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Annex 2: MHF Operating Principles and Strategic Review

As per endorsed [MHF Annual Strategy 2021](#), funding allocations will be in line with the following principles:

- Provide assistance based on the severity of assessed need¹ and an agreed allocation strategy, in accordance with the humanitarian principles of humanity, neutrality, impartiality and independence.
- Reinforce existing capacity of local and national partners operating in the affected areas, considering their mandates and activities and based on comparative advantages.
- Target clusters, 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 gender-responsive² and disability inclusion³ approach across humanitarian interventions, through specific targeting and mainstreaming in all the humanitarian programme cycle to ensure that assistance and services are accessible by women and girls and persons with disabilities and based on their self-stated needs in accordance with the “leaving no one behind” commitment.
- 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, including specific funding envelopes for multi-cluster and multi-purpose cash assistance, when possible and appropriate.
- Promote the principle “as local as possible, as international as necessary”, prioritizing direct funding to partners, particularly local and national NGOs, where possible, or through equitable partnership as sub-partners. It must include local women’s rights and women-led local organisations (WRO/WLO) and other marginalized groups of civil-society organisations (CSOs).⁴
- Encourage consortiums of different organisations for better integrated responses, when possible.
- Prioritize multi-cluster and integrated interventions for the same target population and geographical areas to increase impact, while recognizing that, in some circumstances⁵, 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 consideration to the accessibility of those population groups with specific vulnerabilities linked to age, gender, disabilities or other diversities such as ethnic background and sexual orientation and gender identity, to accountability mechanisms and their input and participation in programme design and project management.
- Commit to the protection from sexual exploitation and abuse (PSEA) by regular training of programme staff and functional mechanisms for affected populations to make anonymous complaints.
- Support durable solutions for displaced people through the provision of short-term humanitarian assistance.
- Contribute to the discussion on the nexus agenda to create conditions for collaboration, linkages and synergy with relevant development programmes and funds operating in the same geographical areas;

¹ The main reference documents are the Humanitarian Needs Overview (HNO) and the Humanitarian Response Plan (HRP). The HNO includes an analysis of the severity of sectoral and inter-sectoral needs in priority areas, which is the base of the response prioritization presented in the HRP. A real-time update of the information may be included during the consultation process before a new allocation of funds.

² [IASC Policy \(and Accountability Framework\) on Gender Equality and the Empowerment of Women and Girls in Humanitarian Action](#) (2017).

³ [IASC Guidelines, Inclusion of Persons with Disabilities in Humanitarian Action](#) (2019).

⁴ In line with the [IASC Interim Guidance on Localization and the COVID-19 Response](#), as well as the [UNSG Statement of 25 November 2020 on violence against women](#). Following the IASC Interim Guidance, “humanitarian leadership should advocate for local and national NGOs, including women’s rights and women-led local organisations and other marginalized groups of CSOs, to be fully included in balanced -and impartial pooled funding decisions on allocations, evidence suggests that they are often left out of the process.”

⁵ 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.

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 clusters, 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-cluster 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.
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 cluster partners, cluster 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, including CSOs with active presence in the emerging crisis-affected areas and demonstrated access.

Annex 3: Cross-cutting issues when developing a project proposal

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

When developing a project proposal, MHF recommends considering several cross-cutting issues that may help to elaborate a response, including accountability to affected population; age, gender and diversity; cash and voucher assistance, COVID-19, gender-based violence, environmental risks and climate change, localization, prevention of sexual exploitation and abuse and social cohesion.

Accountability to Affected Populations

Needs assessments, project design and project implementation 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.

Two **mandatory** indicators on accountability to affected population (AAP) should be included in all the project proposals submitted to the MHF by partners:

- **(AAP)** Percentage of affected people who feel informed about the different services available to them.
- **(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.

Age, Gender and Diversity

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.⁶ 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 do not cause 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 or within communities and households are prevented. Ensure your analysis is sensitive to gender and other inclusion considerations (age, ethnicity, religion, disability, etc.).**
- 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, ethnicity and other diversity questions.
- c) Accountability: Set-up appropriate mechanisms accessible to all different population groups including women,

⁶ Further information at the [Global Protection Cluster](https://www.unocha.org/global-protection-cluster) website.

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. Transformative approaches are also encouraged for other marginalized groups identified in the target areas.
- 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. Consider other creative ways of data collection on diversity to be conflict and gender equality and social inclusion (GESI) sensitive. This will help collect sensitive information from respondents or hard to reach target groups.
- 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 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.

The MHF also encourages partners to strengthen inclusiveness, considering special needs and vulnerabilities of persons with disabilities, older persons, adolescents, female-headed households, ethnic minorities and persons with diverse sexual orientation and gender identities, 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 organisations protection the rights of persons with diverse sexual orientation and gender identities 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.

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 organisations 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 carry out and what the people targeted by these actions have provided as feedback in terms of satisfaction.

The MHF also encourage to use disability-inclusion language. Here below some considerations:

- **Ableism: What it is and how to avoid it.** Ableism is defined as discrimination or prejudice against individuals with disabilities. It is based on the belief that persons with typical abilities – or without disability – are superior. They are not. The reason why the choice of words matters is to fight exactly this: ableism and its entrenched manifestations. At its heart, ableism defines people by their disability and as such, it carries harmful stereotypes, misconceptions, and generalizations of people with disabilities, as if they were ‘lacking’ something.

Do not use:

- To suffer from, to be afflicted by, to be stricken by, to be troubled with
- Retarded, simple, slow, afflicted, brain-damaged, intellectually challenged, subnormal, of unsound mind, feeble-minded, mentally handicapped

Instead, please use:

- To have [a disability/impairment/condition]
- Person with an intellectual disability or impairment

- **Avoiding the stereotype trap.** Impairments – whether physical, mental, intellectual, and sensory - are a part of life and of human diversity, not something to be dramatized or sensationalized. Persons with disabilities should therefore not be portrayed as inspirational or “superhuman”. This language implies that it is unusual for persons with disabilities to be successful and productive and to live happy and fulfilling lives.

Similarly, some commonly expressions - for instance, “special needs”, “differently abled”, or “people of all abilities” - have gained popularity over time, however they can be perceived as condescending because they euphemistically stigmatize a difference and are a way to avoid talking about disabilities. Such expression, in fact, reflect the misguided idea that disability needs to be softened. The result is that they can be perceived as euphemistic, patronizing, and offensive.

Some examples: “Persons with disabilities” is a more neutral term than “differently abled” (in fact, as some advocates note, we are all differently abled). Consider using “tailored assistance” instead of “special needs”.

- **Ensuring our communications products are respectful of persons with disability.** The [United Nations Disability Inclusion Strategy](#) (UNDIS) launched in 2019, which also guides OCHA’s work, aims to remove barriers and engaging persons with disabilities in all spheres of work and life to achieve sustainable and transformative progress on disability inclusion. Its indicator 15 on communication in particular requires that internal and external communications should be respectful of persons with disabilities. Prepared by the United Nations Office at Geneva in consultation with a diverse range of experts, including persons with disabilities,

the [Disability Inclusive Language Guidelines](#), available in all UN official languages, contain general principles and recommendations that you can use whenever you communicate, orally or in writing, about this topic.

[Cash and Voucher Assistance \(CVA\)](#)

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, even if the current disruption of the banking system and the lack of cash availability may impact this modality. For the use of cash and voucher assistance, as part of the cross-cluster approach⁷, organisations 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:

- 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 people in need.
- Global risk analysis (institutional, programmatic, contextual).
- Organization capacity to implement cash and voucher activities.
- Cost efficiency of cash and/or voucher assistance implementation.

In addition, due to the current context, partners should pay attention to the following considerations:

- Despite the challenges with the banking sector, CVA continue to be utilized successfully by partners to deliver humanitarian assistance. However, MHF will apply additional scrutiny to CVA programs to ensure that partners can implement successfully within the grant validity period.
- Partner proposals must clearly explain which CVA modality (mobile money, cash in envelope, e-vouchers etc.) and financial service provider(s) will be used.
- Given the contextual nature of the cash liquidity challenges, partners must clearly identify what those challenges are for their programs and how they plan to overcome them. References to past successes securing cash and/or making electronic payments are recommended.
- If additional service fees apply to source cash or make electronic payments, that estimated costs must be clearly indicated and sufficiently budgeted as part of the proposal.
- An increase in conflict, additional checkpoints and disrupted supply chains in some areas have made accessing markets difficult and unsafe for affected people. Proposals with CVA must document with evidence which markets the targeted people will access, whether supply of basic need items are adequately available in those markets and whether all targeted people can safely access them.

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.

⁷ Information on existing guidelines and additional resources. These activities will be supported by the [Cash Working Group](#).

Conflict Sensitivity (Do No Harm) and Social Cohesion

The MHF requires partners to mainstream conflict sensitivity (do no harm) and social cohesion in the funded projects to minimize negative impact and maximize positive impact, and actively support social cohesion for sustainable peace. This involves assessing the situation using social cohesion lens and promoting/strengthening social cohesion through specific actions. All initiatives must have a conflict-sensitive approach from start to finish.

Social cohesion is a diverse concept and field without a universal definition. In Myanmar context, it may mean living and working together in harmony. It also means the glue that binds society together for a common good. It ranges from personal, relationships, cultural and structural dimensions. All these layers are so common in Myanmar as societies strive for sustainable peace and living in harmony.

In other words, Social Cohesion is the degree to which a community or society is characterized by strong bonds (personal, interpersonal, communal, and societal), and by values/attitudes that make it resilient to the push and pull factors that cause social tension, segregation/fragmentation and violent conflict. Indeed, social cohesion can be understood as the measure of mind-sets, attitudes, behaviors and actions, and policies, systems and processes that prevents violence and builds peace. It can be understood at many levels: family, organization, sports team, village, state, country etc. Social cohesion is not the absence of conflict; but the ability to deal with conflict and transform conflict. It can be horizontal (between groups) and vertical (people and institutions).

COVID-19

COVID-19 related actions will be mainstreamed throughout the response to the humanitarian needs. In addition, the MHF will support the partners to adapt themselves to a new way of working, where duty of care, including safety and security questions related to the prevention against the virus, needs to be complemented with flexible working arrangements, in the most cases through online platforms, remote management and monitoring and limited field visits.

Two standard indicators are suggested:

- **(COVID-19)** Number of displaced people, migrants and host communities particularly vulnerable to the pandemic that receive adequate COVID-19 assistance (personal preventive equipment), including adequate risk information.
- **(COVID-19)** Number of frontline and humanitarian workers that receive COVID-19 personal preventive equipment, including adequate risk information.

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 organisations 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.⁸
- 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

⁸ 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/>

7, Sphere Food Security Standard 5 and packaging waste for food and NFIs. All tools and activities must be conflict sensitive. This will cut across the project cycle.

Gender-based Violence

The MHF will pay particular attention to prevent and mitigate identified needs associated with GBV, ensuring inclusiveness and considering special needs and vulnerabilities of persons with disabilities, older persons, adolescents, female-headed households, ethnic minorities and persons with diverse sexual orientation and gender identities.

Localization

For this allocation, special consideration will be given to support humanitarian response through civil society organisations (CSOs) in areas with emerging needs will be prioritized, including sub-grants provided through an intermediary partner or network. This support may include emergency capacity development for these organisations. Active presence in priority areas and demonstrated access to affected population are required.

The MHF encourages its partners to engage with local and national organisations on an equitable partnership basis, to ensure that all the partners and sub-partners involved in the implementation have brought added value to the design, implementation, management and monitoring of the activities. It includes fairly sharing of project support costs (PSC) between the applicant partner and the sub-partners, as well as ensuring enough human and operational resources under sub-partner budgets, particularly local CSOs and national NGOs. Inclusion of contingency budget lines under sub-partner budgets in case of unforeseen emergencies, giving extra flexibility to the approved projects, should be also considered.

The MHF advocates to decentralise some processes at sub-national level to ensure greater participation of national partners and sub-partners - e.g. prioritization process, strategic and technical reviews - to ensure greater participation of national partners and sub-partners. Particular attention will be given to local ethnic organisations, and their CSOs, in order to enhance access and proximity of humanitarian assistance in non-government controlled areas. Partnerships with local women-led organisations and women rights organisations (WLO/WRO) and those working with different diversities such as disabilities and LGBTQI+ support organisations are encouraged.

Prevention of Sexual Exploitation and Abuse

As per UN policy, there is zero tolerance in case of confirmed cases of SEA. Any alleged case should be immediately reported to OCHA. This policy applies also to sub-partners, contractors, consultants, vendors, etc. The MHF will require partners to have clear provisions and operational mechanisms on safeguarding including the [prevention of sexual exploitation and abuse \(PSEA\)](#), including appropriate policies and mechanisms to prevent and report any allegation or incident of SEA (review of due diligence). It should include effective feedback/complaints handling mechanism.

Funded partners and sub-partners should comply with mandatory training on PSEA, including all staff and involved personnel funded by MHF and involved in the implementation.

The MHF will be willing to extend appropriate support as needed.

Annex 4: Mandatory and Standard Indicators⁹

Mandatory - MHF Specific		
Sector	Indicator	HRP Target
AAP	Percentage of affected people who feel informed about the different services available to them and accept those services	-
	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	-
CVA	Number of people who received cash assistance.	-
	Number of people who received voucher assistance.	-
COVID-19	Number of displaced people, migrants and host communities particularly vulnerable to the pandemic that receive adequate COVID-19 assistance (personal preventive equipment), including adequate risk information	-
	Number of frontline and humanitarian workers that receive COVID-19 personal preventive equipment, including adequate risk information.	-
Persons with disabilities	Number of actions carried out to remove barriers and increase access to humanitarian assistance to persons with disabilities.	-

2021 Myanmar HRP		
Cluster	Indicator	HRP Target
Education	Number of targeted girls and boys (3-10) supported by partners to access quality and inclusive pre-primary/primary learning opportunities.	109,214
	Number of targeted adolescent girls and boys (11-17) supported by partners to access quality and inclusive post-primary learning opportunities	97,305
	Number of targeted teachers 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)	5,295
	Number of education sector staff with increased capacity to plan for, implement and monitor education programming (such as conflict sensitivity, DRR, needs assessments, etc.)	172
Food Security	Number of people who received food and/ or cash assistance	514,694
	Number of people who received agriculture and other livelihood support, contributing to household food security.	175,444
Health	Percentage of EWARS notifications that have been verified	100
	Number of outpatient consultations per person, per year, by administrative unit	579,667
Nutrition	Number of boys and girls 6-59 months screened for treatment of acute malnutrition, referral and follow up	104,109
	Number of boys and girls 6-59 months with SAM admitted for treatment	9,563
	Number of boys and girls 6-59 months with MAM newly admitted for treatment	33,680

⁹ All target indicators should be presented with data disaggregated by age, gender and disability, as much as possible.

2021 Myanmar HRP		
Cluster	Indicator	HRP Target
Nutrition	Number of pregnant and lactating women screened for treatment of acute malnutrition, referral and follow up	43,419
	Number of under nourished pregnant and lactating women admitted to targeted supplementary feeding programme	4,294
	Number of boys and girls aged 6-59 months at risk of acute malnutrition in priority locations who received blanket supplementary feeding programme	97,112
	Number of boys and girls 6-59 months who received micronutrient supplementation	97,112
	Number of pregnant and lactating women who received micronutrient supplementation	43,782
	Number of pregnant and lactating women receiving IYCF counselling	39,010
	Number of households with children (0-23 months) reached with messages on nutrition in the context of COVID-19	51,125
Protection	Number of people in need with access to minimum protection services	856,032
	Number of displaced people pursuing solutions who have moved to sites that were covered by inter-agency assessments	7,698
Shelter/NFIs/ CCCM	(CCCM) Number of displaced people in identified camps and camp-like settings that benefit from management support and services monitoring from a Camp Management Agency (CMA) or a site focal point	281,067
	(Shelter/NFI) Number of displaced people and other crisis-affected people with access to temporary shelter in accordance with minimum standards	191,722
WASH	Number of women, men, boys and girls benefitting from safe/ improved drinking water, meeting demand for domestic purposes, at minimum/ agreed standards	640,022
	Number of women, men, boys and girls benefitting from functional excreta disposal system, reducing safety/public health/environmental risks	640,022
	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	640,022
	Number of vulnerable people that are consulted, and their concerns are addressed, through dignified and inclusive WASH services	83,272
	Number of women, men, girls and boys accessing WASH services in temporary health facilities and learning spaces which received support from the WASH Cluster	46,397

Annex 5: MHF Budget Guidance

This guide has been developed 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 and to enhance the understanding of the main budget related issues encountered during previous allocations. 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 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 GMS budget template 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

Ineligible costs that remain the sole responsibility of the partner:

- 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.
- Costs related to products/services from any company associated to the Myanmar Armed Forces and listed in the Independent Fact Finding Mission (September 2019)
- 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.¹⁰

¹⁰ Those costs are charged as a direct cost for the management of the Fund.

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:

- Category 1: Staff and related personnel costs.
- Category 2: Supplies, commodities, materials.
- Category 3: Equipment.
- Category 4: Contractual services, including consultants.
- Category 5: Travel costs, including transportation, fuel, and daily subsistence allowances for staff, consultants and other personnel linked to the project.
- Category 6: Transfers and grants to counterparts.
- Category 7: General operating and other direct costs including security expenses, office stationery, 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. Partners can make up to 4 per cent provision of the sub-total of the project for contingency reserve to facilitate rapid responses to unforeseen urgent humanitarian.

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 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 budgeted¹¹. 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 system¹². 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.

- 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 position¹³. Roles and responsibilities must be clearly stated.

¹¹ 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).

¹² 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).

¹³ 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).

- If more than one position is lumped in one budget line, a breakdown, including defined roles and responsibilities, unit cost, duration and percentage charge to the MHF, 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 costs¹⁴, including staff, and 'S' for support costs¹⁵, 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 items¹⁶ 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).
- 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

¹⁴ 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.)

¹⁵ 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.

¹⁶ The list should be provided as an annex to the budget.

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 6 'Transfers and Grants to Counterparts'. The breakdown details are not required to be provided in GMS budget. However, the breakdown details using the same main partner's budget template should be uploaded under "Documents" tab. 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 for NGOs, (Article VII 'Financial and Operational Arrangements' paragraph 8) and for UN agencies (Article I 'Project Summary' paragraph 3), "The Implementing Partner shall be authorized to include a contingent budget line up to four (4) per cent of the total Project Budget under the "General Operating and Other Direct Costs" budget category". Calculation will be done on the sub-total budget of the project, before applying the project support costs (PSC) of 7 per cent.

Contingency budget lines must be designed to facilitate rapid responses to unforeseen urgent humanitarian needs that may be outside of the original geographic location/cluster 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, and including in narrative reporting. The inclusion of contingency budget lines under sub-partner budgets in case of unforeseen emergencies, giving extra flexibility to the approved projects, should be also considered. In any case, the total per project cannot exceed 4 per cent of the sub-total budget of the project.

1.7. Use of local transfer money agents

Considering the current disruption of the banking system and issues with cash availability, the MHF may allow expenditures related to the use of local money transfer agents in country, which are subject to the payment of some transaction fees. It will done on a case-by-case basis. For that, partners should inform the MHF via email prior using the service provider; to get MHF endorsement, ensuring that partners are applying their internal procurement process for the service, including selection of agent(s) based on reputation, prior/current experience; and sign a proper written agreement with the service provider. The MHF will allow to include the transaction fees as part of the eligible expenditure, creating or modifying the existing budget line in the approved budget with the following description: "bank fees and/or transaction fees related to the use of local money transfer agents", which is part of the budget category 7 (General Operating and Other Direct Costs). In exceptional cases, only when an agreement and invoice from the service provider will be not possible due to the sensitive context and the informal market, the partner will produce a note for the file or other supporting document describing the service and explaining the operation and expenditures, as per internal policy, signed by the authorized persons within the organization, following the internal segregation of duties policy.

Annex 6: Cluster contacts

Cluster	Name	Contact
Education	Nicole Starkey	nicole.starkey@savethechildren.org
Food Security	Laurent Gimenez Chirine Homsy	laurent.gimenez@wfp.org ; chomsy@mercycorps.org
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Annex 7: List of acronyms

AAP	Accountability to Affected Population	MAM	Moderate Acute Malnutrition
AB	Advisory Board	MHF	Myanmar Humanitarian Fund
ACCESS	Access to Health Fund	MHM	Menstrual Hygiene Management
CBPF	Country-based Pooled Fund	MHPSS	Mental Health and Psychosocial Support
CERF	Central Emergency Response Fund	MIAG	Maungdaw Inter-Agency Group
CCCM	Camp Coordination / Camp Management	MoHS	Ministry of Health and Sports
CBI	Cash-Based Interventions	NFI	Non-food Items
CFS	Child Friendly Spaces	NGO	Non-Governmental Organization
CMC	Camp Management Committee	NNGO	National Non-Governmental Organization
COVID-19	Coronavirus Disease 2019	NRM	Nexus Response Mechanism
CSO	Community-based organization	OCHA	United Nations Office for the Coordination of Humanitarian Affairs
EAOs	Ethnic Armed Organisations	PHEIC	Public Health Emergency of International Concern
EHOs	Ethnic Health Organisations	PLW	Pregnant and Lactating Women
EWARS	Early Warning Alert and Response System	PPE	Personal Protective Equipment
FTS	Financial Tracking Service	PSC	Program Support Costs
GA	Grant Agreement	PSEA	Prevention of Sexual Exploitation and Abuse
GBV	Gender-based Violence	PSF	Paung Sie Facility
GESI	Gender Equality and Social Inclusion	PSS	Psychosocial Support
GMS	Grant Management System	SADD	Sex and Age Disaggregated Data
HC	Humanitarian Coordinator	SAM	Severe Acute Malnutrition
HCT	Humanitarian Country Team	SEWG	South-East Working Group
HFU	Humanitarian Financing Unit	SRH	Sexual and Reproductive Health
HRP	Humanitarian Response Plan	TLC	Temporary Learning Center
IASC	Inter-Agency Standing Committee	UN	United Nations
IEC	Education and Communication	US\$	United State Dollar
ICCG	Inter-Cluster Coordination Group	VAT	Value Added Tax
INFORM	Index for Risk Management	WASH	Water, Sanitation and Hygiene
INGO	International Non-Governmental Organization	WHO	World Health Organization
IYCF	Infant and Young Child Feeding	WPHF	Women, Peace and Humanitarian Fund
JPF	Joint Peace Fund		
LIFT	Livelihoods and Food Security Trust Fund		