



OCHA

United Nations Office
for the Coordination of
Humanitarian Affairs

Global Guidelines for Country-based Pooled Funds

Frequently Asked Questions – January 2015

Q1. What are the Global Guidelines for Country-based Pooled Funds (CBPFs)?

The Global Guidelines for CBPFs are a package of documents that outline the principles, objectives and functioning of CBPFs. They include:

- The Policy Instruction, which provides an overview of the principles, objectives, governance, and management arrangements for CBPFs
- The Operational Handbook for CBPFs that, together with its annexes, provides a complete set of technical guidelines, tools and templates used in the management of CBPFs

The Global Guidelines are mandatory for all CBPFs. The operational guidance contained in the Handbook represents minimum standards for management arrangements that must apply to all CBPFs. Each Country-based Pooled Fund will develop country-specific operational manuals based on the Operational Handbook.

Q2. How did OCHA develop the CBPF Guidelines and how were stakeholders involved?

The Global Guidelines for CBPFs are the outcome of extensive internal and external consultations conducted by OCHA with stakeholders both at headquarters and country level over the last three years.

At the headquarters level, the consultations included dedicated discussions with UN agencies, NGOs and donors over four meetings of the Pooled-Fund Working Group (PFWG) and regular updates during the meetings of the Inter-Agency Standing Committee Humanitarian Financing Task Team (IASC-HFTT). The annual OCHA Global Pooled Fund Management workshops (with participation of OCHA, UNDP and MPTF stakeholders involved in the management of CBPFs) over the last three years were also used to gain further inputs from the field.

Based on these consultations, OCHA finalized an initial draft of the Guidelines in February 2014. The draft was circulated between March and July 2014 for comments to 17 OCHA country offices with active CBPFs, and, through these, to stakeholders at the country level. The draft was also circulated for comments to various OCHA branches and sections at headquarters, to the IASC-HFTT, and to 20 donors at the capital level. The CBPF-NGO Dialogue Platform meetings of April and June 2014 were also used to discuss the content of the Guidelines and collect inputs from partners. In addition, OCHA engaged in bilateral discussions with several donors and other partners.

Altogether, more than 60 entities provided inputs to the Guidelines, resulting in more than 500 written comments which OCHA took into consideration.

Q3. Who are the targeted audiences of the CBPF Guidelines?

The Global Guidelines for CBPFs target key stakeholders of the funds, including implementing partners (national and international NGOs, UN agencies, International Organization for Migration, Red Cross/Red Crescent Movement), Humanitarian Coordinators (HCs), donors, clusters, OCHA Country Offices and Humanitarian Financing Units (HFUs).

The Policy Instruction provides all CBPF stakeholders with a high-level overview of the Funds, whilst the Operational Handbook contains technical guidance for OCHA Country Offices and, in particular, for the HFUs that support and administer CBPFs. The Handbook provides a set of processes and

tools that establish minimum standards for the management of CBPFs. OCHA Country Offices can build upon these minimum standards to ensure that the use and management of each fund complies with the requirements of the context in which it operates. The Handbook also describes the roles and responsibilities of HCs, OCHA, implementing partners, clusters and other stakeholders when engaging in the operation of CBPFs.

Q4. What are the main changes introduced by the CBPF Guidelines?

Governance: A CBPF Governance Board will be established at the headquarters level to strengthen corporate oversight and advise the Emergency Relief Coordinator (ERC) on key decisions such as the establishment and closure of CBPFs, or when major adjustments are required for existing funds. The functions of this Board are complementary to the central role played by CBPF Advisory Boards at the country level.

Strategic alignment: The use of CBPFs will be primarily aligned to support the delivery of the Humanitarian Response Plans (HRPs), while retaining the flexibility to allocate funds to unforeseen events. This change aims to establish a clear linkage between CBPFs and OCHA's goal to increase field effectiveness; as well as to strengthen the leadership and coordination role of HCs in driving the allocation of CBPF funding to locally-identified needs and priorities. Aligning the use of CBPFs to the HRP brings additional clarity to the role of clusters in relation to CBPFs.

Accountability framework and operational modalities: The accountability framework introduced by the new Guidelines focuses on providing a set of tools for the risk-based management of CBPFs. These tools include i) the role of Advisory Boards in advising the HC on risk management strategies fit to the operational context of the specific fund; and ii) the capacity assessment of implementing partners, which in turn allows OCHA to determine the most suitable disbursement schedule, monitoring strategy, programmatic and financial reporting requirements, and auditing plan.

Financial management: The Guidelines introduce clearer financial management guidance to ensure a common understanding of budgeting and administrative aspects and procedures. In particular, the project budget structure and template have been revised and aligned to standard UN Development Group budget categories. The financial and administrative guidance is included in the Operational Handbook.

Q5. Why is OCHA harmonizing the current Emergency Response Funds (ERFs) and Common Humanitarian Funds (CHFs) under the umbrella of CBPFs? What will happen to ERFs and CHFs?

The Global Guidelines for CBPFs introduce the harmonization of ERFs and CHFs under one single type of fund: the CBPF. CBPFs will be strategically aligned to the HRP, and use two modalities to allocate funds: standard and reserve allocations. The size of each fund will be determined by the specific country context.

In the past, CHFs differed from ERFs by allocating resources against consolidated appeals. ERFs were mainly conceived to address unforeseen emergencies beyond the appeals. In some cases, ERFs were active even in countries without a proper appeal. The evolution of the Humanitarian Programme Cycle (HPC) and the systematic introduction of the HRP in all countries made the distinction between ERFs and CHFs no longer relevant. With the introduction of the HPC, all CBPFs will systematically support the priorities defined within HRPs as well as unforeseen emergencies that could emerge in a given country.

The need to harmonize ERFs and CHFs was also emphasized during the consultations which OCHA held over the past few years. Stakeholders challenged the rationale of maintaining two different types of funds, and questioned the existence of substantive differences in the way ERFs and CHFs operated.

Furthermore, oversight bodies such as the Board of Auditors, the UN Office for Internal Oversight (OIOS) and the Joint Inspection Unit (JIU) have repeatedly recommended the need to harmonize

processes and procedures across ERFs and CHF; they have also suggested to clarify the roles and responsibilities of all entities involved in fund management, and to strengthen accountability mechanisms. These bodies have also repeatedly stressed the need to have a standardized set of guidelines, applicable to all CBPFs, regardless of the management arrangements applicable to them.

The harmonization of ERFs and CHF was also one of the key findings and recommendations of the independent OCHA-commissioned study on mapping CBPFs. Internal and external consultations recommended that OCHA consider further harmonization between CHF and ERF while leaving to the field and HCs the option to choose between two allocation modalities depending on the operational context and size of the fund.

Q6. How do the CBPF Guidelines apply to CBPFs where the Managing Agent function is performed by UNDP?

Over the years, CBPFs have been under the tight scrutiny of various oversight bodies in light of the risks that the management of these funds entail. The different set up of CHF and ERF has generated a diverse spectrum of requirements and control mechanisms applicable to the funds, generating a lack of standardized and harmonized approach to the management.

Since their establishment in late 2005, CHF have evolved developing specific processes and procedures quite different in each country. Simultaneously, ERFs, which have been active since 1995, also evolved and established their own processes and procedures but maintained a greater degree of coherence among them. ERF and CHF processes and procedures ended up being quite different, with different administrative regimes applicable to the funds, some managed by OCHA, others by UNDP.

These different setups will continue until CBPFs have two different administrative arrangements. The current Guidelines, aimed at ensuring the most appropriate management arrangements without disrupting operations in the field, allows for sufficient flexibility to allow UNDP to continue providing management and administrative services for CBPFs. In doing so, the Guidelines also make clear that the proposed accountability framework remains a fundamental element of the architecture of CBPF management that cannot be compromised.

OCHA will issue an addendum to the Global Guidelines for CBPFs at the end of February 2015 following inputs from UNDP and the UNDP Multi-Partner Trust Fund (MPTF) Office, which will provide additional clarity for CHF where UNDP is the managing agent and MPTF is the administrative agent

Q7. How do the new Guidelines address and mitigate risk?

CBPFs have been under the tight scrutiny of various oversight bodies in light of the risks that the management of these funds entail. The Guidelines introduce an overarching framework for the management of risks related to CBPFs, standardizing the different requirements and control mechanisms generated by CHF and ERFs.

The Accountability Framework for CBPFs introduced by the new Guidelines provides a set of risk management tools which address risks that (i) may hinder the ability of CBPFs to achieve their objectives as humanitarian financing mechanisms; and (ii) are present when disbursing funds to implementing partners.

At the fund level, the Guidelines introduce a risk management framework that includes risk identification, risk analysis and the development of mitigation strategies to manage residual risks. This is a management tool which enables the HC, supported by the CBPF Advisory Board, to ensure strategic decision making and support the achievement of strategic outcomes in a transparent manner. It also ensures a shared sense of risk and the appropriate tolerance of residual risks by all stakeholders.

At the partner level, risk management is concerned with tailoring grant management procedures in accordance with the capacity and performance of partners. CBPFs are required to assess the

capacity of each implementing partner that seeks funding to determine their eligibility and to identify the most suitable disbursement schedule, monitoring strategy, programmatic and financial reporting requirements, and auditing plan. The Operational Handbook describes three options for capacity assessments that can be applied depending on the context and conditions on the ground.

Q8. What is the timeline to implement the CBPF Guidelines? How will OCHA roll out the CBPF Guidelines at the country level? What will be the involvement of CBPF stakeholders in this process?

It is of paramount importance for OCHA not to disrupt ongoing operations in the field. To this end, the Guidelines will be introduced progressively into active funds. This will give adequate time to OCHA HFUs and partners to be trained and to get acquainted with the Guidelines.

Some funds have already introduced, over the years and in parallel with ongoing consultations, some elements of the Guidelines. OCHA Funding Coordination Section (FCS) will consult with field colleagues to determine the scope of the necessary changes (if any) for each fund in light of the Guidelines and to plan their progressive and smooth implementation.

Next steps include the definition of a rollout and training plan for each active fund, which will take into consideration the needs and requirements of the various countries. The process will start in the first quarter of 2015, with the initial implementation of the Grants Management System, due diligence, capacity assessment, and operational modalities.

Q9. How will CBPF stakeholders become acquainted with the new Guidelines?

OCHA is committed to providing training to relevant CBPF stakeholders at all levels, in the field and at headquarters, on effective CBPF management. In the first quarter of 2015 OCHA will develop a comprehensive training programme to familiarize and enable those involved in various aspects of CBPF management at different levels (strategic, managerial, administrative) to effectively oversee the functioning of CBPFs. The training programme will ensure that the guidance and existing systems such as the Grants Management System are coupled with practical know-how on areas covering programme and operations, policy, management, and oversight.

The training programme will be modular and contain individual components targeted to different audiences. The wide range of trainees include 1) staff involved in the management of CBPFs; 2) staff from potential or existing implementing partners; and 3) other staff new to CBPFs or with an indirect involvement. The programme will contain in-person training opportunities at the regional and country level, as well as web-based training.

Q10. What is the Grants Management System?

The Grants Management System (GMS) is a web-based platform that supports the management of the entire grant life cycle for all CBPFs. It was developed to support the management of all CBPFs and rationalize the workload of HFUs in the field.

GMS is a mandatory tool for CBPFs and a fundamental management instrument for OCHA at the country and headquarters level. Its advantages include: i) facilitating partners' interaction with the funds at all stages of the grant cycle; ii) promoting efficiency, effectiveness and transparency through monitoring of the speed and the quality of different processes; iii) supporting risk management; 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 publicly accessible Business Intelligence modules. These provide real time data on contributions, allocations, recipient partners, geographical coverage, and funding distribution among clusters.

GMS has been rolled out in almost all CBPFs as of January 2015 as an essential tool to aid the smooth implementation of the guidelines. GMS is accessible at: <http://gms.unocha.org/>

Q11. How will the new CBPF Guidelines expand partnerships with national and international NGOs?

CBPFs endeavour to foster strategic partnerships with the national and international NGO community. OCHA acknowledges that NGOs are key partners and responders in many of the humanitarian settings in which CBPFs operate. NGO partners, in particular local NGOs, are critical to effective humanitarian response as they tend to be in closer proximity to people in need and have better knowledge of the affected communities.

In an effort to expand partnership with NGO actors, the Guidelines reflect many aspects of the feedback received by NGOs over the years. In particular, the Guidelines streamline and rationalize the administrative requirements for grant implementation. Aiming at developing long-term partnerships with NGOs, the Guidelines also highlight the role that NGOs play in the governance and management of CBPFs through their membership in Advisory and Review Boards.

The Guidelines also include tools to enable NGOs to become eligible CBPF partners and introduce a risk-based approach to CBPF management. This approach assesses the capacity of NGO partners and rewards good performance in grant implementation. Each CBPF carries out an assessment of the capacity of its NGO partners to determine eligibility and to identify the most suitable disbursement schedule, monitoring strategy, programmatic and financial reporting requirements, and auditing plan.

Capacity assessments are carried out under the coordination of the OCHA Country Office and must take place before an application for funding is submitted. Currently, every NGO will be assessed at the national level in the context of the CBPF from which it wants to receive funding.

The Operational Handbook describes three options for capacity assessments that each CBPF can choose from depending on the country context. OCHA developed the capacity assessment methodology based on extensive analysis of existing tools and approaches used by donors and other UN entities, as well as on actual practice in some CBPFs. One of the first steps in the rollout of the Guidelines will be the definition of the approach to be used by each existing CBPF to determine the capacity level of its implementing partners. OCHA HFUs will carry out this exercise with support from FCS, and may seek input from stakeholders in country. The HC will approve the chosen approach in consultation with the Advisory Board, which will also review and, if necessary, revisit the eligibility thresholds and corresponding risk levels. Similarly, OCHA will update the assessment of partner's capacity over time.

As partners continue receiving funding and implementing projects, their performance will increasingly determine their risk ratings. OCHA will systematically analyse partner performance throughout the project implementation. The performance score will impact on the outcome of the initial capacity assessment, and will result in an improvement or deterioration of the partner's risk level.

Q12. How often will OCHA revise the CBPF Guidelines?

To ensure that CBPFs contribute to the effective delivery of humanitarian assistance, OCHA remains committed to continuously improving and further strengthening CBPFs through an ongoing dialogue with all stakeholders, both at headquarters and in the field.

The high-level Policy Instruction will be subject to review in 2017, when FCS will also carry out an assessment of the implementation of the Operational Handbook. The Operational Handbook and its annexes are "living documents" which are subject to periodic reviews and, should it be necessary, they can be modified more frequently to allow for flexibility and efficiency in the management of CBPFs.

For a continuous improvement of the Guidelines, FCS will seek on-going feedback from CBPF stakeholders, including implementing partners, OCHA Country Offices and HFUs, HCs, the CBPF-NGO Dialogue Platform, the Pooled Fund Working Group and the IASC Humanitarian Financing Task Team.

Q13. Are there any plans to translate the CBPF Guidelines in other languages?

The CBPF Guidelines will be translated into Arabic and French and published online for wider dissemination.

Q14. Where can we find the CBPF Guidelines?

The CBPF Guidelines can be downloaded from the following website: <http://www.unocha.org/what-we-do/humanitarian-financing/country-based-pooled-funds>