YEMEN HUMANITARIAN POOLED FUND

Operational Manual

September 2016

Table of Contents

Acronyms

AB	Advisory Board
BOA	Board of Auditors
CBPF	Country-based Pooled Fund
CERF	Central Emergency Response Fund
ERC	Emergency Relief Coordinator
FCS	Funding Coordination Section
FTS	Financial Tracking Service
GMS	Grant Management System
HACT	Harmonised Approach for Cash Transfers
HC	Humanitarian Coordinator
HCT	Humanitarian Country Team
HFU	Humanitarian Financing Unit
HQ	Headquarters
HPC	Humanitarian Programme Cycle
HPF	Humanitarian Pooled Fund
HoO	Head of Office
HRP	Humanitarian Response Plan
ICCM	Inter-Cluster Coordination Mechanism
INGO	International Non-Governmental Organisation
IOM	International Organisation for Migration
IPs	Implementing Partners
M&R	Monitoring and Reporting
MOU	Memorandum of Understanding
NNGO	National Non-Governmental Organisation
NGO	Non-Governmental Organisation
OCHA	Office for the Coordination of Humanitarian Affairs
OIOS	Office of Internal Oversight Services
PI	Performance Index
PUNO	Participating United Nations Organisation
SOPs	Standard Operating Procedures
SRC	Strategic Review Committee
TOR	Terms of Reference
TPM	Third Party Monitoring
UN	United Nations
UNCT	United Nations Country Team
UNDG	United Nations Development Group

Introduction

1. The Operational Manual for the Yemen Humanitarian Pooled Fund (HPF) is issued by the Humanitarian Coordinator (HC) and endorsed by the Advisory Board (AB) to set the general direction and programmatic focus of the Yemen Humanitarian Pooled Fund (hereafter "HPF" or "the Fund").

2. The HC and the Advisory Board will revisit this Manual on an annual basis or as needed to adjust the general direction and programmatic focus of the Fund, thereby ensuring its relevance and effectiveness.

Purpose

3. The purpose of the HPF Operational Manual is to describe the governance arrangements, objectives, allocation modalities and accountability mechanisms of the Fund, as well as to detail the roles and responsibilities of the stakeholders involved.

4. Under the direction of the HC, the HPF aims to support the timely disbursement of funds to the most critical humanitarian needs as defined by the Humanitarian Response Plan (HRP). In this regard, this Manual will provide guidance to implementing partners and facilitate the role of OCHA, members of the respective review teams, and cluster/sectoral experts.

Scope

5. The Operational Manual defines the country-specific regulations that govern the HPF. It is designed within the framework provided by the Operational Handbook for Country-Based Pooled Funds (CBPFs), which describes the global set of rules that apply to all CBPFs worldwide, and adapts specific aspects of these global guidelines to the humanitarian context in Yemen. Adherence to the guidance provided in the two documents is mandatory so as to ensure standard and transparent processes.

Objectives of the HPF

6. The HPF will be primarily aligned to support the delivery of strategic humanitarian response identified under the HRP while retaining the flexibility to allocate funds to unforeseen events or special requirements. The HPF will reinforce the leadership and coordination role of the HC by driving funding to needs-based priority sectors and geographic areas. The HPF will also aim for a more inclusive approach by working with a variety of implementing partners in a complex operational environment. The HPF has the following main objectives:

   a. Support life-saving and life-sustaining activities while filling critical funding gaps;
   b. Promote needs-based assistance in accordance with humanitarian principles;
   c. Strengthen coordination and leadership primarily through the function of the HC and by leveraging the cluster system;
   d. Improve the relevance and coherence of humanitarian response by strategically funding priorities as identified under the Yemen Humanitarian Response Plan (HRP);
   e. Expand the delivery of assistance in hard-to-reach areas by partnering with national and international non-governmental organizations (NGOs).

7. Further, the HPF aims to ensure that humanitarian needs are addressed in a collaborative manner, fostering cooperation and coordination within and between clusters and humanitarian organisations. As such, the HPF contributes to improving needs assessments, enhancing the HRP as the strategic planning document for humanitarian action, strengthening coordination mechanisms and partnerships - in particular the cluster system - and improving accountability through enhanced monitoring and reporting.

8. At the discretion of the HC, the HFU may publish additional strategic priorities on an annual basis to further guide the work of the Advisory Board, partners and stakeholders to the Fund.

9. Interventions supported by the HPF are to be consistent with the core humanitarian principles of humanity, neutrality, impartiality and independence.

Governance and Management Structure

10. The activities of the HPF will be carried out under the overall stewardship of the Humanitarian Coordinator (HC), with support from an Advisory Board (AB) and an OCHA-led Humanitarian Financing Unit (HFU) fulfilling the HPF's management functions. The HPF Advisory Board will be chaired by the HC and will welcome the senior-level participation of donors, UN organisations (in their capacity as cluster lead agencies) and NGO representatives. Cluster coordinators play a key role in prioritisation as well as project review at both strategic and technical level.

Humanitarian Coordinator (HC)

11. On behalf of the Emergency Relief Coordinator (ERC) the overall management of the Fund will rest with the HC, supported by an OCHA-led HFU and advised by the HPF Advisory Board. Key responsibilities of the HC are:

- Approves the HPF Operational Manual, which outlines the Fund's scope and objectives; programmatic focus; governance structures and membership; allocation modalities and processes; accountability mechanisms; and operational modalities;
- Chairs the Advisory Board and provides strategic direction for the Fund;
- Leads country-level resource mobilisation for the Fund supported by the Humanitarian Country Team (HCT), OCHA Country Office and in coordination with relevant OCHA entities at headquarters;
- Approves the use of and defines the strategic focus and amounts of fund allocations;
- Ensures that the Advisory Board and the review teams are functioning as per agreed terms of reference;
- Approves projects and initiates disbursement; this responsibility is exclusive to the HC and cannot be delegated. Funding decisions can be made at the discretion of the HC, without a recommendation from the Advisory Board, for circumstances which require an immediate response. In addition, the HC has the authority to overrule recommendations from the review teams;
- Ensures complementary use of HPF funding with other funding sources, including the Central Emergency Response Fund (CERF);
- Leads the process of closing the HPF.

Advisory Board (AB)

12. The HPF Advisory Board (AB) will support the HC in developing an overall strategy and overseeing the performance of the Fund. It will advise the HC on strategic and policy issues and ensure the views of donors, UN agencies and the NGO community are represented. The AB will be consulted in the development of allocation strategies and will serve as a forum to share information on funding coverage to strengthen donor coordination. The AB will also provide a forum for representatives and the HC to discuss funding priorities in line with the HRP as well as unforeseen needs. The key functions of AB are:

- *Strategic focus and fund allocation:* The AB should support the HC in ensuring that the main objectives of the Fund are met. The AB should review and advise the HC on strategic elements of the Fund such as the allocation strategies and the operational manual. The AB also advises on fund allocation to appropriate clusters and priorities. The AB shall advise the HC in setting funding targets and support resource mobilisation efforts.
- *Risk management:* The AB supports the HC and the OCHA Country Office in undertaking periodic risk analyses and reviewing the Risk Management Framework of the Fund.
- *Eligibility and risk rating of NGOs*: The AB consults on the modalities and thresholds of the eligibility process to be carried out by OCHA HFU.
- *Transparency:* The AB should monitor fund processes with the objective of ensuring that all stakeholders are treated fairly and that the management of the Fund abides by established policies.
- *Review of operational activities:* The AB monitors the operational performance of the Fund, providing advice to the HC.

13. Terms of Reference for the HPF Advisory Board, outlining membership requirements and rotational arrangements are available under Annex I.

OCHA Head of Office (HoO)

14. The HoO is responsible for the effective management of the Fund in accordance with the Operational Handbook for CBPFs. The responsibilities of the HoO with respect to the HPF are to:

- Support and advise the HC on strategic issues and resource mobilisation;

- Supervise the OCHA Humanitarian Financing Unit (HFU) and ensure that the HFU is well integrated and coordinated with other units of the OCHA Country Office and sub-offices;
- Ensure that OCHA has the capacity to fulfil its accountability requirements, including risk management and minimum operational modalities;
- Promote active involvement of existing coordination structures in HPF processes and ensure that the Fund' scope and objectives as outlined in the Operational Manual and/or allocation strategy papers are aligned with the HRP;
- Approve project no-cost extensions within the scope of the delegation of authority granted by the HC;
- Interface with headquarters on policy issues related to the HPF;
- Act as a permanent member of the AB.

OCHA Headquarters

15. The OCHA Funding Coordination Section (FCS) in New York provides support to OCHA Country Offices (COs) in managing pooled funds, ensuring harmonisation and standardisation of practices and procedures. FCS has four dedicated units that, while covering different responsibilities, work together to ensure that OCHA delivers on its core function of humanitarian financing:

- *Programmes and Operations*: Provides operational support to field offices managing pooled funds; ensures harmonisation and standardisation of procedures; monitors performance and reports on global performance of CBPFs.
- *Policy and Partnerships*: Engages in policy-related and cross-cutting issues in humanitarian financing; supports partnership with donors and other stakeholders; supports communication/information.
- *Oversight and Compliance*: Supports development of accountability and risk management frameworks at the UN system-wide level; works closely with fund managers in handling cases of fraud and misuse.
- *Finance*: Provides administrative and financial functions; manages HPF accounts, clears grant agreements, grant amendments and financial aspects of partner proposals; signs grant agreement; disburses all payments.

OCHA Humanitarian Financing Unit (HFU) – Managing Agent

16. The HFU under the overall supervision of the OCHA Head of Office will ensure adequate and efficient management of the HPF. In support of the HC and HPF Advisory Board, and with the assistance of relevant units at OCHA headquarters, the HFU will undertake the following tasks:

17. *Management of HPF operations and policy advice to the HC:*

- Advice the HC and OCHA HoO on fund strategies and any other policy matters related to HPF;
- Facilitate the development of the HPF scope and objectives and/or allocation strategy papers;
- Ensure timely communication to partners on HPF standard allocation calendar of activities;
- Engage with HPF donors and coordinate with other humanitarian donors in the country;
- Support resource mobilisation for the HPF, draft the resource mobilisation strategy and support its implementation in coordination with headquarters' donor relations efforts;
- Support HC and HoO efforts to link the fund with the Humanitarian Programme Cycle (HPC) by promoting allocations in alignment with the HRPs;
- Provide technical advice to the HC and HPF Advisory Board on the allocation process, project implementation and monitoring;
- Produce reports, analysis and other documents as necessary to support decision-making, coordination, communication and resource mobilisation activities;
- Promote the complementary use of the HPF with funding from other sources, in particular the CERF;
- Perform secretariat functions for the HPF Advisory Board;
- Facilitate public information sharing with all stakeholders through dedicated webpages, public information products and correspondence as needed.

18. *Project Cycle Management:*

- Facilitate and train stakeholders on the use of the Grant Management System (GMS);
- Ensure compliance with processes, systems, templates and tools as defined in the Handbook for CBPFs as well as HPF procedures;
- Provide support to all HPF recipients throughout the allocation process and promote a feedback system for continuous learning;
- Coordinate and facilitate all activities associated with the strategic and technical review;
- Oversee project review and approval processes including administrative aspects of selected projects;

- Ensure follow up of fund disbursement and refunding;
- Ensure narrative and financial reporting compliance;
- Manage project revision requests (e.g. follow-up and support on budget revision, reprogramming, no-cost extensions, etc.);
- Provide oversight throughout the entire funding cycle from the opening of an allocation to closure of projects;
- Ensure Financial Tracking Service (FTS) reporting as required.

19. Accountability:

- Support and advise the HC and OCHA HoO in the development and implementation of accountability measures as defined under the main pillars of eligibility, monitoring, reporting and auditing;
- Coordinate and develop systems for partner eligibility, capacity and performance assessments, risk management, monitoring, and reporting on behalf of the HC;
- Ensure compliance with the minimum requirements described in the operational modalities of the Global Handbook for CBPFs;
- Ensure compliance with audit requirements and follow up recommendations stemming from audits and monitoring findings;
- Facilitate periodic external evaluations in line with the global agreements on evaluation requirements for CBPFs;
- Compile the consolidated Annual Report of HPF operations.

Cluster Leads and Co-Leads

20. Cluster leads and co-leads support HPF processes at two levels: (i) at a *strategic level,* cluster leads should ensure that there are linkages between the Fund, the HRP and cluster strategies; and (ii) at an *operational level,* cluster leads should provide technical expertise to the process of project prioritisation and to the technical review of projects.

21. The Cluster leads and co-leads will undertake the following activities in relation to the HPF:

- Facilitate all HPF related processes in consultation with cluster partners;
- Establish needs-based priorities for HPF funding in consultation with cluster partners;
- Facilitate inter-cluster coordination;
- Lead a process to transparently identify, review and recommend priority humanitarian projects for funding based on agreed overall cluster priorities and strategies and document these processes;
- Defend cluster strategies and proposal during HPF allocation rounds;
- Ensure quality and timely submissions of all related cluster materials;
- Promote the systematic use of relevant standard indicators for projects;
- Participate in field monitoring visits to support technical assessment of implemented projects according to the provisions of the accountability framework endorsed by the HC;
- Review and recommend revision requests when technical or strategic input is required;
- Train and build capacity of cluster partners (national and international) on HPF procedures.

Funding Mechanisms

Eligibility Criteria

22. Donor contributions to the HPF will be utilised to fund projects carried out by Participating UN Organisations (PUNOs) and the International Organisation for Migration (IOM), national and international Non-Governmental Organisations (NGOs) and organisations of the Red Cross/Red Crescent movement.

23. In order to become eligible as partners, NGOs interested in applying for funding under the HPF have to participate in an eligibility process as outlined in the Accountability Framework, and UN agencies and IOM must sign the Memorandum of Understanding (MoU).

Allocation Windows

24. The allocation of funds under the HPF is determined by the Humanitarian Coordinator. There are two allocation modalities:

- *Standard Allocation*: process through which most of the funds will be allocated to ensure funding for priority projects is disbursed in line with the HRP. Standard allocation processes will be facilitated at least twice a year based on Allocation Strategy papers formulated under the leadership of the Humanitarian Coordinator.
- *Reserve Allocation*: (also referred to as the HPF Reserve) - process used for the rapid and flexible allocation of funds in the event of unforeseen emergencies or to address strategic humanitarian needs. It accommodates so-called 'special allocations' which are responses to specific humanitarian situations or strategic needs necessitating a coordinated response, albeit outside the Standard Allocation process.

25. Key requirements for funds allocated through the Reserve in case of emergencies are:
    a. The project constitutes an emergency humanitarian response to an unforeseen disaster.
    b. The project will remedy, mitigate or avert direct loss of life, physical and psychological harm or threats to a population or group and/or protect their dignity. This may include common humanitarian services that are necessary to enable life-saving activities and inter-agency assessments in case of sudden onset disasters.

The project cycle management process for the HPF Yemen is done through the Grant Management System (GMS) online platform allowing for better management and institutional memory: https://cbpf.unocha.org

Allocation Criteria

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

- *Partner eligibility and capacity*: verified through the eligibility process;
- *Access*: accessibility and/or physical presence in areas of operation;
- *Strategic relevance*: clear linkage to HRP strategic and cluster objectives, compliance with the terms of the call for proposals as described in the allocation paper, and alignment of activities with areas of special focus of the Fund (projects outside of HRP can be considered under the Reserve allocation);
- *Needs-based*: the needs are explained and documented, and beneficiaries are clearly described;
- *Appropriateness*: the activities are adequate to respond to the identified needs;
- *Technical soundness and cost effectiveness*: the proposal meets technical requirements to implement the planned activities; the budget is fair, proportionate in relation to the context, and adequate to achieve the stated objectives;
- *Risk management*: assumptions and risks are comprehensively and clearly spelled out, along with risk management strategies;
- *Monitoring and reporting*: a realistic monitoring and reporting strategy is developed in the proposal.

Standard Allocation Process

27. The Standard Allocation process involves close consultation with the Inter-Cluster Coordination Mechanism (ICCM), Humanitarian Country Team (HCT), cluster members and other relevant partners. The final allocation decision is made by the HC after consultations with the Advisory Board (AB). Prior to each standard allocation round, the HFU will prepare an allocation strategy paper together with a timeline. The allocation paper will include information on: (i) total amount to be allocated by sector; (ii) humanitarian priorities (strategic, sector, geographical); (iii) criteria for project prioritisation; (iv) timeline.

28. At least two Standard Allocation Strategies are expected annually. The timing of allocation rounds throughout the Standard Allocation process will be aligned with the HRP cycles (annual and mid-year review) and other in-country humanitarian assistance delivery mechanisms taking into consideration seasonal factors (winter, flooding seasons).

Table 1 - Standard Allocations follow a step by step process as outlined below:

Step 1 Allocation Strategy	1.1 The Allocation Strategy, together with a detailed timeline and annexes is officially released. The annexes include the score cards against which projects will be vetted by clusters as well as any cluster specific technical recommendations.	*HFU	
Step 2 Submissions of	2.1 Eligible partner organisations consult clusters and submit a full proposal using the HPF Grant	*Partners *Cluster leads	10 days (+ 10 working days)

Proposals and Strategic Reviews	Management System (GMS), including a detailed logframe and budget.		
	2.2 Cluster Leads manage a nomination process for the Strategic Review Committees (SRCs) and make arrangements for the proposal review.	*HFU *Cluster leads	
	2.3 HFU provides each cluster with copies of the submitted proposals. Feedback is provided back to HFU on whether any proposal should be disqualified for not meeting allocation criteria.	*HFU *Cluster leads	2 days (+ 12 working days)
	2.4 Strategic Review Committee (SRC) meetings take place to review and rank proposals.	*HFU *Cluster leads	5 days (+ 17 working days)
	2.5 Bilateral discussions take place in between the cluster leads and the HFU to define a final list of projects to be recommended. Cluster leads prepare their cluster 'chapeau' with the results.	*HFU *Cluster leads	2 days (+ 19 working days)
	2.6 HPF Advisory Board meets to review and discuss the results of the SRC process and list of recommended projects. Comments are noted and questions/issues shared with partners accordingly.	*AB *HFU	1 day (+ 20 working days)
Step 3 Technical and Financial Reviews	3.1 HFU communicates to partners the HC's decision on recommended and rejected projects through the GMS.	*HFU *Partners	3 days (+ 23 working days)
	3.2 Cluster leads provide technical feedback on proposals to partners via the GMS.	*Cluster leads	15 days (+ 38 working days)
	3.3 OCHA FCS Finance Unit conducts a financial review of proposal budgets.	*OCHA FCS Finance	
	3.4 Partners address comments to both technical and financial reviews.	*HFU *Partners	
Step 4 Final Approval & Disbursement	4.1 HFU prepares the Grant Agreement(s) for HC and partners' signatures formalising the project approval process.	*HFU *HC *Partners	2 days (+ 40 working days)
	4.2 OCHA FCS Finance countersigns Grant Agreements. Following signatures, funds are disbursed to partners from OCHA (in tranches to NGOs).	*HFU *OCHA FCS Finance	10 days (+ 50 working days)
50 Working Days			

Reserve Allocation Process

29. The Reserve Allocation is primarily intended on supporting rapid response projects which are developed during the first phase of a new emergency and before mainstream responses come on line. The Reserve shall also be used on a case by case basis, to enable the HC to respond to critical funding gaps or non-emergency related projects considered to be of strategic importance for the humanitarian response in country.

30. No specific percentage of funds is allocated for the Reserve. Instead, a decision will be made by the HC, in consultation with the Advisory Board, determining what amount of funds should be set aside. These funds, not programmed during the Standard Allocation, will constitute the Reserve.

Table 2 - Reserve Allocations follow a step by step process as outlined below:

Step 1 Allocation Strategy	1.1 Following notification of an emergency or specific gap/needs brought to the HC's attention, the HC launches a Reserve Allocation Strategy. The Reserve Allocation Strategy, together with a detailed timeline and annexes is officially released.	*HC *HFU *ICCM	
Step 2 Strategic and Financial	2.1 Eligible partner organisations consult clusters and submit a full proposal using the HPF Grant Management System (GMS), including a detailed logframe and	*Partners *Cluster leads	10 days (+ 10 working days)

Reviews	budget.		
	2.2 Cluster Leads manage a nomination process for the Strategic Review Committees (SRCs) and make arrangements for the proposal review.	*HFU *Cluster leads	
	2.3 Strategic Review Committee (SRC) meetings take place to review and rank proposals.	*HFU *Cluster leads	5 days (+ 15 Working Days)
	2.4 OCHA FCS Finance Unit conducts a financial review of proposal budgets.	*OCHA FCS Finance	
	2.5 HC reviews final list of project proposals and gives his approval on projects to be funded	*HC *HFU	
	2.6 HFU communicates to partners the HC's decision on recommended and rejected projects through the GMS.	*HFU *Partners	2 days (+ 17 working days)
	2.7 Partners address comments to both technical and financial reviews.	*HFU *Partners	5 days (+ 22 Working Days)
Step 3 Final Approval & Disbursement	3.1 HFU prepares the Grant Agreement(s) for HC and partners' signatures formalising the project approval process.	*HFU *HC *Partners	10 days (+ 32 working days)
	3.2 OCHA FCS Finance countersigns Grant Agreements. Following signatures, funds are disbursed to partners from OCHA (in tranches to NGOs).	*HFU *OCHA FCS Finance	
32 Working Days			

Strategic and Technical Reviews of Proposals

31. HPF allocations include two types of project review: 1) a *strategic review* of project proposals in relation to the Allocation Paper determined by the HC and the Advisory Board, and 2) a *technical review* which assesses the technical soundness and quality of project proposals.

32. For Standard and Reserve Allocations, Strategic Review Committees are called by each cluster to review project proposals submitted by NGOs and UN Agencies to the HPF. Cluster coordinators support the HFU in the process by identifying members and ensuring pertinent cluster information is available in a timely fashion to allow the SRC to deliver on its functions, including developing scorecards and cluster specific criteria which will be used to assess strategic relevance of project proposals.

33. For each cluster, it is recommended that the SRC be composed of the following five (5) members:
- Cluster Coordinator (chair)
- Cluster co-chair
- One HFU representative (as process owner)
- Two NGO representatives

Accountability Framework

34. Accountability of the HPF is articulated on two levels: (i) the ability of the Fund to achieve its objectives as a humanitarian financing mechanism; and (ii) the ability of individual implementing partners to achieve expected project outputs and outcomes. The HC is responsible for establishing a process which produces high-quality allocation strategies, selects appropriate and qualified implementing partners, monitors implementation and verifies that reported results are genuine and match those of approved project agreements. This is captured in a logical framework of the application template that enables the HC to assess the results of the HPF in the short, medium and long term. Following project approval implementing partners are then ultimately responsible for project activities, project outputs and for reporting accurately on results.

35. As the level of operational, financial and reputational risks are considered to be substantial in Yemen; the HPF Accountability Framework is based on a comprehensive risk management model which aims to link principles of due diligence, capacity assessment and performance monitoring throughout the project cycle. The Accountability Framework is endorsed by the HC in consultation with the Advisory Board.

Fund-level Risk Management

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

37. Risks in the context of the HPF are not limited to agencies that receive funding and implement projects. Risk management is closely related to the Fund's strategy and covers the full range of risks that may affect the achievement of the Fund's objectives. OCHA has therefore developed a detailed Risk Management Framework that broadens the definition of risk beyond programmatic and financial risks associated with implementing partners, and identifies the key factors of risks faced by the Fund in the national context. This is to aid the Humanitarian Coordinator in understanding, predicting and proactively dealing with events that might prevent or jeopardize the effectiveness of the Fund in delivering its mandate.

38. Based on the likelihood and potential impact of the risks identified, a heat map is developed that allows to classify risks and to highlight the most pressing ones. Based on the heat map, an action plan is developed to outline strategies to mitigate or prevent the risks faced by the Fund. The Fund-level risk analysis clearly spells out residual risks to enable informed decision-making based on full knowledge of the potential consequences.

39. The fund-level risk analysis will be periodically reviewed depending on the changing circumstances. OCHA will periodically update the AB on the implementation progress of the risk treatment actions that have been taken. The AB will advise the HC accordingly on assessment of the critical risks and outstanding action plans.

Table 3 - HPF Risk Analysis and Mitigation Matrix

Risk Level (From most to least critical)	Mitigation strategy	Timeframe	Risk owners
Risk 7: Limited OCHA capacity in monitoring YHPF projects due to access constraints, limited in-house technical expertise, and procurement challenges	Reduce/ transfer risk ▪ Invest in comprehensive training programme on M&R for OCHA staff ▪ Explore alternative monitoring options and possibility to cooperate with other actors ▪ Develop innovative monitoring tools and modalities in close consultation with partners ▪ Recruit more HFU staff with monitoring expertise and draw on the capacity of OCHA field staff in the hubs for monitoring YHPF projects ▪ Advocate for participation of cluster agencies in monitoring efforts ▪ Explore ways to enable access including better operational capacity and resources in the hubs/ field offices and increasing countrywide coverage ▪ Enhanced reporting by partners (NGOs)	Ongoing	• OCHA • Advisory Board • Clusters

Risk Level (From most to least critical)	Mitigation strategy	Timeframe	Risk owners
Risk 9: Lack of tools to mitigate aid diversion, fraud and corruption	Reduce risk ▪ Enable a working relationship within which HPF partners can confidently report aid diversion ▪ Strengthen monitoring modalities and audit modalities to mitigate fraud and corruption ▪ Sensitize partners on what constitutes good fraud and corruption mitigation policies and practices ▪ Further strengthen collaboration with the Oversight and Compliance Unit (OCU) at the Funding Coordination Section (FCS) in New York, which is in charge of formulating policies on aid diversions, fraud and corruption	Ongoing	• OCHA • HFU • Partner organisations
Risk 11: Lack of clear tools, information, capacity and time allocated to ensure an effective and efficient review of proposals leading to poor quality programming	Reduce risk ▪ Develop tools and share best practices and lessons learned ▪ Provide clear guidelines and tools for the vetting process of proposals ▪ Work with clusters on addressing deficiencies in review process ▪ Support partners through development of cluster standard indicators and standardised costs per kit or activity ▪ Training of staff	Ongoing and following allocation cycles	• OCHA • ICCM • Strategic and Technical Review Committees
Risk 1: Limited understanding among stakeholders of YHPF mandate, strategic objectives, funding processes, accountability, and eligibility measures	Reduce/transfer risk ▪ Organise sensitisation sessions, trainings and workshops for YHPF stakeholders in Yemen (Sana'a and all sub-offices) and Amman ▪ Stronger YHPF representation at meetings (clusters, ICCM, INGO Forum and Yemen Humanitarian Forum) as well as increased number of bilateral meetings with partners ▪ Develop robust and clear guidance papers on YHPF processes and strategic objectives together with the YHPF Advisory Board, in both Arabic and English and make them easily accessible online ▪ Regular dissemination of Information ▪ Improvement of communication with stakeholders	Q3/ Ongoing	• OCHA • Humanitarian Coordinator • Advisory Board • Clusters • Yemen Humanitarian Forum • Donors
Risk 12: Limited number of national NGOs with sufficient demonstrated institutional capacity who can meet the YHPF eligibility requirements	Reduce/ transfer risk ▪ Develop a partnership strategy focusing specifically on increasing the number of eligible national NGOs working in priority sectors/locations outlining opportunities and challenges with recommendations ▪ Review eligibility process and scoring to better reflect capacity of local actors ▪ Sub-contracting of national NGOs through eligible NGOs and UN agencies is encouraged during the allocation process especially if coaching, mentoring and capacity building is demonstrated ▪ Advocate with donors, UN agencies and partners to support capacity development initiatives ▪ Clear communication of issues (e.g. why eligibility requirements are not met and which steps have to be taken)	Q3/ ongoing	• OCHA • Humanitarian Coordinator • Advisory Board • NGOs • Clusters
Risk 3: Sustainability of the Fund's as a financing tool in light of a possible future peace process or major escalation of conflict	Reduce/transfer risk ▪ Develop a strong practical resource mobilization strategy focusing on YHPF requirements and long-term strategic goals anticipating a "re-routing" of the Fund ▪ Strong support to Humanitarian Coordinator in engaging with donors, Humanitarian Country Team and Advisory Board ▪ Promote inclusive processes that involve stakeholders in order to bridge the gap to more long-term strategic goals of the Fund ▪ Inclusion of sustainability and exit strategies as part of project review process ▪ Clusters to work with YHPF partners in anticipating possible linkages with development programmes or exit strategies	Q3/ ongoing	• OCHA • Humanitarian Coordinator • Advisory Board • Clusters
Risk 6: Decreasing funding levels, due to donors' policy	Reduce/ accept risk ▪ Strengthened resource mobilisation in accordance with	Ongoing	• OCHA • Humanitarian Coordinator

Risk Level (From most to least critical)	Mitigation strategy	Timeframe	Risk owners
changes and emergence of new funding instruments	resource mobilization strategy ▪ Ensure continued relevance of the fund by continuously adapting the fund to the country context ▪ Further strengthen donor relations to translate the fund's advantages into actionable funding opportunities for donors ▪ Support the overall advocacy for Yemen crisis ▪ Clear communication of the achievements of the fund (e.g. how many beneficiaries are reached, what has been improved, potentially exit strategies)		
Risk 8: Inability to facilitate payments to partners due to restrictions imposed on Yemeni banking system and/or collapse of the Yemeni economy	Reduce/ accept risk ▪ Close monitoring of the restrictions imposed and the situation in the Yemeni banking sector ▪ Explore options to facilitate payments through another UN entity on behalf of OCHA ▪ Explore different ways of transferring money in accordance with standards (e.g. Hawala system)	Ongoing	• OCHA • HC • Advisory Board
Risk 10: Lack of sufficient human and financial resources within OCHA to discharge the Administrative and Managing Agent function at country and HQ levels	Reduce risk ▪ OCHA HQ to review internal capacity to support key functions in the HFU, particularly on finance ▪ OCHA to support training and capacity building initiatives for national staff members of the HFU ▪ OCHA to recruit additional national staff within the HFU to provide additional support to the team and partners ▪ Expand involvement involving staff from other units in supporting the HPF work, e.g. in training and capacity building	Ongoing	• Humanitarian Coordinator • Advisory Board • OCHA
Risk 2: Allocations are not sufficiently strategic and timely, as a result of competition over resources, lack of clear guidance on the selection of priorities and a review process that is too demanding	Reduce risk ▪ Continuously improve and adapt Operational Manual for the YHPF and allocation modalities based on lessons learned and feedback processes ▪ Communicate and advocate with the Advisory Board and ICCM on defining clear priorities and targets for the YHPF to ensure the process remains transparent and strategic ▪ Ensure cluster priorities are well defined with clusters making their priorities transparently available by a priority paper prior to an allocation ▪ Develop stronger allocation strategies aligned with the Humanitarian Response Plan (HRP) and based on a robust consultation process ▪ Review past projects for efficiency gains	Ongoing and following allocation cycles	• OCHA • Humanitarian Coordinator • Advisory Board • Clusters
Risk 4: Lack of participation and engagement of stakeholders in Advisory Board	Reduce risk ▪ Support strong engagement by the Humanitarian Coordinator and OCHA Head of Office with Advisory Board members outside of official Board meetings ▪ Advisory Board requested to meet on a quarterly basis as a minimum and more often during allocations in order to increase consultation and keep momentum ▪ Action taken in case of poor participation of Advisory Board members and annual review of membership rotation ▪ Communication with stakeholder about reasons for the lack of participation, evaluate, improvement of procedures	Q2/ Ongoing	• OCHA • Humanitarian Coordinator • Advisory Board members •
Risk 13: Limited number and/or presence of partner organisations in some areas/provinces and technical sectors	Reduce risk ▪ Quarterly review of 3Ws to check presence vs needs ▪ Advocacy at HCT on needs to cover specific areas/provinces ▪ Lobbying with specific organisations to consider operations in some areas ▪ Carry out a range of workshops for partners and clusters as necessary, as well as YHPF sensitisation sessions at cluster meetings	Q3/ ongoing	• OCHA • Humanitarian Country Team • Clusters • NGOs
Risk 5: Funding from new donors leads to new governance and management requirements	Reduce risk ▪ Clearly communicate to any new donor the principles of good donor-ship grounded within the YHPF, and the agreed upon governance structure, reporting and accountability framework ▪ Ensure funding from new donors is seen as an	Ongoing	• OCHA • Humanitarian Coordinator • Advisory Board

Risk Level (From most to least critical)	Mitigation strategy	Timeframe	Risk owners
	opportunity for humanitarian operations and partnership by all stakeholders with briefings and sensitisation sessions held as necessary ▪ Ensure a proper management plan is developed in case of substantial new funding to the YHPF to guarantee the proper management and accountability of the YHPF ▪ Review of the proposals/new requirements, communicate and potentially adopt		

Eligibility Process[1]

40. In order to become partners, NGOs interested in applying for funding under the HPF Yemen have to participate in an eligibility process comprised of two inter-linked steps, each with its own review and feedback system to ensure transparency. This is one of the main pillars of the HPF Accountability Framework. The main objective is to ensure that the Humanitarian Financing Unit (HFU) is equipped with the necessary information about the capacities of non-governmental partners that have access to HPF funding. The capacity review takes into account existing assessments such as Harmonised Approach to Cash Transfers (HACT)[2].

41. There are two main reasons for assessing partners:
    a. Capacity Development: to review the strengths and weaknesses of an organisation's internal management systems. The assessment should include recommendations to strengthen less robust areas. This information should then be fed into the overall risk management plan.
    b. Risk Management: to consider all the information in order to weigh the final risks and potential benefits and make a decision about the most appropriate assurance methods to be applied to the partnership.

Due Diligence and Capacity Assessment

Step One - Statement of Interest by Prospective NGOs

42. Prospective national and international NGOs working in Yemen who are interested in receiving funding from the HPF must first make a 'statement of interest' by contacting the Humanitarian Financing Unit (HFU) via email at yemenhpf@un.org and submitting the following information:

a) *HPF Registration Form* – duly completed, including contact details and brief information on the organisation's sectors of operations, geographical areas of work and funding levels.
b) Copy of the Registration Certificate of the NGO (in Yemen and/or in home country for international NGOs)
c) Copy of the Mission Charter and/or Constitution of the organisation
d) Copy of the Passport or Identity Card of Organisation's Executive Director (person ultimately legally responsible within organisation – i.e. Secretary General or President, not the Country Director)

43. The HFU will review the information to ensure that only organisations that have a mandate that is aligned to the one of the UN and who work in sectors and geographical locations that are likely to be supported through HPF funding; are invited to participate in the Capacity Assessment process, as it is time-consuming for both the partner and the HFU. Candidates that do not meet the minimum requirements will be notified via email stating the reasons for the rejection of their application.

Step Two – Capacity Assessment and Risk Rating

44. Upon completion of Step One, the prospective NGO partner will be invited to register in the Grants Management System (GMS), which is an online database system specific for the Yemen HPF and managed by OCHA. Once the NGO profile has been activated in the GMS, the partner will be in a position to access the Due Diligence module and complete a number of sections, as well as upload documentation required for OCHA to complete the capacity assessment process. The documents required to be uploaded in the GMS are outlined in the HPF Registration Checklist and include manuals and policies, annual reports, financial statements and audit reports, governance documents and five signed UN Declarations.

---

[1] Instructions of the HPF eligibility process, as well as supporting documentation is available for download at: http://www.unocha.org/yemen/humanitarian-financing/about-yemen-humanitarian-pooled-fund/eligibility-process
[2] For more information on the HACT Framework please visit: https://undg.org/main/undg_document/undg-hact-framework-2014/

45. Once a partner has completed all information in the GMS, uploaded the required documents outlined in the Checklist, and submitted the request online, the HFU will complete a capacity assessment. The assessment methodology includes a desk review of the documentation uploaded by the partner to review the institutional, technical, management and financial capacities of partners.

46. Using a scoring and weighting system an overall 'score' will be given to organisations. Eligible partners will be categorised as low, medium or high risk which in turn determines the operational modalities and control mechanisms that will be applied, including for disbursement, reporting, monitoring and maximum budget amount as outlined under Table 4. Partners who fail to qualify and are considered ineligible for HPF funding will be given another opportunity to submit an application for a Capacity Assessment to the HFU after 6 months.

Eligibility Process Chart
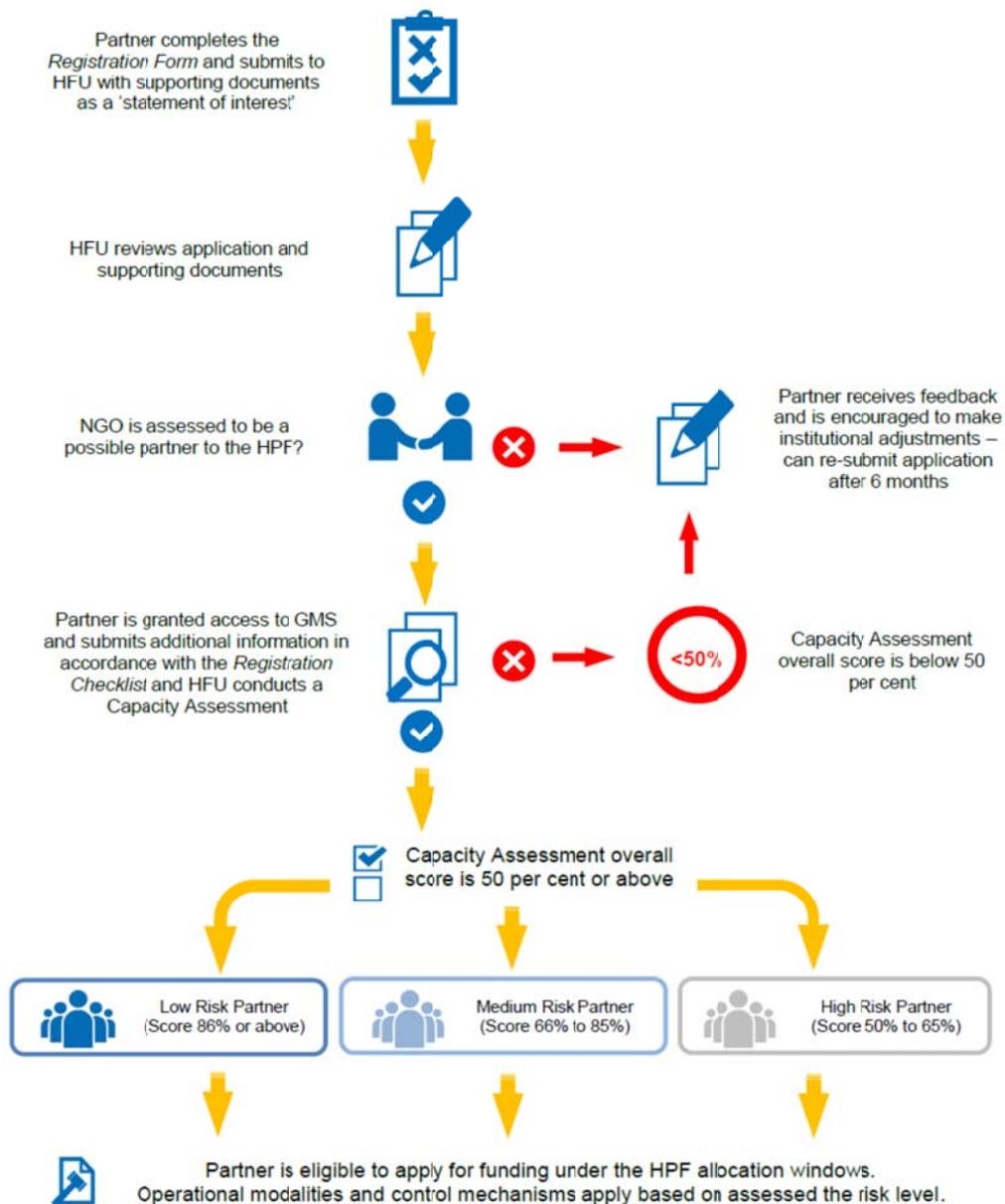
Risk Levels and Operational Modalities

Defining Risk Levels

47. Partners that are deemed eligible will be assigned a level of risk (low, medium or high) which will determine the control mechanisms that will apply to them in their management of HPF project(s). The definition of the eligibility thresholds and the score bands for the high, medium and low risk categories of implementing partners will be developed by OCHA Humanitarian Financing Unit (HFU), based on the national context.

48. The risk level of each implementing partner is a dynamic rating that can change over time through the interactions between the partner and OCHA. Performance in the implementation of HPF projects can trigger changes in the risk level: timeliness of reporting, achievement of project objectives and targets, findings of audits, financial spot-checks and field monitoring visits, are all elements that influence the risk rating of partners and are assessed through Performance Index (PI). In addition to these dynamic elements, partners that have been assessed but have not implemented HPF projects and have no performance history will be re-assessed after three years since completion of the previous assessment.

Control Mechanisms

49. The identification of the level of risk presented by the implementing partner determines the control mechanisms that apply to the management of the partner's HPF project. Assurances such as disbursement modalities, frequency of narrative and financial reporting, monitoring visits, and audits are modulated in accordance with the various risk level, as well as with the duration and budget amount of the project. Table 4 provides an overview of the control mechanisms based on three elements: (i) partner's risk level, (ii) budget amount, and (iii) project duration.

Table 4 - Operational Modalities and Control Mechanisms for NGO 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
					For disbursements	31 January	Final	Progress	Final	Field visit**	Financial spot check	
High	Less than 7	≤ 250		60-40	Yes	Yes	Yes	1 (interim)	Yes	1	1	Yes
		> 250	500	40-30-30	Yes	Yes	Yes	1 (interim)	Yes	1	1	
	Between 7-12	≤ 250		60-40	Yes	Yes	Yes	1 (quarter)	Yes	1	1	
		> 250	750	40-30-30	Yes	Yes	Yes	1 (quarter)	Yes	2	1	
Medium	Less than 7	≤ 250		100	-	Yes	Yes	No	Yes	-	-	
		> 250	750	60-40	Yes	Yes	Yes	1 (interim)	Yes	1	-	
	Between 7-12	≤ 250		100	-	Yes	Yes	1 (interim)	Yes	1	-	
		> 250	1,500	60-40	Yes	Yes	Yes	1 (interim)	Yes	2	1	
Low	Less than 7	≤ 400		100	-	Yes	Yes	No	Yes	-	-	
		> 400			-	Yes	Yes	No	Yes	-	-	
	Between 7-12	≤ 400		100	-	Yes	Yes	1 (interim)	Yes	-	-	
		> 400		80-20	Yes	Yes	Yes	1 (interim)	Yes	2	1	

* Total USD Ceiling of Active Grants:

For HIGH risk partners = An individual NGO with a high risk rating is allowed to hold a maximum total amount of $2 million USD in active grants at any one time. Active grants are calculated as grants under implementation at the time of an allocation (time of decision by HC to grant additional funds). Partners have exceeded that ceiling will have to ensure previous grants have expired and under reporting / auditing before they can request additional funds.

For MEDIUM risk partners = An individual NGO with a medium risk rating is allowed to hold a maximum total amount of $3.5 million USD in active grants at any one time. Active grants are calculated as grants under implementation at the time of an allocation (time of decision by HC to grant additional funds). Partners have exceeded that ceiling will have to ensure previous grants have expired and under reporting / auditing before they can request additional funds.

For LOW risk partners = An individual NGO with a low risk rating is allowed to hold a maximum total amount of $5 million USD in active grants at any one time. Active grants are calculated as grants under implementation at the time of an allocation (time of decision by HC to grant additional funds). Partners have exceeded that ceiling will have to ensure previous grants have expired and under reporting / auditing before they can request additional funds.

** As safety/security and access allow

Monitoring and Reporting (M&R)

Monitoring

50. HPF implementing partners (IPs) are expected to have adequate internal mechanisms for project management, reporting and monitoring. The capacity of each organisation will be verified during the eligibility process, the project approval process as well as during the monitoring and reporting phase. Project performance information is effectively generated through internal mechanisms developed by implementing partners.

51. The HC will be responsible for ensuring that projects funded by the HPF are effectively monitored through appropriate monitoring modalities. The HFU is further responsible for coordinating monitoring efforts and ensuring that context-appropriate monitoring of projects is carried out. To this end, the HFU will develop a detailed Monitoring and Reporting Plan defining appropriate monitoring methodologies, calendar and templates following each allocation considering the nature of the projects, risk level of partners and locations. The plan will also look into the roles and responsibilities of different stakeholders such as sub-offices and clusters based on this Manual.

52. Key components of HPF monitoring and reporting include:

- Ensure adequate verification of results at project level (through monitoring and review of submitted reports) thereby contributing to increased accountability;
- Provide evidence on how the HPF has contributed to broader outcomes set forth in the HRP, and reinforce evidence based decision making by HC, HPF Advisory Board and Cluster Coordinators;
- Ensure that resources are used efficiently and according to what was agreed upon in project documents;
- Support implementing partners during their implementation of HPF-funded activities;
- Review and analyse narrative and financial reports collected from implementing partners;
- Ensure implementations of actions points from monitoring findings;
- Collect lessons learned and promote best practices from monitoring and submitted reports;
- Ensure transparency through HPF Annual Report and periodic updates (e.g. dashboards).

Field Site Monitoring

53. Field site monitoring, implemented by OCHA and supported by clusters, is a critical component of the overall framework in order to verify that HPF-funded projects are delivering against targeted outputs, and to allow the HC and clusters to assess the qualitative aspects of programme implementation. As there are limitations to what can be observed through site visits, additional information will still need to be collected through other means.

54. While field monitoring will not attempt to make evaluative assessments of projects, it will be essential to select an approach that covers issues beyond the delivery of project outputs. A field monitoring visit should, at a minimum, collect information that i) makes an assessment of the timeliness of overall project implementation; ii) verifies reported results; iii) assesses progress on key project activities; iv) assesses the monitoring and reporting set up of the implementing partner.

Third Party Monitoring

55. Third Party Monitoring (TPM) will be used as a method of verification for the Yemen HPF in instances when it is not feasible to conduct physical project visits due to the limited ability of OCHA staff to access areas of the country deemed too insecure or with restricted access. For those situations where it is not possible for OCHA to undertake any form of direct field site monitoring, funding HPF projects should be considered in light of the urgency of the needs they address. The risks involved in such a decision should be communicated to the Advisory Board.

56. TPM is understood here as a programming monitoring approach, which would allow the HFU to obtain independently verified information about the status of implementation of selected HPF projects (mainly in high risk areas), with particular emphasis on the achievement of pre-defined outputs, combined with a desk review

of available documentation (project proposals and any other relevant information/documentation). TPM would therefore focus on verifying the contracted outputs are being delivered according to plan by primarily focusing on project output verification. Providing that the TPM entity's staff possesses the required technical expertise and employs technically sound cluster specific methods and tools (defined and agreed upon for the HFU in consultation with clusters), the focus could extend to quality assurance and expressing opinion about the implemented outputs.

Financial Spot-check

57. On-site financial reviews undertaken by HFU staff or external consultants on their behalf are referred to as "spot-checks." The financial spot-check may be conducted and documented on a routine basis, or when warranted due to concerns about the functioning of an NGO partner's internal controls. The Operational Modalities (see Table 4) outline how spot-checks are intended to be carried out for NGO partners.

58. The financial spot-check aims to assess the soundness of the internal controls of the partner, and the accuracy of the financial records. If possible, the opportunity can also be used to provide on-site coaching which contributes to the exercise of capacity building for the NGO partner. A financial spot-check is not an audit and does not replace the audit requirement.

59. The scope of the spot-check may be adjusted to the specific needs of each assignment. Spot checks of partners with internal controls assessed as weak, or spot checks made in response to a particular concern may be more detailed, than those of organisations whose management capacity has been rated as high. If significant weaknesses are identified during the spot-check, HFU may decide to increase the scope and frequency of future spot-checks or whether a special audit is required.

Reporting

HPF Annual Reports and Periodic Updates

60. The Humanitarian Coordinator, supported by OCHA/HFU and in close consultation with the Cluster Coordinators, will prepare a narrative Annual Report of the HPF activities based on information provided through the HFU by each participating UN organisation and NGO partner. The Annual Report will feature trends, best practices, lessons learned and challenges, and showcase success stories and achievements. The HPF Annual Report will be issued by the end of May each year covering the previous calendar year and posted online. In addition, OCHA HFU will generate periodic dashboards, funding updates, human interest stories and related documents on HPF activities in Yemen.

Narrative and Financial Reporting by Implementing Partner

61. Narrative and financial reporting requirements for NGOs are determined according to the operational modalities described in table 3 above.

62. In compliance with the IPSAS requirements, UN agencies will submit an interim financial statement to reflect expenditure incurred for project activities up to 31 December of each year by the 31 January of the following year. Interim financial statements will be submitted every calendar year until the submission of the final financial statement. Upon completion of the project a final financial statement covering the period between inception and completion of the project will be due no later than 30 June of the following year.

63. UN agencies will submit a final narrative report within two months of completion of the project. If the duration of the project is between 7-12 months, UN agencies will also submit a narrative progress report to reflect achievements at midpoint of the project implementation.

64. Narrative reports and financial statements for UN agencies, IOM and NGOs will be submitted through the Grant Management System (GMS).

65. Reporting results, timeliness and quality will feed into the Performance Index of an implementing partner, impacting the risk level of NGO partners and future funding decisions of UN partners.

Audits

Audit on the HPF

66. OCHA operations audit: Internal UN oversight bodies (OIOS - Office of Internal Oversight Services and the BOA - Board of Auditors) regularly audit OCHA operations. OIOS and BoA audits regularly cover OCHA management of pooled funds, and consider whether procedures for management of CBPFs are appropriate. These audits cover all parts of the CBPFs (advisory boards, allocations, risk management, etc.) and look at compliance with rules and guidelines.

Project Audits

67. Audit of UN Organisations / IOM: Participating UN Organisations and IOM will be audited in accordance with their own financial rules and regulations and the framework for auditing multi-donor trust funds subject to single audit principle (agreed to by the Internal Audit Services of Participating UN Organisations and endorsed by the UN Development Group (UNDG) in September 2007).

68. Audits for NGOs: NGO implemented projects will be audited in compliance with applicable financial regulations, rules and directives as per the OCHA CBPF Grant Agreements. The costs of such an exercise will be borne by OCHA. One or several external auditing companies will be contacted by OCHA to deliver on the financial and operational audit requirements of NGO partners.

69. The HFU will keep a log of all audit findings that may expose OCHA to high risks to ensure that partners address previous findings on management weaknesses before applying for new HPF funding. The audit performance will feed into the Performance Index of an implementing partner which will impact the risk level of NGO partners.

Evaluations

70. External evaluations: An external evaluation of the HPF will be undertaken every three years in accordance with the OCHA global agreement with donors to country-based pooled funds. Evaluations shall be commissioned by OCHA New York in consultation with the HC and OCHA Yemen, and with Donors, UN Agencies/IOM and NGOs at the global level through the Pooled Fund Working Group. The evaluations shall focus on how the HPF has ensured a needs-driven humanitarian response, as well as how it has performed as a funding mechanism and delivered against key HPF objectives, including strengthening HC leadership, improving cluster coordination and promoting NGO partnership.

71. Donor visits, ad hoc reviews, studies and surveys: Donor visits as well as ad hoc reviews on how the HPF is performing can also be considered beyond the mandatory three year evaluation. Such reviews should be done in close consultation between the HC, the Advisory Board and OCHA at country level and HQ. The HFU will also undertake surveys of HPF stakeholders to gauge user satisfaction and to identify areas that need improvement.

Performance Review

72. Once a partner has received a grant, the HFU will begin reviewing partner performance throughout project implementation. In particular, the HFU will track and score partner performance in relation to i) quality and timeliness of submissions of project documents (proposals, budget and project proposals); ii) quality and timeliness of implementation against approved targets; iii) quality and timeliness of reporting; iv) frequency, timeliness and justification of project revision requests; v) quality of financial management; vi) audit findings.

73. The scores assigned to the partner for each of these factors will be summarised in a partner Performance Index (PI) as described in table 5 below. A partner will also receive an annual average PI score taking into consideration all projects implemented over the course of a year. The PI will impact on the risk level determined through the initial capacity assessment and therefore could result in a change of the risk level.

74. UN Agencies will also be subject to performance management, with PI scores used to assess future funding decisions. The criteria and scoring system can be tailored to the type of project to be implemented such as stakeholder satisfaction survey for pipeline projects.

Table 5 – Performance Index

Performance Index (PI)	Description	Action
4	Outstanding Performance	To be considered favourably when more than one application is received for a similar intervention. HFU will improve the risk rating in order to decrease the control measures that apply to the partner.
3	Good Performance	To be considered favourably during the review process.
2	Satisfactory Performance	Allocation possible. HFU to review risk rating and control measures that apply to the partner.
1	Performance needs improvement	Allocation possible if accepted by the HC. HFU will decrease the risk rating in order to increase control measures that apply to the partner.
0	Poor Performance	No further funding allocation.

75. When a partner with a high risk rating scores poor performance (0) in the PI, it will not be considered eligible for funding for the next allocation. To be considered eligible again, it will have to demonstrate improvements in the areas of weakness. In addition to these dynamic elements, partners that have been assessed but have not implemented HPF projects within three years will undergo a re-assessment prior to being considered for grants.

Non-Compliance Measures

76. During the project implementation and reporting, the HC through the HFU, can take progressive actions to address non-compliance with the contractual agreements and any obligations described in the global Operational Handbook for CBPFs. Further to the CBPF compliance measures, the HC will address non-compliance with the legal terms agreed between the Fund and the recipient organisation, especially related to the following types of situations:

- Overdue financial or narrative reports.
- Non refund of unspent funds.
- Critical (high risk) audit findings/qualified audit opinion (especially on lack of critical internal controls, serious weaknesses in internal controls, lack of bank reconciliation; lack of double-entry accounting system; lack of supporting documents).
- Critical findings from monitoring and financial spot checks.
- Violation of humanitarian principles and code of conduct[3].
- Indication of possible fraud, corruption or misuse of funds.

Additional Information

Communication

77. In order to increase its visibility and ensure transparency, the HPF maintains a number of communication products aimed at keeping partners and stakeholders informed on the latest developments of the Fund. As part of the OCHA Yemen website, six web pages are dedicated to the HPF covering the main topics of eligibility, governance, funding and allocations, and including key documents, contacts and guidance for partners. Furthermore the HPF releases on a regular basis public information products including periodic dashboards, funding updates, human interest stories and related documents on HPF activities. To ensure the information is understood and disseminated, products are also translated into Arabic.

Contact Information

Humanitarian Financing Unit (HFU)
United Nations Office for the Coordination of Humanitarian Affairs (OCHA)

---

[3] GA Res 46/182 and https://cdu.unlb.org/UNStandardsofConduct/CodeofConduct.aspx

E-Mail: yemenhpf@un.org
http://www.unocha.org/yemen/about-hpf-yemen
https://www.humanitarianresponse.info/en/operations/yemen/humanitarian-financing

Feedback and Complaints Mechanism

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

79. HPF stakeholders with concerns or complaints regarding the Yemen CBPF processes or decisions that they feel have not been properly or insufficiently addressed through normal communication channels, can at any point in time contact the OCHA Head of Office or write to yemenhpfcomplaints@un.org with these concerns. Complaints will be compiled, reviewed and raised to the Humanitarian Coordinator, who will then take a decision on necessary action(s). The Humanitarian Coordinator will share with the Advisory Board any such concerns or complaints and actions taken thereof.

Additional relevant OCHA policies and guidelines on CPBFs

http://www.unocha.org/what-we-do/humanitarian-financing/country-based-pooled-funds
http://www.unocha.org/what-we-do/humanitarian-financing/cbpf-global-guidelines

Annex I – Terms of Reference of HPF Advisory Board

The Yemen HPF is a financing mechanism under the overall authority of the HC, supported by an Advisory Board and a Humanitarian Financing Unit (HFU), which allows donor contributions to be allocated to projects within an agreed planning, monitoring and reporting framework.

The HPF Advisory Board (AB) represents the views of donors to the Fund, as well as the UN and the NGO community and provides guidance and advice to the HC on strategic and policy issues. The AB will also provide a forum for representatives and the HC to discuss funding gaps and share information on funding coverage. AB participants will represent their respective communities and not individual agency opinions. Representation on the AB should be at the country representative or head of country office level. Equal gender representation is to be striven for among members.

Membership
- Humanitarian Coordinator   (as Chairperson, non-rotating)
- 3 representatives of donors   (for contributing donors, rotating)
- 3 representatives of participating UN Agencies   (with cluster responsibilities, rotating)
- 3 representatives of the NGO community   (international and/or national, rotating)
- OCHA Head of Office   (as Secretariat, non-rotating)
- Humanitarian Forum Yemen   (as Observer, non-rotating)

Observers may contribute to discussions at AB meetings. They do not have voting rights.
Observers may not contribute to discussions when the AB is sitting for presentations by clusters on projects recommended for funding. They can however provide feedback to the AB in relation to procedural/due process issues.

A minimum quorum of two third of the members is necessary in order to go ahead with a meeting of the Advisory Board.

Selection of Members & Rotation Process

Eligibility of Members
1. For UN agencies: Humanitarian UN agencies only with cluster responsibilities
2. For donors: must be a donor to the HPF in the year the nomination is made (not required to be top 3 donors to the HPF)
3. For INGOs and NNGOs: must be an eligible partner to the HPF (having successfully completed the capacity assessment process)

UN agencies, donors and NGOs all select three representatives as Board members. Board members should not act in their individual capacity but represent their broader constituency. Board members make a commitment to attend all AB meetings, to provide comments by email or on online platforms as required, and should be authorised by their constituents to make decisions during AB meetings.

Nomination Process & Rotation
- Members are expected to commit to one year's participation; with continuity of membership to be discussed with their respective constituency should they want to stay on the AB for an additional year.
- Rotation of members is expected to take place annually in the last quarter of the year – through an election or nomination process for each individual group (UN, NGO and donor). Each representative group will determine individually how the selection of their members should be done (i.e. through established coordination mechanisms [UNCT, coordination body for constituency], or ad-hoc mechanisms [email exchange]). The HFU should be notified of any upcoming election/nomination process, as well as of the outcome.

Specific Responsibilities of the Advisory Board
1. Advise the HC on the strategic focus of the HPF; work with the HC to ensure that the objectives of the HPF are met by reviewing allocation strategies to ensure they are in line with set objectives.
2. Analyse risks that may affect the achievement of set objectives, including by making sure the Humanitarian Financing Unit (HFU) is sufficiently equipped to manage the HPF, and advise the HC on risk mitigation strategies.
3. Support the HC in mobilising resources for the HPF and broadening the donor base.

4. Advise the HC on the transparency and equitability of the overall HPF process; review processes with the objective of ensuring that the management of the Fund abides by agreed upon guidelines.
5. Participate during the development of the Allocation Strategies, at cluster presentations for project recommendations, and any other stage as may be required by the HC. AB member(s) may attend the project pre-selection and technical review meetings as observer(s).
6. Ensure accuracy of HPF information products: The AB will review HPF Annual Reports and other information products to ensure they are accurate and truthfully reflect achievements.
7. If required, and in consultation with OCHA's Funding Coordination Section (FCS), request from the HC that reviews are undertaken of specifics aspects of the Yemen HPF's performance.
8. Hold, at minimum, quarterly meetings including an *Annual General Meeting* in the last quarter of the year in which overall strategic issues will be discussed and decided, policy considered, and donor pledges sought.
9. Recommend reviews of the HPF Yemen Operational Manual, as may be required.

Annex II – Asset Management

Projects funded through the HPF often involve the purchase of assets in support of the delivery of project objectives. Implementing Partners[4] (IP) must adhere to the following guidelines to ensure proper reporting and management of assets purchased under a HPF project:

1. Procurement
   a. As a general rule, all asset purchases must be incurred as per the approved HPF project budget and within the approved timeframe in order to be considered as eligible costs.
   b. Assets purchased one (1) month before the end of the project or later are in most cases considered as not necessary for the project and will be declared ineligible unless duly justified operationally. In this case, the partner needs to notify the OCHA Humanitarian Financing Unit (HFU) through an email to obtain approval for late asset procurement.
   c. To the extent possible, the HPF advises the implementing partner to consider using their own assets rather than purchasing new ones, and can charge the depreciation cost of their own assets to the HPF project.

2. Ownership and Management
   a. Any asset purchased under a HPF project is considered property of the implementing partner and will remain with the partner.
   b. The partner is responsible to manage the asset and fulfil any obligations arising from the ownership of the asset e.g. taxes, insurance and any registrations required by the laws of the local government.
   c. The partner is expected to apply its own asset management rules and regulations towards depreciation, donation or write-off of an asset.
   d. The OCHA HFU must be notified on the end use or disposal of the asset through the asset register, provided by the HFU for HPF partners to list and report on the assets.
   e. Use of the asset is solely limited to humanitarian work, and cannot be used or donated for profit-making purposes. If an implementing partner sells an asset from an ongoing project, this must be clearly documented and captured in the asset register.

3. Reporting
   a. The partner must submit the Asset Register along with the final financial report through the HPF Grant Management System (GMS). The report should be uploaded under the document centre on the GMS.
   b. Only assets of a value equivalent to or above US$500 should be listed in the asset register for reporting to the HPF.
   c. The Asset Register will feed into the budget review process of subsequent allocation rounds from the HPF thereby ensuring value for money.

4. Records and Audit
   a. OCHA reserves the right to inquire about the HPF funded asset and request relevant documentation at any time.
   b. All supporting documents for the procurement and end use of an asset (e.g. invoice, purchase order, payment voucher, bid analysis, donation certificate, government licencing and registration, and disposal approval) as reported to the HFU should be maintained for the purpose of external auditing commissioned by OCHA for all HPF projects.
   c. The partner will need to demonstrate during the project audit the proper use of the asset for the implementation of the funded project.

---

[4] IP refers only to NGOs and not UN agencies.

Annex III – Communication and Visibility – Guidance for Partners

Background

This guidance helps partners implementing projects funded by the Yemen Humanitarian Pooled Fund (HPF) understand communication and visibility requirements. OCHA's Humanitarian Financing Unit encourages partners to engage in communications activities to illustrate value added by the HPF to the delivery of humanitarian assistance.

Raising awareness of objectives, explaining the rationale behind funding strategies and decision-making processes, and highlighting the impact of investments in humanitarian assistance are essential components supporting the HPF's resource mobilisation efforts.

Stories from the Ground

Human interest stories from the field personalise project impact results and reports by documenting the personal experience to illustrate how humanitarian response has helped vulnerable people. These stories are a perfect complement to other monitoring and data collection efforts.

Stories should illustrate a project's impact by detailing an individual's experience in his or her own words. The opening paragraph should answer the basic six questions: who, what, where, when, why, and how. The body of the story should focus on either the success or learning achieved. Stories should be short between 300 and 700 words and be accompanied by a photograph(s).

Pictures from the Field

In order to illustrate impact and results, pictures showing progress of HPF funded activities should be taken throughout the project cycle. As with written material, people involved in the action should be the focus and photos should be accompanied by a short explanation and include the following information:
- Source and credit details, including name of photographer, name of copyright holder
- Picture biography, including location, date, activity and names of implementing partners

It is essential to respect the privacy of individuals, ensure that identities are safeguarded and take measures to prevent misuse of the images. Pictures should portray people in a dignified manner and should not create protection concerns for the person being photographed (especially women and victims of armed conflict). Consent should be sought and granted before photographs are taken, especially as the photos will be distributed in communications products online and in print.

Public Events

A public event -- such as conferences, workshops, inaugurations -- could offer excellent opportunities for generating interest in the achievements of a project. Events serve as an occasion to invite public officials, UN officials and donors to engage with projects' activities and achievements.

High level visits provide interesting opportunities for communication and visibility. They can be used as occasions to generate publicity for a project by distributing press releases and photographs or organising a public event such as a press conference. OCHA should be closely involved in organising public events, including contacts with the media.

Other Communications
The HPF does not have visibility requirements with regards to supplies, equipment, vehicles or infrastructure-related action. There is no need to display panels or commemorative plaques on buildings, wells, food parcels or other HPF funded items and infrastructure. OCHA and the HPF do not require or encourage the production of branded promotional items.

Prior approval must be obtained for the use of OCHA's logo for any purpose, including but not limited to, on press releases, banners, leaflets, brochures, reports and websites.

For further questions and guidance please contact the Humanitarian Financing Unit (HFU) at yemenhpf@un.org