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Annex 1: MHF Operating Principles and Strategic Review

As per endorsed [MHF Annual Strategy 2020](#), funding allocations will be in line with the following principles:

- Provide assistance based on the severity of assessed needs and an agreed allocation strategy, in accordance with the humanitarian principles of humanity, neutrality, impartiality and independence;
- Reinforce existing capacity of partners operating in the affected areas, considering their mandates and activities and based on comparative advantages;
- Target sectors, activities and geographical areas prioritized in allocation strategy papers;
- Ensure the application of minimum humanitarian standards depending on the local context, particularly in displacement sites, including by avoiding harm through mitigating environmental risk;
- Mainstream the centrality of protection in all humanitarian action to avoid and/or minimize any potential protection risk;
- Ensure a conflict-sensitive approach to all humanitarian action, including by applying the principle of “do no harm” at all times;
- Encourage the use of cash-based programming, when feasible and appropriate;
- Promote the principle “as local as possible, as international as necessary”, prioritizing direct funding to partners, particularly local and national NGOs;
- Encourage consortia of different organizations for better integrated responses, when possible;
- Prioritize multi-sector and integrated interventions for the same target population and geographical areas to increase impact, while recognize that, in some circumstances¹, where there is a particular emergency, more focused interventions are warranted;
- When appropriate, prioritize specific allocations based on common vulnerabilities or thematic(s) for an increased impact
- Ensure accountability to affected people and their meaningful participation in planning and decision-making, with particular attention to women and girls and people of multiple diversities.
- Consider the humanitarian-development-peacebuilding nexus to ensure proper collaboration, i.e. information sharing, analysis, etc. with relevant development programmes and funds operating in the same geographical areas; while keeping humanitarian action based on a principled approach.

All the submitted project proposals will be strategically assessed by the MHF Review Committee against the mentioned prioritization criteria, particularly looking at five main questions:

1. **Strategic relevance:** This aspect refers to the alignment of the proposal to the priority sectors, activities, target population and geographical areas identified in the allocation strategy paper, the demonstrated operational capacity and physical access to the affected population of the application organization, and the promotion of a multi-sector approach.
2. **Programmatic relevance:** This category is related to technical aspect of the proposal, i.e. the identification of needs including disaggregation of data by age, gender and diversity; the articulation of the logical framework, the risks analysis and the mitigation measures, the conflict-sensitivity and protection analysis, the cash-based programming approach and the environmental risks, if any.

¹ For example, flooding or other natural hazards. In such circumstances, targeted interventions in a particular sector are likely to have quicker and greater impact than interventions that operate across many sectors. For example, in communities affected by floods, where the principle concern is around rebuilding livelihoods, intensified support to strengthening farming and production capacity may respond better to the immediate needs of the community, allowing them to build resilience and access social services.

3. **Cost-effectiveness:** This question looks at the proportion of budget related to direct, staff and other personal cost and start-up costs.
4. **Management and monitoring:** This category focuses on the suggested monitoring activities including standard HRP indicators, clear reference and actions related to ensure COVID-19 preventive measures and accountability to affected populations, ensure accessible and equitable feedback and complaint mechanisms and inclusive information sharing, communication and participation with the affected population. It also includes information on PSEA policies.
5. **Engagement with coordination.** This last aspect refers to the participation of the applicant organization in the national or sub-national coordination mechanism, including adequate coordination with other stakeholders on the ground, mainly other sector partners, cluster/sector coordinators and/or existing coordination mechanisms. Priority consideration will be done to projects directly submitted by national NGOs or by a partner in consortia with other partners as sub-partners.

Annex 2: Cross-cutting issues when developing a project proposal

When developing a project proposal, MHF recommends considering several cross-cutting issues that may help to elaborate a response, including the active participation in humanitarian coordination mechanisms, the community engagement, the protection mainstreaming, gender and age equality, disability inclusion and the questions related to the cash-based programming.

Humanitarian Coordination and Community Engagement

Planning and response activities should be mobilized in consultation with the existing coordination mechanisms (general coordination meetings and ICCG) and relevant cluster / sector coordinators at national and sub-national levels, to ensure interventions are not duplicated and humanitarian needs are met in a coordinated manner.

Proposal development and implementation activities will be undertaken in close coordination with the affected communities, including camp management committees and host communities. Project proposals should include provision of accessible and functioning feedback and/or complaint mechanisms for beneficiaries, including those identified as vulnerable groups.

In line with the 2020 Myanmar HRP, two **mandatory** indicators on accountability to affected population (AAP) should be included in all the project proposals submitted by partners:

- **(AAP)** Percentage of affected people who feel informed about the different services available to them; and
- **(AAP)** Percentage of affected people who know how to and feel comfortable to make suggestions or complaints (including allegations of sexual exploitation, abuse, mistreatment or harassment) to aid providers

Enhancing Age, Gender and Diversity Approaches

The MHF is committed to mainstreaming protection in all the phases of the project management cycle, by incorporating protection principles and promoting meaningful access, safety and dignity in humanitarian aid.² Additionally, in line with the commitment of the Humanitarian Country Team, the MHF is guided by the IASC Policy for Gender Equality and Empowerment of Women and Girls in Humanitarian Action, as well as overall IASC Gender in Humanitarian Action Guidance. This includes particular focus on joint analysis of needs, experiences and perspectives of women and girls, as well as men and boys of different ages, abilities, gender identities, sexual orientations, ethnicities, religions and other diversities are identified and integrated into the humanitarian project proposals. The MHF will ensure that the selected project proposals are gender responsive and implement targeted actions for gender equality and empowerment of women and girls in preparedness, response, recovery, and resilience building.

The following elements must be considered in all humanitarian activities:

- a) Prioritize safety and dignity, and avoid causing harm: Prevent and minimize as much as possible any unintended negative effects of your intervention which can increase people's vulnerability to both physical and psychosocial risks. **All proposals should include a conflict-sensitivity analysis to ensure that any harm or aggravation of the current situation between communities is prevented.**

² Further information at the [Global Protection Cluster](https://www.unocha.org/global-protection-cluster) website.

- b) **Meaningful access:** Arrange for people's access to assistance and services – in proportion to need and without any barriers (e.g. discrimination). Pay special attention to individuals and groups who may be particularly vulnerable or have difficulty accessing assistance and services, considering age, gender and diversity questions.
- c) **Accountability:** Set-up appropriate mechanisms accessible to all different population groups including women, girls and boys, elderly, people with disabilities, through which affected populations can measure the adequacy of interventions, address concerns and complains, and see these responded to.
- d) **Participation and empowerment:** Support the development of self-protection capacities and assist people to claim their rights, including – not exclusively – the rights to shelter, food, water and sanitation, health, and education. Promote women's leadership, meaningful participation and equal representation in humanitarian planning and response, as well as in longer-term peace and development processes, including through gender transformative approaches.
- e) **Sex and age disaggregated data (SADD):** Collection, analysis and use of sex and age disaggregated data to inform interventions which aim to ensure women have equal and safe access to relief, information, cash programmes, sustainable livelihoods, training opportunities, which will be key components of the humanitarian response.
- f) **Engagement:** Engage with women's CSOs and other proven effective mechanisms, such as women's groups, adolescent youth, women with disabilities, elderly's groups and other key partners to promote gender equality and women's empowerment.

In addition, the MHF will contribute to the application of the HCT Protection Strategy (2019-2020) and other relevant guidance. The partners are encouraged to use available and localized gender in humanitarian action guidance such as Gender Profile for Humanitarian Action: Rakhine, Kachin and Northern Shan, Myanmar (Volume 2 Issued March 2020); Gender Mainstreaming Checklists for Humanitarian Action; and Gender Alert for COVID-19 Outbreak in Myanmar to strengthening gender mainstreaming efforts to further ensure that broader gender issues, gaps and needs are adequately addressed.

Promoting approaches sensitive to age, gender and diversity through funding actions is a requirement for partners applying for MHF funding. The MHF is compliant with the new Gender with Age Marker, the use of which is required for partners applying for funds since January 2019. Age, gender and disability disaggregated data will be collected and analyzed during the implementation period, for monitoring, reporting and programming purposes. The MHF will advocate at global level to revise the project proposal and narrative reporting templates to reflect distinct age categories for older persons, avoiding that significant differences between the age cohorts are neglected and result in failure to address specific rights and needs.

Disability inclusion will be mainstreamed in all the activities and projects supported by the MHF and closely monitored. The MHF encourages partners to continuously raise awareness on disability inclusion, promoting an effective inclusion and participation of persons with disabilities and their representative organizations across the MHF project cycle: elaboration of the strategy, the selection of the project proposals, project revision, implementation, reporting, monitoring, etc. This includes reinforcing disability-disaggregated data collection and analysis and the use of the [Washington Group Questionnaire](#) to identify people with a disability.

In any case, the MFH strongly recommended to applying a minimum of **12.8 per cent** to the total target population to estimate the persons with disabilities targeted by the submitted projects, following the provisional result from [2019 Inter-Census Survey](#) in Myanmar.

In line with this last aspect, one **mandatory** indicator on persons with disabilities should be included in all the project proposals submitted by partners:

- **(Disability)** Number of actions carried out to remove barriers and increase access to humanitarian assistance to persons with disabilities (across the whole project).

Partners need to keep a regular monitoring on this indicator, elaborating a clear explanation in progress and final narrative reports on how they have been able (or not) to achieve it, what challenges they faced, what actions they have managed to carried out and what the people targeted by these actions have provided as feedback in terms of satisfaction.

The MHF also encourages partners to strengthen the inclusion of vulnerable groups such as the elderly, children, adolescent girls, lesbian, gay, bisexual, transgender/transsexual, intersex and queer/questioning (LGBTQI+) community and address the needs, rights, access and protection concerns, including gender-based violence of those groups in the project proposals. Strengthening engagement with and support for LGBTQI+ rights organizations is the key to ensuring an accountable, transformative, and rights-based approach based on the priorities and informed choices of affected communities, including women and girls.

Additionally, it is also critical to address the specific needs and to harness the energy and capacities of young people in emergency preparedness and humanitarian response.

Further, the MHF will require partners to have clear provisions and operational mechanisms on safeguarding including the [prevention of sexual exploitation and abuse \(PSEA\)](#), prevention and reporting of fraud and conflict of interests, and effective feedback/complaints handling mechanism. The MHF will be willing to extend appropriate support as needed.

[Cash-based Programming](#)

The MHF encourages the use of alternatives to in-kind programming as a response modality for partners with demonstrated technical capacity and strong knowledge and experience of cash transfer programmes. For the use of cash and voucher assistance, as part of the cross-sector approach³, organizations must prepare a protection risk analysis to ensure that cash can be used for its intended purpose and to mitigate any negative consequences including possible intra-household tensions contributing to GBV. Partners must also provide information on the functionality of the markets and financial/transfer service providers, and demonstrate that cash will be equally accessible to men and women, according to vulnerability criteria established for each cluster and, as relevant, cross-cluster. Cash feasibility studies and post-distribution monitoring activities should be inclusive of the views of women and other vulnerable groups, to adapt implementation if necessary. Consultations with affected communities should be undertaken throughout all phases of the programme cycle.

Projects which can demonstrate the following evidence-based analysis of the feasibility of their cash based programme will be positively scored:

³ Information on existing guidelines and additional resources. These activities will be supported by the [Cash Working Group](#).

- Acceptance of cash and/or vouchers in the community and by the local authorities / Government.
- Mapping of potential delivery modalities, including financial or transfer service providers and physical, social and political access to beneficiaries
- Global risk analysis (institutional, programmatic, contextual).
- Organization capacity to implement cash and voucher activities.
- Cost efficiency of cash and/or voucher assistance implementation.

In line with this aspect, two **mandatory** indicators on cash and/or voucher should be included in all the project proposals submitted by partners:

- **(Cash)** Number of people who received cash assistance.
- **(Voucher)** Number of people who received voucher assistance.

Environmental Risk in Humanitarian Action

The integration of environmental issues into humanitarian action is critical to ensure effectiveness, sustainability and accountability of humanitarian interventions. The MHF is committed to systematically identify and act on environmental issues, as required by the [Sphere Standards](#) and the [Core Humanitarian Standard on Quality and Accountability](#). Projects which can demonstrate that environmental risk has been assessed and that mitigation measures have been put in place will be positively considered. The following activities can be considered as a proactive way of addressing environmental issues:

- Implementing organizations have adopted an environmental policy and associated environmental management system and are applying an environmental mainstreaming approach.
- Environmental sensitivities of programme and project activities are systematically assessed by using, for example, environmental safeguards/checklists, environmental screening tool/s, marker/s and/or environmental (impact) assessment/s.⁴
- Following the identification of environmental concerns, efforts are taken to avoid negative environmental impacts. If impacts are unavoidable, mitigation measures are systematically implemented, monitored and evaluated. This, for example, includes activities related to Shelter Sphere Shelter and Settlement Standard 7, Sphere Food Security Standard 5 and packaging waste for food and NFIs.

⁴ For more details on environmental screening tools and assessments in humanitarian programming, please refer to the “Environment and Humanitarian Action Connect” guidance on environmental assessments in protracted crises and sudden-onset emergencies: <https://ehaconnect.org/crisis-response-recovery/assessments/guidance/>

Annex 3: Mandatory and Standard Indicators⁵

Mandatory - MHF Specific		
Sector	Indicator	HRP Target
Accountability to affected populations (AAP)	Percentage of affected people who feel informed about the different services available to them	
	Percentage of affected people who know how to and feel comfortable to make suggestions or complaints (including allegations of sexual exploitation, abuse, mistreatment or harassment) to aid providers	
Cash-based programming	Number of people who received cash assistance.	-
	Number of people who received voucher assistance.	-
Persons with disabilities	Number of actions carried out to remove barriers and increase access to humanitarian assistance to persons with disabilities (across the whole project).	-

2020 Myanmar HRP		
Sector	Indicator	HRP Target
CCCM	Number of IDPs in camp/camp-like settings that have equitable access to basic services	239,878
Education	Number of targeted girls and boys (3-10) supported by partners to access quality and inclusive pre-primary/primary learning opportunities	93,130
	Number of targeted adolescent girls and boys (11-17) supported by partners to access quality and inclusive post-primary learning opportunities.	106,433
	Number of targeted teachers (formal/non-formal) who have received capacity building/training opportunities to increase their capacity to cater for psycho-social and learning needs of crisis-affected girls and boys (3-17).	5,037
Food Security	Number of people who received food and/or cash assistance	421,016
	Number of people who received agriculture and other livelihood support, contributing to household food security	141,627
Health	Percentage of EWARS notifications that have been verified	100
	Number of outpatient consultations per person, per year, by administrative unit	523,583
Nutrition	Number of boys and girls 6-59 months with SAM admitted for treatment	8,279
	Number of boys and girls 6-59 months with MAM newly admitted for treatment.	23,921
	Number of under nourished pregnant and lactating women admitted to therapeutic supplementary feeding programme.	4,238
	Number of boys and girls aged 6-59 months at risk of acute malnutrition in priority locations who received blanket supplementary feeding programme	68,593
	Number of boys and girls 6-59 months who received micronutrient supplementation.	68,593
	Proportion of pregnant and lactating women receiving IYCF counselling.	38,298
	Number of households with children, under-five (boys and girls) who are benefitting from behavior change activities.	99,416
Protection	Number of people in need with access to minimum protection services	833,097

⁵ All target indicators should be presented with data disaggregated by age, gender and disability, as much as possible.

2020 Myanmar HRP		
Sector	Indicator	HRP Target
	Number of IDPs pursuing solutions who were able to return, resettle or locally integrate in line with international standards.	9,563
Shelter / NFIs	Number of IDPs and other crisis-affected people with access to temporary/emergency shelter in accordance with minimum standards	129,901
WASH	Number of women, men, boys and girls benefitting from safe/ improved drinking water, meeting demand for domestic purposes, at minimum/agreed standards	527,991
	Number of women, men, boys and girls benefitting from functional excreta disposal system, reducing safety/ public health/environmental risks.	527,991
	Number of women, men, boys and girls benefitting from timely/adequate/tailored personal hygiene items and receiving appropriate/ community tailored messages that enable health seeking behavior.	527,991
	Number of vulnerable people that are consulted, and their concerns are addressed, through dignified and inclusive WASH services.	68,806
	Number of women, men, girls and boys accessing WASH services in temporary health facilities and learning spaces which received support from the WASH Cluster	38,604

COVID-19 Addendum to 2020 Myanmar HRP		
Sector	Indicator	HRP Target + returning migrants
Education	Number of girls and boys (ages 3-17) who continue to have access to safe and functional, quality and inclusive learning opportunities that promote their protection and wellbeing.	204,600 +1,500
Food Security	Number of people who received food and/or cash assistance	562,643 +60,000
	Number of people who received agriculture and other livelihood support contributing to household food security	
Health	Number and proportion of people within the HRP addendum caseload most vulnerable to COVID-19 who received health assistance	532,258 +60,000
Nutrition	Number of caregivers of children 0-23 months who received key messages that protect and promote appropriate breastfeeding practices in the context of the COVID-19	44,327 +2,100
Protection	Number of people, vulnerable to the pandemic who received information on risks and available services	854,987 +5,000
	Number of people with access to gender-based violence response, including during the COVID-19 crisis	175,453 +10,000
	Number of children and caregivers with access to specialized child protection response to the COVID-19 crisis	233,271 +11,200
Shelter/NFI/CCCM	Number of IDPs, stateless, returning migrants and vulnerable members from host communities who received COVID-19 assistance from Shelter/NFI/CCCM cluster members	250,096 + TBC
WASH	Number of people reached with critical WASH supplies (including hygiene items) and services to strengthen COVID-19 prevention.	527,991 +60,000

Annex 4: MHF Budget Guidance

The objective of this section is to provide partners, OCHA Country Office, HFU and OCHA headquarters with a common framework to facilitate the appropriate preparation, review and clearance of project budgets. In particular, this guidance focuses on defining eligible and ineligible costs, direct and indirect costs (e.g. Programme Support Costs – PSC), shared costs, budget categories and the adequate break-down of budget lines. This guidance applies to all partners, UN agencies including IOM and NGOs.

1.1. Rationale and Basic Principles of the Project Budget

A clear segregation of duties underpins the preparation, review and clearance of the project budget. This is critical to preserve the country-driven nature of CBPFs and necessary to ensure central and internal controls to reduce the risk of approving erroneous or inappropriate project budgets (e.g. miscalculations, inconsistency, and lack of transparency or admission of ineligible costs). In this regard, fund managers in the field, certifying finance officers at headquarters, and partners have specific roles and responsibilities, as follows:

Fund managers are responsible to ensure that:

- a) The principles of economy, efficiency, effectiveness, transparency and accountability are adhered to in the sense that the project budget inputs are commensurate with the planned activities and the expected outputs, more specifically, that the project budget is a correct, fair and reasonable reflection of the project proposal/logical framework.
- b) The cost estimates are reasonable in the specific country context so that funding will be used in the most efficient way.

The role of certifying finance officers in headquarters is to:

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

The role of implementing partners in the budgeting process is to:

- a) Provide a correct and fair budget breakdown of planned costs that are necessary to implement activities and achieve the objectives of the project.
- b) Use and comply with the budget template (Annex 06: Project Budget and Financial Reporting Tool) and guidance provided by OCHA for the classification and itemization of planned costs.
- c) Provide a budget narrative (as an essential component of the budget) that clearly explains the object and the rationale of every budget line. For example, shared costs, expensive assets, and costs/equipment required to support the regular operation of the partner, are clear cases that require a budget narrative.

1.2. Eligible and Ineligible costs

Eligible costs

The following attributes define the nature of eligible costs:

- Must be necessary and reasonable for the delivery of the objectives of the project.
- Must comply with the principles of sound financial management, in particular the principles of economy, efficiency, effectiveness, transparency and accountability.

- Must be identifiable in the accounting records and backed by original supporting evidence as incurred in accordance with the approved project proposal and period.

These may include:

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

Ineligible costs

The following costs are ineligible:

- Costs not included in the approved budget (taking into consideration duly approved budget revisions).
- Costs incurred outside the approved implementation period of the project (taking into consideration duly approved no-cost extensions).
- Expenditures over and above the approved total budget.
- Costs that do not have supporting documentation.
- Costs that are not covered by the MHF budget guidelines.
- Debts and provisions for possible future losses or debts.
- Interest owed by the implementing partner to any third party.
- Items already financed from other sources.
- Purchases of land or buildings.
- Currency exchange losses.
- Cessions and rebates by the implementing partner, contractors or staff of the implementing partner of part of declared costs for the project.
- Government staff salaries.
- Hospitality expenses, provision of food/refreshments for project staff (not including water and hospitality for trainings, events and meeting directly related to project implementation).
- Incentives, mark-ups, gifts to staff and Government officials.
- Fringe benefits such as cars provided by the organization to staff, individual full housing allowance and the like.
- Fines and penalties.
- Duties, charges, taxes (including VAT) recoverable by the implementing partner.

- Global evaluation of programmes.
- Audit fees/system audit fees – these costs are paid directly by the fund.⁶

Other Types of costs

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

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

1.3. Direct and Indirect Costs

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

Direct Costs

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

Direct costs include:

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

Indirect Costs

Indirect costs are referred to as Programme Support Costs (PSC). PSC are all costs that are incurred by the implementing partner regardless of the scope and level of its activities and which cannot be traced unequivocally to specific activities, projects or programmes. These costs typically include corporate costs (i.e. headquarters and statutory bodies, legal services, general procurement and recruitment etc.) and assets that are not related to

⁶Those costs are charged as a direct cost for the management of the fund.

service provision to a project. PSC is charged as a maximum 7 per cent of the approved direct expenditures incurred by the implementing partner.

Programme Support Costs of sub-partners associated to the implementation of a specific project should be covered by the overall maximum 7 per cent of the actual project expenditures. As per new Grant Amendment template, the main partner should fairly share the 7 per cent project support costs (PSC) with its sub-partner. It is recommended to share this in the fair proportion of work being undertaken by the sub-partner.

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

1.4. Shared Costs

Sharing costs between different donors and projects under a country programme of an implementing partner is an acceptable practice for the MHF. The implementing partner may share certain Country Office costs to different uses and projects, for example staff, office rent, utilities and rented vehicles.

The following guidance shall be observed when including shared costs in the project budget:

- All shared costs must be directly linked to the project implementation.
- All shared costs shall be itemized in the budget, following standard accounting practice and based on a well-justified, reasonable and fair allocation system, to be clearly explained in the budget narrative of the project and to be assessed and approved by the HFU in the OCHA Country Office.
- The implementing partner should at any time be able to demonstrate how the costs were derived and explain in the project proposal/logical framework how the calculation has been made (e.g. pro-rata, averages).
- For staff-related costs, if a position is cost-shared, the percentage of the monthly cost corresponding to the time that the person will dedicate to the project shall be budgeted⁷. It is not acceptable to have portions of a unit for staff costs, only percentages are acceptable.
- Non-staff shared costs should be shared based on an equitable cost allocation system⁸. Accordingly, the percentages in the budget are to be assessed and approved by the HFU in the OCHA Country Office.
- Shared-cost, including staff-related costs, should preferably be charged for the entire duration of the project. When this is not the case the rationale of the apportionment must be explained into the budget narrative.

1.5. Guidance on the Itemization of Budget Lines

A project budget must be credible and in line with sound financial management principles. It should describe what the project proposes to do in financial terms and values. The budget review process will ensure that budgeted costs are correct, fair and a reasonable reflection of what is needed to carry out the project. Concerns in relation to compliance with UN rules and regulations and financial accountability must be addressed before projects is approved.

⁷ Cost-shared staff positions whose existence is intended to last the entire duration of the project should be charged for the entire period and charged in percentage against the project (half of the cost of a guard, in a 12-month project, should be budgeted at 50% of the monthly salary for 12 months). Durations shorter than the project are acceptable only if the position is not intended to last for the entire duration of the project. When recording expenditures, the partner will retain the possibility to do it, within the budgeted amount, according the modalities that better suits its preferences (charging 100% of the guard for 6 months).

⁸ This should be calculated as a percentage against the overall amount of the shared cost and charged in percentage to the project. It is preferable to charge shared costs for the entire duration of the project. When recording expenditures, the partner will retain the possibility to do it, within the budgeted amount, according the modalities that better suits its requirements (e.g.: to cover half of the rent of an office in a 12-month project, the partner should budget the rent for 50% of the monthly cost for 12-month period. Then the partner retains the possibility to pay the full rent of the office for 6 months with the allocated budget).

- Provide details in the 'remark' section which serves as budget narrative so that the objective of the budget line can be clearly identified.
- Itemize each national and international staff, consultant and other personnel by function, and provide unit quantity and unit cost (monthly or daily rates) for each staff position⁹. Roles and responsibilities must be clearly stated.
- If more than one position is lumped in one budget line, a breakdown and clearly defined roles and responsibilities should be provided in excel sheet that shall be uploaded under 'Documents' tab.
- Must NOT exceed salaries and costs normally borne by the partner in other projects.
- The unit quantity should be a whole number and there should not be any decimal.
- The units, amounts and percentages indicated in 'remark' section should be consistent with the budget.
- Classify 'D' for direct costs¹⁰, including staff, and 'S' for support costs¹¹, including staff.
- There shall not be any acronym for the position which shall be standardized across the project proposal.
- The 'remark' section shall include number of participants, beneficiaries, households, etc. who will benefit from supplies/trainings/construction.
- Any budget line which total value exceeds, but not limited to, \$10,000 (as cumulative value) requires a clear explanation of the calculation in the budget narrative.
- When budget lines contain costs of multiple items (exceeding \$10,000) a budget breakdown should be included in excel listing item, unit, quantity, value or cost (per unit and total cost. Documentation must be uploaded in the GMS under 'Documents' tab.
- Provide unit or quantity (e.g. 10 kits, 1,000 metric tons) and unit cost for commodities, supplies and materials to be purchased. The budget narrative should properly reference unit measures (length, volume, weight, area, etc.).
- Provide technical specifications for items which unit cost is greater than \$10,000.
- Provide technical specifications for items which unit costs can greatly vary based specifications (e.g. for generators, a reference to the possible range of power would be sufficient to properly evaluate the accuracy of the estimated cost).
- Provide list of items¹² and estimated cost per item for kits when the cumulative budget line value exceeds \$10,000.
- Provide the list of items for globally standardized kits such as Post-Exposure Prophylaxis kits and Interagency Emergency Health Kit. This does not include standard kits agreed upon in each country.
- Freight and transport costs should be clearly broken down such as weight of the supplies (kg, tonnage), size of the truck and number of trips or duration.
- To the best extent possible, unit cost for facilitators, venue, refreshments, stationaries shall be consistent.
- In the case of construction works exceeding \$10,000, only labor costs and known essential materials may be budgeted and itemized, providing unit/quantity and unit cost. The budget narrative should explain how construction costs have been estimated on the basis of a standard prototype of building (e.g. latrine, health post or shelter), type of materials (e.g. wood, prefabricated or brick/cement/concrete) and the formula or rationale used to estimate construction cost (e.g. per square foot or meter or previous experiences).

⁹ Staff positions must be charged per unit. If staff costs are only partially charged to the given budget this must be reflected in the percentage (50 per cent of a staff, and not half of a staff at 100 per cent).

¹⁰ Expenditures, including staff costs, directly related to the project e.g. (Programme personnel like health officers, WASH engineers, project monitoring costs, project-related supplies, etc.)

¹¹ Engaged expenditures, including staff costs, for support and administrative activities e.g. (general operating costs, e.g. office rental costs, communication costs; support staff costs, e.g. Grants Officer, Finance Coordinator, Human Resource Manager, Logistics Officer, etc.). These costs should be identified on a cost-sharing basis.

¹² The list should be provided as an annex to the budget

- The budget line description field must be used to provide details of the nature of the contract and its intended outputs, showing how these are relevant to, and necessary for, project implementation. The description may refer to the project log frame or activity plan as appropriate in order to clarify the rationale and justification for the contract.
- Itemize In-country or International travel and position of the traveler, estimate number of trips and cost per trip.
- Travel costs can be estimated as long as the calculation modality is accurately described in the budget narrative (e.g. providing estimates on the number of trips and average duration in days, daily subsistence allowance rates, etc.).
- The cost for travel, per diem, daily subsistence allowance, etc. shall not exceed the costs normally borne by the implementing partner in other projects and should be within the market rates.
- The partner is responsible and accountable to ensure the budget(s) of the sub-implementing partner(s) adheres to the principles of economy, efficiency, effectiveness and transparency. The partner must ensure the sub-implementing partner(s) budget(s) are commensurate with the planned activities and outputs, and is reasonable in the specific country context. The sub-implementing partner budget should be provided as a single line under the budget category 'Transfers and Grants to Counterparts'. The breakdown details are not required to be provided in GMS budget. However, at the request of OCHA HFU and/or the auditors, the partner is responsible and accountable to provide the necessary detailed documentation to support the budget and expenditure incurred by the sub-implementing partner. The sub-implementing partner's budget and expenditure details must be available, if requested, at the same level of detail and format applicable to the main implementing partner. These documents must remain available for at least a period of 5 years after the project termination.
- Itemize general operating costs (e.g. office running costs, office rent, office stationeries, communication costs, bank charges, utilities such as water, electricity) for project implementation providing quantity and unit cost. A lump sum for operating costs is not acceptable.
- Where cost sharing arrangements are in place and the cost of any budgeted item shall not be fully charged to the project (i.e. where the item is paid for partially by the MHF and partially from other funding sources), preferably be budgeted throughout the entire project period. In case of a different period is used for the budget calculation, a clear explanation / justification should be provided in the description field. This applies equally to staff costs and other non-staff costs such as rentals, utilities etc.

1.6. Provision of Contingency Budget Line.

As per new Grant Agreement template, (Article VII 'Financial and Operational Arrangements' paragraph 8), "if required, partners can make up to 4 per cent provision of contingency reserve in the budget under the "General Operating and Other Direct Costs" line.

Contingency budget lines must be designed to facilitate rapid responses to unforeseen urgent humanitarian needs that may be outside of the original geographic location/sector, and must not be used to compensate for overspending or expansion of other ongoing/planned activities. Activation of a contingency budget line requires formal pre-approval by the Fund Manager. Approval will be in writing and within 24 hours of request. If not utilized within the project implementation timeframe, the amount budgeted for contingencies must be refunded to the MHF following project closure. Partners are required to provide a detailed breakdown of the utilization of the contingency budget line also via financial reporting.

Annex 5: Cluster/sector contacts

Cluster / Sector	Name	Contact
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South-East Working Group (SEWG)	Kannavee Suebsang	suebsang@unhcr.org

Annex 6: List of acronyms

AAP	Accountability to Affected Population
AB	Advisory Board
CBPF	Country-based Pooled Fund
CERF	Central Emergency Response Fund
CCCM	Camp Coordination / Camp Management
CBI	Cash-Based Interventions
CFS	Child Friendly Spaces
CMC	Camp Management Committee
COVID-19	Coronavirus Disease 2019
CSO	Community-based organization
EAOs	Ethnic Armed Organizations
EWARS	Early Warning Alert and Response System
FTS	Financial Tracking Service
GA	Grant Agreement
GBV	Gender-based Violence
GMS	Grant Management System
HARP-F	Humanitarian Assistance and Resilience Programme Facility
HC	Humanitarian Coordinator
HCT	Humanitarian Country Team
HFU	Humanitarian Financing Unit
HRP	Humanitarian Response Plan
IASC	Inter-Agency Standing Committee
IEC	Education and Communication
ICCG	Inter-Cluster Coordination Group
INFORM	Index for Risk Management
INGO	International Non-Governmental Organization
IYCF	Infant and Young Child Feeding
LIFT	Livelihoods and Food Security Trust Fund
MAM	Moderate Acute Malnutrition
MHF	Myanmar Humanitarian Fund
MHM	Menstrual Hygiene Management
MHPSS	Mental Health and Psychosocial Support
MIAG	Maungdaw Inter-Agency Group
MoHS	Ministry of Health and Sports
NFI	Non-food Items
NGCA	Non-Government-controlled areas
NGO	Non-Governmental Organization
NNGO	National Non-Governmental Organization
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
PHEIC	Public Health Emergency of International Concern
PLW	Pregnant and Lactating Women
PPE	Personal Protective Equipment
PSC	Program Support Costs

PSEA	Prevention of Sexual Exploitation and Abuse
PSS	Psychosocial Support
PWD	Persons with Disabilities
SADD	Sex and Age Disaggregated Data
SAM	Severe Acute Malnutrition
SEWG	South-East Working Group
SRH	Sexual and Reproductive Health
TLC	Temporary Learning Center
UN	United Nations
US\$	United State Dollar
VAT	Value Added Tax
WASH	Water, Sanitation and Hygiene
WHO	World Health Organization