

1. Background

The COVID-19 pandemic is impacting Country-Based Pooled Funds (CBPFs) operations in different ways. The Humanitarian Financing Units (HFUs) in the field are swiftly adapting to this new working environment and remain very dedicated to support humanitarian partners despite the challenges faced. This situation created by the novel COVID-19 pandemic requires CBPFs to respond with greater flexibility, through simplifications in the current funding arrangements, yet keeping accountability over the use of funds. After an analysis of the evolving situation and related challenges which the Funds are beginning to face, and following requests from implementing 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.

To ensure that CBPFs can have the greatest possible impact on the global efforts against this unprecedented crisis, CBPFs allocations should be in alignment with the Global HRP COVID-19¹, provided they are not at the expense of other life-saving activities that the CBPFs undertake. CBPFs should promote complementarity with other funding sources, including with the Central Emergency Response Fund (CERF).

The flexibility measures described below are also applicable to the funds that involve the Multi-Partner Trust Fund Office (MPTFO) and the United Nations Development Programme (UNDP) in the management and administration of funds.

All CBPF partners are encouraged to implement flexibility measures also for their sub-implementing partners.

This guidance note will be reviewed periodically and revised as required.

2. Flexibility measures

2.1 Risk Management Framework

All CBPFs will review their Fund risk management frameworks to integrate new emerging risks resulting from the COVID-19 pandemic. CBPFs are encouraged to collaborate with in country established mechanisms to analyze risks related to the COVID-19 pandemic, such as health and safety conditions and security. The review of the risk management framework should be endorsed by the Fund's Advisory Board (AB) and approved by the Humanitarian Coordinator (HC).

2.2 Operational modalities

2.2.1 Partner and project ceilings

CBPFs are encouraged to increase partner/project ceilings when necessary. Such adjustments will have to be time-limited (COVID-19) and require AB endorsement and HC approval. This measure does not apply to projects whereby the implementing partners are involved in a compliance matter or subject to an inquiry.

On behalf of the HC, the Fund Manager should then communicate any proposed temporary deviations to the CBPF Section and request a process waiver from OCHA's Executive Officer.

2.2.2 Monitoring and financial spot-checks

Project monitoring and financial spot checks may be adapted e.g. by using remote methodologies, desk reviews of scanned copies, remote calls or videoconference. Implementing partners are required to keep original documents for five years as per the UN Secretariat Financial rules and regulations.

¹ <https://www.unocha.org/sites/unocha/files/Global-Humanitarian-Response-Plan-COVID-19.pdf>

2.2.3 Audits

CBPFs may put in place offsite and remote audits, i.e. desk reviews of scanned copies. Implementing partners are required to keep original documents for five years as per the Financial rules and regulations of the UN Secretariat.

Depending on the context at country level, CBPFs may consider postponing some of the audits, rather than conducting remote audits. This decision will be taken on a case by case basis in consultation with OCHA-HQ.

2.2.4 Electronic Signature

Phase 1 as of 15 April 2020: All CBPFs 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): All CBPFs introduce an improved electronic signature to facilitate the remote work modalities.

Stamps are not required if documents are signed electronically.

2.3 Reprogramming of projects

Based on country specific analysis of the ongoing humanitarian response and COVID-19 related needs, CBPFs can facilitate the reprogramming of existing projects in order to shift resources to priority locations and to enable urgent activities for COVID-19 prevention and responses. Implementing partners are required to explain the rationale for re-programming requests along the following criteria:

- CBPF funding is no longer required for the humanitarian emergency (or trigger) for which it was initially allocated and/or
- CBPF planned activities cannot be implemented due to the context change and the nature of the activity 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.

In cases where the requesting UN agency received CERF funding from the two global CERF allocations, UN Agencies are requested to explain why additional funding is needed through CBPFs reprogramming, and how it will complement the global CERF funding.

The Grant Management System (GMS) has been adjusted to track COVID-19 related project revisions in indicators of sectors/clusters and strategic objectives. Implementing partners are now also able to select strategic objectives and standard indicators from those included in the Global COVID-19 HRP. All reprogramming decision will be made on a case-by-case basis.

2.4 Budget

2.4.1 Cost Extension

CBPFs can allow project cost extensions in order to scale-up critical activities needed for COVID-19 responses. Cost extensions must be requested one month before the project end date must be processed via the respective revision process of the CBPF prior to approval by the HC. Progress narrative and financial reports of the current project are required as part of the request. All cost extensions are subject to partner and project ceilings as outlined in 2.2.1 and funding availability.

2.4.2 Eligibility of costs

New allocations and projects

Project start and end date dates will be explicitly stated in the Grant Agreement (delinking cost eligibility from signature date). The new project start date can be as early as the approval date of the final budget by the CBPF Finance Unit at OCHA HQ.

Ongoing allocations and projects

CBPFs can approve cost eligibility of: i) planned activities where expenses already incurred, but due to COVID-19 could not take place (travel, etc); ii) not foreseen expenses (e.g. protective equipment for staff), required for COVID-19 responses; iii) staff costs that are required to sustain project operations if implementation is temporarily suspended due to Covid-19.

2.4.3 Staff category

CBPFs extend the 15 per cent budget flexibility on staff category without prior approval. Any variation exceeding 15 per cent requires prior approval by the HFU and an amendment to the grant agreement.

2.4.4 Budget lines

CBPFs allows the creation of new budget lines within the 15 percent parameter provided that they are directly related to COVID-19 responses. The approval process can be conducted process in GMS without amendment to the grant agreement. If the new budget line(s) exceed the 15 percent ruler, the revision requires an amendment to the grant agreement. This should be requested by partner to the respective CBPF in country with justification.

2.4.5 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. 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 preapproval by the respective CBPF 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 CBPF following project closure. Partners are required to provide a detailed breakdown of the utilization of the contingency budget line also via financial reporting.

2.5 No-cost extension

CBPFs offer the possibility to all CBPFs to receive a blanket no-cost extension (NCE). This option should be analyzed and endorsed by the AB at country level.

In case an AB endorses the blanket NCE, projects that fall in different categories indicated in the table below will receive a blanket NCE. In addition, this measure will allow NCE of projects that have already reached their end date and are under reporting phase, to use the unspent balance in COVID-19 related humanitarian response (see table below). In cases where unspent amount is reprogramed, prior approval is not required if the category variance is below 15%. This measure will not impact the frequency of reporting and monitoring requirements which will remain as per the original modality in the latest signed agreement.

This applies for: i) projects that are under implementation and before reaching the end-date of the project; and ii) projects that are in the reporting phase before having submitted their final narrative or financial reports.

The NCE will modify the agreement and extend the project duration, without requiring any process in GMS or an amendment to the original agreement for the agreed extension. An approval letter from OCHA will be shared with the implementing partners.

The blanket NCE will not apply to projects whereby their implementing partners are involved in a compliance matter or subject to an inquiry.

	Category	NCE Impact
Cat 1	If the Project end date is in between- 15 May - 30 June 2020 (the range may change following AB's endorsement)	NCE until 31 August 2020
Cat 2	If the Project end date is in between 1 December 2019 – 14 May April 2020- but has not submitted the final narrative or financial report (the range may change following AB's endorsement)	NCE until 30 June 2020
Cat 3	Projects in both categories 1 and 2 above will be reviewed in May 2020 if further flexibility is required	

Note: In GMS, all projects under categories 1 and 2 will be revised and 'COVID-19 revision type' will be created for ease of reference. New operational modalities triggered as a result of the NCE will be waived based on COVID-19 justification. Existing due dates for FFR and FNR will be extended based on new end dates. The Performance Index question for the revision of the category will be set to "justified revision request".