1. Background

The COVID-19 pandemic is impacting Country-Based Pooled Funds (CBPFs) operations in different ways. The Ukraine Humanitarian Fund (UHF) is swiftly adapting to this new working environment and the challenges faced in delivering assistance and remains very dedicated to support humanitarian partners. This situation created by the novel COVID-19 pandemic requires the Fund to respond with greater flexibility, through simplifications in the current funding arrangements as described in the CBPF global guidelines and the UHF’s operational manual, while keeping accountability over the use of funds. After an analysis of the evolving situation and related challenges which the UHF is facing, and following requests from partners, OCHA has agreed to put in place some extraordinary measures that will allow all key stakeholders to continue providing life-saving assistance to those in need.

The below guidance has been adapted from the global guidance provided to enhance flexibility of CBPFs and specifies how the UHF will apply it to ongoing and forthcoming allocations impacted by the COVID-19 pandemic.

This guidance has been adapted by the OCHA Ukraine Humanitarian Financing Unit (HFU), in charge of the daily management of the Ukraine Humanitarian Fund, to ensure it is fully in line with the operational context and feedback received from partners. This guidance has also been discussed with the UHF Advisory Board and endorsed by the Humanitarian Coordinator.

To ensure that CBPFs can have the greatest possible impact on the global efforts against this unprecedented crisis, UHF allocations and project activities should be in alignment with the Global COVID-19 HRP and the revised 2020 Ukraine HRP, provided they are not at the expense of other life-saving activities in Ukraine. To the extent possible, the UHF should encourage all its implementing partners to replicate the application of the below flexibility measures with their sub-implementing partners.

The UHF will review this guidance note on a periodic basis to amend the flexibility measures which the Fund may require as the context evolves.

In addition, at the time of the rolling out of this guidance, some of the proposed measures will still require some developments in the Grants Management System (GMS) and adaptation of the grant agreement to be fully operational. Regular updates will be shared with the partners once they become available.

2. Flexibility measures

2.1. Operational modalities

2.1.1 Partner and project ceilings

The UHF does not plan on adjusting project or partner ceilings according to the existing operational modalities. However, if the context changes significantly it will be possible to request a waiver from OCHA’s Executive Officer (EO) on a case-by-case basis. Such adjustments will be time-limited (COVID-19) and discussed with the AB.

The Humanitarian Coordinator (HC) or the Fund Manager on behalf of the HC, should then communicate the proposed temporary deviations to the CBPF Section, which will request endorsement and a waiver from OCHA’s Executive Officer.
2.1.2 Monitoring and financial spot-checks
Since mid-March 2020, the UHF has reviewed and adapted its project monitoring and financial spot checks by using remote methodologies, desk reviews of scanned copies, remote calls, online surveys or videoconferences when required and to complement existing monitoring modalities.

In line with the grant agreements implementing partners may need to collect and share beneficiaries contact details while ensuring data protection measures are in place.¹

Project monitoring will continue to assess project implementation through site visits in the field to the furthest extent possible. If this is no longer possible, remote monitoring will be conducted through direct contact with beneficiaries and key informants or other modalities.²

2.1.3 Electronic Signature
Phase 1 as of 15 April 2020: The UHF accept “fill and sign” feature in PDF in lieu of all signed documents for HCs, OCHA’s Executive Officer (EO) and implementing partners.

Phase 2 (date to be confirmed): The UHF also will introduce an improved electronic signature to facilitate the work remotely, while continuing to accept “fill and sign” feature in PDF.

It is not required to stamp documents that are signed electronically through the above-mentioned modalities.

2.1.4 Audit
In line with the global guidance and if deemed necessary, the UHF may put in place offsite and remote audits, i.e. desk reviews of scanned copies. Implementing partners are expected to keep original documents for five years as per the Financial rules and regulations of the UN Secretariat.

A mixed methodology may apply as well and will be communicated to partners. The UHF may also consider postponing some of the audits, rather than conducting remote audits. This decision will be taken on a case by case basis.

2.2 Reprogramming of projects
Based on OCHA Ukraine analysis of the ongoing humanitarian response and COVID-19 related needs, the UHF may facilitate the reprogramming of existing projects to shift resources into priority locations and urgent activities for COVID-19 prevention and response. The UHF will request implementing partners to explain the rationale for the re-programming request along the below criteria:

- UHF funding is no longer required for the humanitarian emergency (or trigger) for which it was initially allocated and/or;
- COVID-19 response and early action is now a more immediate priority for life-saving humanitarian action than the humanitarian emergency for which the funding was originally allocated and/or;
- COVID-19 response is complementary to the original response and would help to protect gains made under that intervention.

**Partners are reminded to closely consult relevant cluster coordinators and seek their approval when requesting the reprogramming of their projects that are impacted by the COVID-19 pandemic and the associated response reprioritization.**

¹ For example, partners should ask the beneficiaries for their consent when collecting data that may be used for UHF monitoring purposes. The UHF will ensure confidential management of the information.
² In some occasions, if contacting the beneficiaries directly could pose a protection risk, the partner may serve as a liaison between UHF and beneficiaries or partners may disseminate questionnaires on behalf of UHF.
Partners should then consult the UHF as changes need to be coordinated and in line with the ongoing COVID-19 related activities and cluster guidance. Requests that are not well justified upon submission or not relevant will not be accepted.

The Grant Management System (GMS) has been adjusted to allow changes in the sectors/clusters and strategic objectives. Additionally, the GMS has been updated and the implementing partners are now able to select strategic objectives and standard indicators from those included within the Global COVID-19 HRP. During revisions, partners must use these indicators to allow a better tracking of the response.

Reprogramming will still require the partner to make changes to the project in GMS, but now many of these changes will be processed without requiring a grant agreement amendment.

2.3 Budget

2.3.1 Cost Extension
The UHF may allow projects’ cost extensions of ongoing projects to include critical activities responding to the COVID-19 pandemic. Partners’ performance and capacity will determine if the extension will be considered.

Cost extensions must be requested one month before the project end date with a very strong justification. Cost extensions should be recommended by the Clusters and the HFU and approved by the HC. Progress reports (narrative and financial reports) of the current project may be required as part of the justification.

Each cost extension request will be reviewed on a case-by-case basis. Submitted requests that are unclear or not clearly justified will not be reviewed or accepted. Cost extensions will only be applied in situations where extending certain project activities related to COVID-19 response will reduce the administrative burden on both the partner and the UHF from signing a new grant agreement. Only cost extensions that are limited in scope and scale, ready to be implemented and contributing to the COVID-19 response will be approved. The proportion between direct and indirect support costs will be taken into consideration.

2.3.2 Eligibility of costs

New allocations
In line with the new grant agreement format, projects’ start date and end date will be explicitly stated in the Grant Agreement (delinking cost eligibility from signature date). The project start date can be as early as the approval date of the project budget by OCHA HQ.

Ongoing allocations

The UHF can approve the cost eligibility of:

i) planned activities where expenses were already incurred but due to changing circumstances related to COVID-19, did not take place (travels, etc.);

ii) new expenses not foreseen (including protective equipment for staff), but relevant and required as per COVID-19 response;

iii) staff costs to sustain project operations while implementation is suspended.

Any suspension of activities must be notified and explained to the UHF Fund Manager via email (ocha-uhf@un.org). Such notification should provide an overview of: (i) the project’s expenditures to date and (ii) an overview of the activities and related expenditures suspended and sustained (staffing and committed expenditures). If the situation continues an update email is required.
2.3.3 Staff category
For ongoing projects: The UHF will extend the 15 percent budget flexibility to staff category without prior approval. Such flexibility will be time-bound and allowed only for projects impacted by the COVID-19 measures or scaling-up their activities to support the COVID-19 preparedness and/or response.

For new projects: The flexibility of 15 percent for all budget lines including staff costs (Section 1 of the project budget) without prior approval will be provisioned in the Grant Agreement.

Any variation exceeding 15 percent will require an amendment to the grant agreement as per the regular UHF rules and regulations.

2.3.4 Budget lines
In case a partner cannot associate COVID-19 related expenditures to an existing budget line, the UHF can approve the creation of additional budget lines within the 15 per cent parameter, provided that they are directly related to COVID-19 responses. The approval process can be conducted in GMS, after budget revision request, without amendment to the grant agreement. Any variation exceeding 15 percent will require an amendment to the grant agreement.

2.3.5 Contingency budget line
For new allocations, implementing partners can include a contingency budget line of up to 4 percent of total project budget under the “General Operating and Other Direct Costs” category. This approach will ensure a speedy response as this budget can be easily re-programmed and used to address needs related to COVID-19, if the situation deteriorates quickly. The contingency is meant to rapidly respond to unforeseen urgent humanitarian needs that may be outside of the original location/sector but not for routine overspending or expansion of ongoing project/s. Activation of such budget will be an email communication with the UHF Fund Manager. Approval will be in writing and within 24 hours of request. If not utilized during the project implementation timeframe, the amount budgeted will be refunded. Partners will provide a breakdown of the utilization of the contingency budget line during the submission of the financial report.

2.3.6 No-cost extension
The UHF will not implement blanket no-cost extensions (NCE) for ongoing projects. Instead, the HFU will consider and approve NCEs following normal processes.