



1. Background

The novel coronavirus disease (COVID-19) pandemic is impacting the Myanmar Humanitarian Fund (MHF) operations and their partners in different ways. The OCHA Humanitarian Financing Unit (HFU), in charge of the management of this country-based pooled funds (CBPF), is swiftly adapting to this new environment and remain very dedicated to support humanitarian partners despite the challenges faced. This situation created by the COVID-19 pandemic requires the MHF 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 Fund is beginning to face, and following requests from partners, OCHA at HQ level 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 the MHF and their partners have the greatest possible impact on the global efforts during this unprecedented crisis, the MHF allocations should be in alignment with the [Global HRP COVID-19](#) and the COVID-19 Addendum to the 2020 Myanmar HRP, provided that it is not at the expense of other life-saving activities that the MHF already support. The MHF should continue to promote complementarity with other funding sources, including with the Central Emergency Response Fund (CERF) and other pooled funds in country i.e. the Access to Health Fund.

All MHF partners are encouraged to implement flexibility measures also for their sub-partners, promoting equitable partnership agreements.

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

2. Flexibility measures

2.1 Risk Management Framework

As necessary, the MHF will review their Risk Management Framework to integrate new emerging risks resulting from the COVID-19 pandemic. The MHF will 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 MHF Advisory Board (AB) and approved by the Humanitarian Coordinator (HC), as per the usual process.

2.2 Operational modalities

2.2.1 Partner and project ceilings

The MHF may increase partner/project ceilings when necessary. Such adjustments are to be purpose and time-limited (COVID-19) and require HC approval. This option will not be applied to projects whereby the 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 OCHA CBPF Section at HQ and request a process waiver by OCHA's Executive Officer.

2.2.2 Monitoring and financial spot-checks

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



2.2.3 Audits

The MHF may put in place offsite and remote audits, i.e. desk reviews of scanned copies. 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, the MHF may consider postponing some of the audits, rather than conducting remote audits. This decision need to be taken on a case-by-case basis and in consultation with OCHA-HQ.

2.2.4 Electronic Signature

Phase 1 as of 15 April 2020: The MHF accepts “fill and sign” feature in PDF in lieu of all signed documents for the HC, OCHA’s Executive Officer (EO) and partners.

Phase 2 (date to be confirmed): The MHF introduces an improved electronic signature to facilitate the remote work modalities.

Stamps are not required if documents are signed electronically, through the above-mentioned modalities.

2.3 Reprogramming of projects

Based on country specific analysis of the ongoing humanitarian response and COVID-19 related needs, the MHF 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. Partners are required to explain the rationale for re-programming requests along the following criteria:

- MHF funding is no longer required for the humanitarian emergency (or trigger) for which it was initially allocated and/or
- MHF 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 for 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 partner is a UN agency that received CERF funding from the global CERF allocations to the COVID-19 response, agencies are required to explain why additional funding is needed through MHF 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. 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

The MHF 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 MHF 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

The MHF can approve cost eligibility of: i) planned activities where expenses already incurred, but due to COVID-19 could not take place (travel, etc.); ii) unforeseen expenses (i.e. 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, limited to costs incurred in country including relocation within the country of operation and as per partner's business continuity plan.

2.4.3 Staff category

The MHF will extend the 15 per cent budget flexibility on "Staff and Other Personnel Costs" budget category, provided that there is prior communication to the Fund Manager and the variation is due to COVID-19 related reasons. Any variation exceeding 15 per cent requires prior budget revision request, approval by the HC and an amendment to the grant agreement.

2.4.4 Budget lines

In case that partner with CBPF ongoing funding cannot associate COVID-19 related expenditures to an existing budget line, the MHF 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. 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 MHF with strong justification.

2.4.5 Contingency budget line

For new allocations to COVID-19 responses, partners can include a contingency budget line of up to 4 per cent of the total project budget under "General Operating and Other Direct Costs" budget category. This approach will expedite re-programming processes to address needs directly related to COVID-19 responses, if the situation deteriorates. 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.

2.5 No-cost extension

OCHA HQ has offers all CBPFs to request a blanket no-cost extensions (NCE) for ongoing projects. This option should be analyzed and endorsed by the MHF Advisory Board prior to approval by the HC.

In case the MHF Advisory Board endorses a blanket NCE, project that fall in different categories indicated in the table below will receive a blanket NCE, after confirmation with the concerned partner. 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 per cent. 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. 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 concerned partners.

A blanket NCE cannot be applied to projects whereby their partners are involved in a compliance matter or subject to an inquiry.

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.

	Category	NCE Impact
Cat. 1	If the project end date is in between 15 May and 30 June 2020	NCE until 31 August 2020
Cat. 2	If the project end date is in between 1 December 2019 and 14 May April 2020 , but has not submitted the final narrative or financial report (if those reports have been submitted, the project will not be eligible for NCE).	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 final narrative report and final financial report 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”.