enable the project's main activities and the achievement of the project's objectives, such as personnel for coordination, project management, procurement and logistics, as well as general operating costs.
316. Sharing costs between different donors and projects under a country operation of a partner is an acceptable practice. The partner may share certain costs such as staff costs, office rental, utilities and vehicle rental to support different projects.

*Indirect costs*

317. Indirect costs are also referred to as Programme Support Costs (PSC). PSC are the costs incurred by the partner which cannot be traced unequivocally to specific activities, projects or programmes. These costs

typically include corporate costs (i.e., costs of headquarters, statutory bodies, legal services, IT systems, general corporate risk management, compliance, procurement, accounting and recruitment systems, etc.).

318. PSC is charged as a maximum seven per cent of the approved direct costs of the project. PSC for NGO and UN agency sub-partners involved in the implementation of a project must be covered within the maximum 7 per cent for the whole project. As per the stipulations in the Grant Agreement, the partner is required to ensure that any PSC is fairly distributed with any NGO and UN agency sub-partner in a manner that is proportionate to the project budget and activities being undertaken by each party. The PSC section in GMS allows for a breakdown of PSC between the partner and each NGO and UN agency sub-partner.

Itemization of budget lines (cost breakdown)

319. Each budget line requires the following cost breakdown:

- i. 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.<sup>64</sup> The narrative for each budget line should include details such as the type of staff position (national or international), location, grade/level, and gross salary breakdown (to be provided either directly in the narrative or as an annex uploaded in the documents tab in GMS), functions to be carried out to contribute to the project implementation (Terms of References or Personal History Profiles should not be included in the narrative, but can be provided as an annex uploaded in GMS).
- ii. Any budget line whose total value exceeds US\$10,000 (as cumulative value) requires a clear explanation of the calculation in the budget narrative.<sup>65</sup> Meanwhile, as deemed necessary by OCHA, the partner should also provide a breakdown of costs for items less than \$10,000.
- iii. Provide list of items and estimated cost per item for kits (as an annex) when the total budget line value exceeds \$10,000.
- iv. When a budget line which exceeds \$10,000 contains costs of multiple items, the partner should upload a budget breakdown to GMS, listing item, unit quantity, unit cost and total cost.
- v. 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 the 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 metre or previous experiences).
- vi. In the case of cash and voucher assistance, provide a budget narrative and budget breakdown to indicate the number of assisted people/ individual households, unit cost, areas/regions covered, etc. If the cash and voucher assistance is implemented by the main partner, the transfer to the assisted people shall be budgeted under category B. Supplies, commodities and materials, and the associated fees of a service provider shall be under category D. Contractual services; if the cash and voucher assistance is implemented by sub-partner, all costs shall be under category F. Transfers and grants to counterparts.
- vii. 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.).
- viii. Provide technical specifications for items whose unit cost is greater than \$10,000;

<sup>64</sup> Staff positions must be charged per unit. If staff costs are only partially charged to the given budget, this should be reflected in the percentage (50 per cent of a staff, rather than half of a staff at 100 per cent).

<sup>65</sup> Contingency budget lines and projects for the pre-position of funding for "48-hour response" are exceptions to this requirement at initial project budget proposal stage; but shall fulfill this requirement before triggering the actual deployment and use of the budget.

- ix. Provide technical specifications for items whose unit costs can greatly vary based on specifications (e.g., for generators, a reference to the possible range of power would help properly evaluate the accuracy of the estimated cost).
- x. Provide details in the budget narrative so that the objective of the budget line can be clearly identified.
- xi. 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.
- xii. Travel (in-country and international) shall indicate the number of trips and cost per trip.
- xiii. Travel costs can be estimated as long as the calculation modality is clearly described in the budget narrative (e.g., provide estimates on the number of trips, number of travellers, number of travel days, daily subsistence allowance rates, terminal expenses, etc.)
- xiv. Provide the list of items for globally standardized kits such as Post-exposure Prophylaxis Kits and Inter-agency Emergency Health Kit.
- xv. The partner should provide a cost breakdown in a spreadsheet to be uploaded in the documents tab in GMS at the time of budget submission (annex 11).
  - i. The partner is responsible and accountable to ensure the budget(s) of the sub-partner(s) adheres to the principles of economy, efficiency, effectiveness, transparency and accountability. The partner must provide the name of the sub-partner before signing the Grant Agreement and ensure the sub-partner(s) budget(s) are commensurate with the planned activities and outputs and is reasonable in the specific country context. The sub-partner budget should be provided as a single line under the budget category F. Transfers and grants to counterparts. The breakdown details are not required to be provided in the budget tab of GMS but shall be uploaded under the document tab of GMS. Meanwhile, 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-partner. The sub-partner's budget and expenditure details must be available, if requested, at the same level of detail and format applicable to the main partner. These documents must remain available for at least 5 years after the project termination.

Budgets for pre-positioning of funding for "48-hour response"

320. The budgeting and use of pre-positioned funding to enable rapid response within 48 hours of a new, sudden-onset emergency (see section 4.3) shall abide by the following:
- i. The initial project proposal, when the partner is unable to elaborate the eventual budget breakdown, may include the entire direct cost under category G. General operating and other direct costs, along with the corresponding PSC.
  - ii. Before the deployment of funding, the partner must provide information about the situation, needs, proposed response activities and corresponding budget utilisation, and obtain prior written authorization from the HFU, who consults with the HC, OCHA HoO, sectors/clusters and/or other relevant coordination platforms and stakeholders, as required.
  - iii. The HFU shall provide a written response to the partner within 48 hours of the partner's request, approving or rejecting the use of the pre-positioned funding, including any caveats and conditions, including the amount of funding to be deployed, which may be all or part of the amount pre-positioned. The date of HFU approval is the date from which expenditures can be deemed eligible. The HC and the AB are notified;
  - iv. Within 20 working days of the approval of the 48-hour response, the original project proposal shall be modified in GMS to reflect details of activities, people targeted and budget breakdown and be formalized through a Grant Agreement Amendment;

- v. The partner is required to meet normal financial and narrative reporting obligations and refund any unspent balance upon the completion of the project.

### Contingency budgets

321. For selected projects a contingency budget line (see section 4.4) may be added to enable partners to facilitate a rapid response to unforeseen urgent humanitarian needs (including those outside of the original scope of activities) in an evolving context.
- i. The contingency budget line shall be under category G. General operating and other direct costs.
  - ii. The contingency budget shall be a maximum of 4 per cent of the total direct project costs exclusive of the contingency line.
  - iii. Before deployment of the contingency budget, the partner shall provide information on the activities, people targeted and corresponding budget utilization, and ensure there is no duplication of costs with other budget lines.
  - iv. The contingency budget line shall not be used to compensate for overspending or expansion of other ongoing/planned activities.
  - v. Deployment of the contingency budget line requires prior written approval by the HFU (through e-mail). The partner should communicate with the HFU regarding the new and unforeseen needs to be addressed and the intended use of budget. Review and approval, when appropriate, will be completed within 24 hours of the request.
  - vi. The project proposal shall be modified in GMS, to reflect the activities, people targeted, and a detailed budget breakdown in relevant budget categories.
  - vii. Only if the contingency budget is used for expenditures in other budget categories in a way that results in an increase above 20 per cent of the originally approved amounts of those categories, a budget revision and Grant Agreement Amendment is required.
  - viii. Partners are required to provide a detailed breakdown of the utilization of the contingency budget line in the financial and narrative reports.
  - ix. If all or part of the contingency budget line is not utilized in the project implementation period, the remaining amount must be refunded at the time of financial reporting or audit as per standard procedures.

## **6.3. Grant agreements**

322. Standard Grant Agreement templates (annexes 13 and 14) available in the GMS must be used. No changes in the articles of the Grant Agreement are allowed. The CBPF Grant Agreement template is subject to revision from time to time as situations evolve.
323. Grant Agreements are prepared by HFUs. They are signed by the HC or a person with duly delegated authority in the HC's absence and counter-signed by the authorized representative of the partner as recorded in the due diligence module of the GMS. They are then sent to OCHA HQ / CBPF Section Finance Unit for final review prior to approval and signature by the EO (or a duly delegated officer).<sup>66</sup>
324. The Grant Agreement includes the following annexes:
- i. Project narrative (as approved by the HC);
  - ii. Project budget (as approved by the HC);
  - iii. Schedule of reporting.

---

<sup>66</sup> For CBPFs administered by the MPTF Office, the procedures will vary. At the time of issuance of these Global Guidelines, OCHA and MPTF Office are in discussions on the transition of the MPTF Office's administrative role.



325. The Grant Agreement becomes legally binding upon signature by all parties (firstly by the HC and the partner, and finally by the EO). An electronic signature is acceptable.
326. Expenditures related to the approved project are eligible only between the start and end dates specified in the Grant Agreement. At the request of the partner and upon confirmation by the HFU, the earliest start date can be the date of budget clearance in GMS. Should the Grant Agreement not enter into force, the partner assumes full liability for any expenditures incurred or committed.
327. For NGO partners, the Grant Agreement requires the use of a separate interest-bearing bank account with an account title in the name of the partner to manage the funds received, ensuring that all transactions related to the Grant Agreement remain traceable. If due to the country's legal frameworks or other reasons, the partner is unable to fulfil this requirement, it shall inform the HFU in writing of an alternative arrangement that ensures that the transactions remain traceable and can be audited. The communication shall be uploaded to the GMS and may be applicable to multiple projects and Grant Agreements of the partner. The partner shall authorize access to OCHA to all bank records and accounts as required and upon request, including the bank records and accounts of sub-partners.
328. For NGO partners, interest and other miscellaneous income earned related to the funding provided (such as exchange rate gains and fees charged to potential bidders in certain country contexts) must be reported in the financial statements and reimbursed to OCHA.<sup>67</sup> If further disbursement to the partner from OCHA is required to close the project, such income may be offset against that disbursement.

## 6.4. Project amendments

329. Project amendments are described under section 4.5, falling under three categories: reprogramming, no-cost extension (NCE) and cost extension (CE). All are considered on a case-by-case basis. Depending on the nature of the amendment, relevant GMS workflows will be activated by the HFU to allow the request and revision. The HC, or the OCHA HoO if delegated, will make the final review and approval or rejection of the request through the GMS.
330. To ensure that amendment requests can be given due consideration and resolved before the end of a project, the initial request must be received no later than 30 days before the end of the project to be admissible.
331. A signed Grant Agreement Amendment will be required in the following circumstances:
- i. Change in duration of the project (no-cost extension)
  - ii. Changes to the existing project budget result in an increase of the amount in any budget category above the 20 per cent variance allowed (reprogramming)
  - iii. Addition of new budget line(s) above the 20 per cent parameter for any budget category (reprogramming)
  - iv. Changes that increase the approved total project budget (cost extension)
  - v. Addition of information on the deployment of funding pre-positioned for '48-hour response' to reflect the activities, people targeted, and a detailed budget breakdown (reprogramming);
  - vi. Change of banking information required to effect disbursements
  - vii. Change (addition, removal or amendment) of sub-partners
  - viii. Any other changes that have financial or legal implications and are part of the Grant Agreement.
332. The following changes do not require a Grant Agreement Amendment, however, they are subject to consultation with OCHA and will be approved in the GMS through the 'approval without Grant Agreement

<sup>67</sup> For UN agency partners, unless otherwise agreed, any interest accrued on the CBPF funding shall be treated according to the UN agency's policies and procedures.

amendment' feature:

- i. Change in the project location, unless the entire project area has been changed
- ii. Change in the number of assisted people, unless this changes the nature of the project
- iii. Change in approved project activity, unless this changes the project objective and key result
- iv. Addition of new budget line(s) within a budget category, provided that this does not exceed the 20 per cent parameter for the budget category and that the new budget line(s) is directly related to the accomplishment of the project objectives.

### Reprogramming

333. There are two types of acceptable budget revision to support reprogramming within the originally approved total budget:

- (a) Budget revision not exceeding 20 per cent increase for any budget category:

Revision of existing budget lines or the addition of new budget lines that does not exceed 20 per cent increase of any budget category does not require a Grant Agreement Amendment. Within this limit and with prior consultation with OCHA, the partner has the flexibility to make adjustments in GMS as long as all budget lines continue to relate directly to the scope and objectives of the original project.

- (b) Budget revision exceeding 20 per cent increase for any budget category:

Revision of existing budget lines or the addition of new budget lines that exceed 20 per cent increase of any budget category requires a Grant Agreement Amendment. The partner shall initiate a formal revision request through the GMS, in consultation with the HFU, for consideration and approval by the HC.

### No-Cost Extensions

334. An NCE refers to a situation where the period for project implementation of a previously approved project is extended but without any change to the original amount of approved funding, to better meet the overall objectives of the project. In response to changing circumstances in which the project is implemented. An NCE shall be based on compelling evidence and justification and requires a Grant Agreement Amendment to extend the duration of the project, with or without any changes to the project's budget or activities. The maximum project duration for CBPF projects is stipulated under sections 4.1 and 4.2.

### Cost Extensions

335. A CE refers to a situation where the budget of a previously approved project is increased in response to changing circumstances in which the project is implemented in order to better meet the overall objectives of the project. ACE shall be based on compelling evidence and justification. The budget increase may or may not be combined with an extension to the duration of project implementation. CE should not be utilized to substitute the normal allocation process and to approve what would in effect be a new project. Rather, they may provide some additional funding to an ongoing project to better achieve its objectives. A maximum of 30 per cent of the original project budget may be allocated through cost extension.

336. The CE will require a Grant Agreement Amendment, following prior consultation with OCHA and based on a compelling justification.

337. Following approval of a CE, the number of disbursements and the amount of each disbursement, as well as reporting requirements for the extended project will be stipulated in the Grant Agreement Amendment. The additional budget will be disbursed a) only after 70 per cent of the original project budget has been liquidated and b) according to the Operational Modalities<sup>68</sup> applicable to the whole project, including its original parameters and the extension.

---

<sup>68</sup> For further information on the Operational Modalities refer to chapter 5, section 5.4.3.

## 6.5. Audit of CBPF resources

338. Following the issuance of these Global Guidelines, OCHA will introduce the adoption of a risk-based approach to the audit of CBPF resources provided to NGO partners, which combines project-based and partner-based modalities. Learning through the pilot phase will inform the continuing refinement and evolution of the approach.
339. On an annual basis, the circumstances of each partner will be assessed to determine the audit modality to be applied.
- i. Where a project-based modality is applicable, each project will be audited.
  - ii. Where a partner-based modality is applicable, a partner-based audit will be undertaken covering all projects completed by the partner in the previous year.
  - iii. Irrespective of the audit modality chosen, each partner with one or more projects completed in any year will be audited for that year, using one of the modalities.
340. The parameters that determine the audit modality include:
- i. Partner risk level
  - ii. Opinion of previous audits
  - iii. Period since previous audit
  - iv. Amount of funding allocated to the partner in a year
341. The approach will be implemented at the Fund level, and each CBPF will develop its annual audit plan based on the parameters outlined above. For partners that fall under the project-based modality, each project will be audited. For partners that fall under the partner-based modality, a sample of projects, or transactions within projects, will be selected for review by the auditor in consultation with the Funds. The audit plans will also be analysed at OCHA HQ to assess (i) consistency and alignment with the agreed parameters, including cases where a partner is moved from one modality to another, and (ii) feasibility of implementation within required timelines.
342. The procurement of audit services is undertaken by CBPF Section and the OCHA HQ procurement team in accordance with the United Nations procurement rules. The establishment and maintenance of Long-term agreements (LTAs) will ensure the continuing availability of audit services in line with the global portfolio of Funds, partners and projects. For each Fund, the HFU will initiate audit processes using the services available under the LTAs in liaison with the OCHA procurement team. The costs of the audit services will be covered by OCHA as a direct cost of the CBPFs.

## 6.6. Project closure

343. A project will be considered closed when the following conditions are met:
- i. A narrative FR has been received and cleared by the HFU. Partners must submit the FR within 90 days after the project end date (including any approved extension). The HFU will clear the FR within 30 days of receipt, in dialogue with the partner.
  - ii. Final Financial Report (FFR) covering the entire implementation period has been received and cleared by the HFU and the CBPF Section Finance Unit. NGO partners must submit the FFR within 90 days after the end of project implementation (including any approved extension). UN agencies shall submit the FFR by 30 June of the year following completion of the project. Once the FFR has been received, it will be cleared by the HFU and the CBPF Section Finance Unit within 30 days.

- iii. Outstanding commitments have been paid within the liquidation period of 60 days after the project end date.
- iv. For NGO projects, the submission of the FFR has been accompanied by a list of any asset purchased with a value above \$1,500, in the asset registry provided by OCHA.
- v. For NGO projects, audit requirements have been successfully completed: project-based audits shall normally be completed within 90 days from clearance of FFR; partner-based audits shall normally be completed within 90 days from the determination of the audit plan.

344. The HFU and the CBPF Section will review and close the project within 60 days from receipt of the audit report.

#### Asset management

345. Any asset purchased under a CBPF project is considered property of the partner and will remain with the partner. The partner shall be responsible for the proper use, custody, maintenance and care of the assets, and fulfil any obligations arising from their ownership, such as taxes, insurance and any registrations required by the laws of the local government. The UN shall not be responsible for any damage, loss, repair or insurance of the asset.

346. The partner shall notify OCHA about the end use or disposal of assets through the asset registry provided by OCHA. The use of assets shall be solely limited to humanitarian work. Assets cannot be used or donated for profit-making purposes. Any related development, such as handover or transfer of ownership, shall be discussed with OCHA in advance.

#### Refunds

347. Following submission of the FFR by the partner and approval by CBPF Section Finance Unit, any unspent balance shall be refunded by the partner, within 30 days from formal notification through the GMS. Proof of payment shall be uploaded in the GMS by the partner and acknowledged by OCHA.

348. Further adjustment to the total amount to be refunded may arise through the audit process, in cases where some expenditures are deemed ineligible. In such cases partner shall refund any additional amount within 30 days from new formal notification through the GMS. Proof of payment shall be uploaded in the GMS by the partner and acknowledged by OCHA.

349. Where the refund due after audit does not exceed \$250, the requirement can be waived. The CBPF Section Finance Unit will trigger and approve the waiver in the GMS.

350. Lack of compliance with the requirement to make refunds within the specified timelines will be subject to the application of the Non-Compliance Measures Framework (annex 8) and may lead to suspension of eligibility for future funding.

## **6.7. Derogations and exceptions**

351. The provisions contained in these Global Guidelines and annexes, and the Fund-level Operational Manuals, constitute the normative framework for the administration of the CBPFs.

352. The Global Guidelines represent minimum standards that all CBPFs must comply with. The HC, in consultation with the AB, has the prerogative to deviate from the administrative provisions, provided that the minimum standards are met. On the contrary, derogations from the normative framework that do not meet the minimum standards, which increase a) the level of risk, b) financial exposure, and/or c) liability to OCHA, must be approved by the OCHA EO. Any such derogation requires a written request from the HC including a compelling justification and assessment of risk and requires written approval by the EO.

353. A non-exhaustive, illustrative list of derogations from the Global Guidelines which require written waiver approval from the EO includes:
- i. Lighter methodology to determine partners' eligibility
  - ii. Cost or No-Cost Extensions that extend the project beyond the normal maximum duration
  - iii. Cost Extensions that increase the total project budget by more than 30 per cent of the original budget amount
  - iv. Project amendment requests that are submitted after the project end date
  - v. Derogations from standard Operational Modalities that provide increased flexibility/less rigorous oversight (e.g., exceeding budget ceilings, less frequent monitoring or reporting requirements).

## 7. Resource mobilization and communications

354. Mobilizing commitment and resources is critical to meet the goals of the CBPFs. OCHA, through its work on visibility and reporting, supports stakeholders to optimize their support, financial and non-financial. For each Fund, the HC and the HFU are actively involved in mobilizing support and resources, ensuring visibility and reporting. They are supported by OCHA headquarters, most notably the DRS, Donor Visibility Unit (DVU) and the CBPF Section. Combined country-level and global-level resource mobilization efforts are paramount for success.

### 7.1. Resource mobilization

355. Responsibility for mobilizing resources for CBPFs rests with the HC, supported by the OCHA HoO, at country level and the OCHA Partnership and Resource Mobilization Branch (PRMB)/DRS at headquarters level. The AB advises and supports the HC in strategic resource mobilization efforts, advocating for the Fund as a key instrument to address critical needs and promote system improvement.
356. The OCHA Country Office assists the HC as required on all tasks related to resource mobilization for the Fund, including the preparation of supporting documents and materials and facilitating the development and implementation of a Resource Mobilization Action Plan. OCHA HoOs align resource mobilization efforts for the Fund within broader initiatives to secure resources for HRPs and OCHA Country Offices.
357. OCHA Country Offices complement the resource mobilization efforts of OCHA PRMB/DRS, with support from PFMB/CBPF Section. PRMB actively fundraises for CBPFs with respective donor capitals, including non-traditional donors in efforts to expand the donor base. DRS will periodically share donor outreach guidance with OCHA Country Offices.
358. The intention of donors to contribute to a Fund may be expressed to the HC or the OCHA Country Office at the country-level or to PRMB/DRS at OCHA headquarters. It is important that information on potential and/or planned contributions are shared in a timely manner to enable appropriate follow-up and to facilitate the planning of allocations and best overall use of resources.
359. The PRMB supports the fundraising efforts for the CBPFs by:
- i. Integrating CBPF funding requirements in its fundraising strategy vis-à-vis each donor
  - ii. Assisting HCs in establishing fundraising targets
  - iii. Reinforcing messaging with donors at the global level to help galvanize support
  - iv. Advising on fundraising opportunities to pursue fundraising targets
  - v. Providing guidance from a global perspective on best approaches to reach fundraising targets in light of trends, forecasts and priorities within the wider humanitarian financing arena.

360. PRMB/DRS reviews and clears all donor contribution agreements for signature, which are signed by OCHA's EO.<sup>69</sup> All pledges and contributions to CBPFs are recorded on OCHA's internal Contributions Tracking (OCT) platform and publicly on the Pooled Fund DataHub.

#### Funding targets

361. The HC is responsible for setting and reviewing the funding target for the Fund with support from the OCHA Country Office, DRS and the AB.
362. Generally, CBPFs aim to mobilize the equivalent of 15 per cent of the funding secured for the previous year's HRP. This stems from the Secretary-General's Agenda for Humanity, which calls on donors to increase the portion of funding channelled through CBPFs. The HC may establish an alternative target in view of the funding environment and specificities of the HRP.<sup>70</sup> Targets should be communicated at global and country levels as early as possible to inform decisions about contributions – no later than January of each year.
363. Early and predictable funding contributions are vital to support the planning of allocations and to address humanitarian needs in a timely and effective manner. Continued and expanded use of multi-year contribution agreements is strongly encouraged.

#### Resource mobilization action planning

364. On behalf of the HC, the OCHA Country Office develops a Resource Mobilization Action Plan, in consultation with DRS and CBPF Section to provide a clear and practical framework for the HC's resource mobilization efforts. The Resource Mobilization Action Plan should align with broader communications strategies and plans in-country, harmonizing wider resource mobilization efforts within a common narrative about the country context, humanitarian needs and commensurate financial requirements.
365. The Resource Mobilization Action Plan includes a set of clear, practical actions, strengthening coordination and accountability for resource mobilization. It contains contextual information on the humanitarian financing environment, donor engagement mapping and fundraising targets. The Resource Mobilization Action Plan will normally be prepared for a two-year period, with the opportunity to review and refresh key parameters at its midpoint.

## **7.2. Visibility and communications**

366. Donor visibility and communication raise awareness about the achievements and strategic value-add of the CBPFs, mobilizing commitment and financial resources across donors and the Member States in support of continuing and expanding investments.

#### Global level

367. A dedicated entity – the Donor Visibility Unit (DVU) in OCHA's Donor Relations Section – leads the work on donor visibility and communication at the global level.
368. DVU develops direct relationships with donor communications teams in capitals and facilitates dialogue with donor representatives in-country, ensuring compliance with contractual Donor Visibility and Recognition (DVR) obligations. DVU supports donors in promoting the value and impact of the CBPFs to

<sup>69</sup> For the six CBPFs administered by MPTF Office (Afghanistan, CAR, DRC, South Sudan, Sudan, and Somalia) responsibility for contribution agreements lies with MPTF Office. At the time of issuance of these Global Guidelines, OCHA and MPTF Office are in discussions on the transition of the MPTF Office's administrative role.

<sup>70</sup> For example, where a significant portion of HRP financial requirements relate to in-kind food assistance this may be taken into account when identifying an adjusted target for the Fund.



their taxpayers, parliamentarians, domestic audiences and other potential donors. DVR options include:

- i. Ensure donor contributions and softly earmarked support is recognized through flagship products and regular promotion;
- ii. Develop compelling multimedia stories, tailored videos and creating other dynamic materials that explain the value of funding the CBPFs for different communication platforms, including social media;
- iii. Develop direct relationships with donor communications teams at the capital level to collaborate on visibility strategies;
- iv. Help donors promote the value and impact of CBPF investment to their domestic constituencies and audiences;
- v. Facilitate creative and timely local testimonials such as field ambassador interviews or HC mission coverage.

369. Donors and other stakeholders can access CBPF-related guidelines, reports, resources and information on contributions on the OCHA CBPF website.<sup>71</sup> The website is hosted by OCHA at the global level and provides access to pages for the individual Funds.

370. OCHA manages the Pooled Fund DataHub, a public, interactive, real-time data visualization platform about donor contributions to the CBPFs and CERF, and respective allocations. The Pooled Fund DataHub supports decision-making by humanitarian leaders, practitioners and donors. It provides information about donor participation and allocations, including geographical coverage, achievements and the distribution of funding across clusters/sectors and partners. It supports customised, user-friendly data analysis.

371. DVU also supports CBPFs in their donor visibility and communication work in-country by amplifying CBPF content on Social Media platforms, advising on Fund promotion strategy and designing templates, such as the donor visibility for communication materials.

#### Fund level

372. The HC, with support from the OCHA Country Office, engages with donor representatives at the country level, illustrating the vision and positioning of the Fund within the context. Initiatives may include, but are not limited to:

- i. Maintain digital platforms and channels, such as the OCHA CBPF Website, collecting, uploading and sharing audio-visual/multimedia content and stories
- ii. Develop and share impact stories and case studies with stakeholders, including significant achievements, references to good practices and innovations
- iii. Produce tailored promotional materials
- iv. Coordinate missions, events or briefing communications plans

#### Partner visibility and communication

373. Global and Fund-level visibility and communication materials referring to achievements by partners should give due credit and recognition to the relevant organization(s). Consent should always be obtained from the organization(s).

374. CBPFs are encouraged to provide visibility guidance for partners to ensure promotion of projects and activities in line with DRS standards and requirements. Content provided by partners is important for OCHA to support donor visibility, in addition to highlighting the achievements of partners themselves. Documents providing practical guidance to partners for developing and publishing visibility content, including OCHA branding guidance and donor visibility requirements, prepared by individual Funds are

---

<sup>71</sup> The OCHA CBPF Website can be accessed following this link: <https://www.unocha.org/our-work/humanitarian-financing/country-based-pooled-funds-cbpf>.

collected and shared among Funds by the CBPF Section (for example annex 15, Partner Visibility Guidelines).

375. Partner communication materials that include visibility for CBPFs should respect the dignity and integrity of people featured. Partners are discouraged from showing people in obvious distress or in degrading situations. Written consent must be collected from people featured in communication material where their identity, image or attributable personal information are disclosed. Best-practice samples and guidance should be sought from DVU.
376. For security and other contextual reasons, partners can forgo producing and sharing visibility products to in line with the Do No Harm principle and conflict sensitivity. OCHA and donors acknowledge and respect low-profile mandates for partners depending on the operational context. Partners are encouraged to raise concerns over visibility directly with HFUs at any stage of the project cycle.

### 7.3. Reporting and other publications

377. OCHA produces reports and publications to highlight the work of the CBPFs globally and at the country level. Content and design of reports and publications will continue to evolve with the changing context to remain fit-for-purpose.
378. Two global reports are published on an annual basis:
- i. The CBPF Year in Review report reflects the consolidated results, achievements and challenges made by all the CBPFs during the year. The report outlines the strategic added value of the Funds and highlights human impact stories from the ground;
  - ii. The OCHA-managed Pooled Funds in Review report reflects the key achievements of the CBPFs and CERF. The report highlights their comparative advantages and complementarity.
379. OCHA disseminates an e-mail update called 'CBPFs in Action,' on a regular basis to inform donors and other stakeholders about funding highlights, impact stories, funding needs for CBPFs, events and other news.
380. Each Fund, with support from OCHA headquarters, produces annually:
- i. The CBPF Annual Report highlighting achievements, best practices, donor contributions and allocations made during the year. The report summarizes how the CBPF has performed in relation to its strategic objectives and performance indicators.<sup>72</sup>
  - ii. The CBPF Factsheet serving as an introduction to the Fund, providing key information, outlining its ways of working and indicating how to contribute.
381. In addition, Funds are encouraged to produce on a regular basis:
- i. The CBPF Allocation Dashboard prepared after the completion of allocations to reflect the Strategic Statement, funding distribution and anticipated results.
  - ii. The CBPF Quarterly Dashboard including highlights during the quarter, such as contributions, allocations, results and other initiatives (for example, trainings for partners).

<sup>72</sup> At the time of issuance of these Global Guidelines the development of an impact framework is in progress. The final framework will be reflected in the Annual Reports template.

## 8. Establishment and closure of Country-based Pooled Funds

### 8.1. Establishment

382. CBPFs are established by the ERC/USG at the request of the HC and in consultation with the humanitarian community when it is demonstrated that a CBPF can bring added value to the delivery of humanitarian operations. Regional Funds can be established to support a coherent approach to regional emergencies and/or promoting cross-border collaboration and synergies between country-specific allocations.

#### Assessment of viability and potential added value

383. The assessment of the viability and potential added value of establishing a CBPF is led by the HC and supported by the OCHA Country Office (CO). In the case of a Regional Fund the establishment is additionally supported by the OCHA Regional Office (RO). It typically includes a scoping mission conducted by the CBPF Section at OCHA headquarters, and consultations with OCHA's Operations and Advocacy Division (OAD). The following conditions should be met for the establishment of a CBPF to be considered:

- i. Existence of humanitarian situation and commensurate humanitarian needs that requires continued support from international community
- ii. Existence of HRP or any other humanitarian planning document
- iii. Indication of substantial and sustained donor commitment, at country and capital levels;
- iv. Sufficient support structures in-country to manage a Fund. This mainly relates to OCHA's presence and capacity, as well as capacities and commitment of sectors/clusters and/or other coordination structures
- v. Presence and engagement of potential partners in-country with demonstrated capacities to deliver humanitarian assistance

#### Decision to establish a CBPF

384. Where the assessment described above recommends the establishment of a CBPF:

- i. A concept note is developed by the OCHA CO in consultation with the Humanitarian Country Team (HCT), OAD and CBPF Section and submitted to the HC. It should include the following:
  - Rationale for establishing a CBPF
  - Anticipated size of the proposed Fund, with reference to indicative donor commitments
  - Existing capacities and additional requirements for sound Fund management at country and at headquarter level
  - An action plan with steps to be taken from establishment of the Fund to conducting a first allocation
  - An initial analysis of risks and corresponding mitigation strategies to ensure the successful establishment and continuing operation of the Fund
- ii. The HC submits the concept note to the ERC/USG as a formal request to establish the Fund.
- iii. The ERC/USG, in consultation with the CBPF Section and the Pooled Fund Working Group (PFWG) makes a final decision on the establishment of the Fund, informing the HC in writing.
- iv. OCHA informs key stakeholders, including donors in-country and in capitals, as required.

#### Establishment plan

385. Following a decision to establish a new Fund, the following are some of the key steps to be taken:

- i. Establishment of a cost centre to manage the fund balance and receipt of initial contributions
- ii. Preparation of the HFU cost plan and endorsement from contributing donors to drawdown the funding
- iii. Recruitment of HFU staff members
- iv. Establishment of governance structures including AB and Review Committees
- v. Set up information management systems (GMS, Pooled Fund DataHub)
- vi. Training and orientation for all stakeholders (AB, Review Committees, coordination platforms, prospective partners)
- vii. Preparation of Operational Manual and HC's vision for the Fund in line with provisions in these Global Guidelines
- viii. Outreach to prospective partners, due diligence reviews and capacity assessments to establish eligibility
- ix. Development of the first Allocation Strategy and launch of the allocation

#### Establishing country envelopes under Regional Funds

386. At the time of issuance of these Global Guidelines, the piloting of a Regional Fund involves the establishment of 'country envelopes' under common, regional management. Country envelopes will be stood up and stood down based on humanitarian needs, available resources in respective countries and donors' commitments. The opening of an envelope for any given country will be upon recommendation by the CBPF Section, following broad consultations with stakeholders. HCs in countries participating in the Regional Fund are designated by the ERC/USG as custodians of the respective country envelopes and agree to lead a required set of processes at the country level, mirroring CBPF practices.
387. A minimum threshold for funding commitments, appropriate to the country context, will be identified in order to initiate a country envelope. This will avoid dilution of resources and ensure they are sufficient to support the strategic use of the envelope in any given country. The minimum threshold will vary depending on the specific context and will consider the wider funding environment and absorption capacity of partners.

## 8.2. Closure

#### Assessment of continuing viability and added value, and potential closure of a CBPF

388. When some or all the conditions for establishing a CBPF as listed above are no longer clearly demonstrated, the continuing viability and added value should be re-assessed and potential closure considered.
389. Factors that could lead to the closure of a CBPF include, amongst others:
- i. Where the context is evolving from a humanitarian emergency to a recovery phase in which continuing support from international humanitarian community is no longer required
  - ii. Where the strategic purpose of the Fund can no longer be demonstrated
  - iii. Where the OCHA CO is closing and capacities for robust Fund management will no longer be available
  - iv. Where the HC function no longer exists
  - v. Where the HRP or equivalent humanitarian planning framework is discontinued
  - vi. Where there is insufficient evidence of continuing donor support at an appropriate scale
  - vii. Where the engagement and capacities of partners are insufficient to ensure effective use of funding available
390. Assessment of the continuing viability and added value of the Fund and its potential closure may be initiated by the ERC/USG, HC, OCHA CO/RO, the CBPF Section or OAD.

Decision to close a CBPF

With advice from the CBPF Section, the final decision to proceed with closure will be confirmed by the ERC/USG through correspondence with the HC. When required, the ERC/USG may decide on the closure of a CBPF independently.

The HC will ensure that the AB and the HCT are well informed of the final decision and the follow-up process. The HC will further ensure that the CO/RO will follow the requirements set by the CBPF Section and OAD to complete the process in accordance with CBPF operations.

OCHA will ensure that other key stakeholders, including donors in-country and in capitals and operational partners are kept informed, as required.

Closure plan

391. Following the ERC/USG's decision to close a CBPF, under the auspices of the HC the OCHA HoO will set out a closure plan. The plan will include:
- i. Timeline, including final date for accepting contributions from donors, date of final allocation process, date for completion of all open projects (including reporting and audit), and date for final administrative and financial closure
  - ii. Communications to stakeholders as relevant throughout the closure process
  - iii. Budget requirements, including staff to manage the closure and any one-off costs
  - iv. Closure report, including lessons learned
392. The HC, with support from the OCHA CO/RO<sup>73</sup> and the CBPF Section prepares the final closure report for stakeholders.
393. Any proposed revisions to ongoing projects following the decision to close the Fund shall require endorsement by the CBPF Section, to assess the potential impact on the closure plan and agreed timelines.
394. OCHA DRS, the CBPF Section and the EO ensure proper closure of the fund ledger, issuing the Final Financial Report. In consultation with donors the re-deployment or return of any unspent funds shall be determined.

---

<sup>73</sup> For CBPFs administered by the MPTF Office, the procedures will vary. At the time of issuance of these Global Guidelines, OCHA and MPTF Office are in discussions on the transition of the MPTF Office's administrative role.