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## Acronyms

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<th>Description</th>
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<tbody>
<tr>
<td>AB</td>
<td>Advisory Board</td>
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<tr>
<td>CBPF</td>
<td>Country Based Pooled Fund</td>
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<tr>
<td>CERF</td>
<td>Central Emergency Response Fund</td>
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<td>CN</td>
<td>Concept Note</td>
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<td>CO</td>
<td>Country Office</td>
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<td>CE</td>
<td>Country Envelope</td>
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<td>ERC</td>
<td>Emergency Response Coordinator</td>
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<td>CBPFS</td>
<td>Country Based Pooled Funds Section (HQ)</td>
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<td>GMS</td>
<td>Grant Management System</td>
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<tr>
<td>HC</td>
<td>Humanitarian Coordinator</td>
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<td>HCT</td>
<td>Humanitarian Country Team</td>
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<td>HF</td>
<td>Humanitarian Fund</td>
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<tr>
<td>HFU</td>
<td>Humanitarian Financing Unit</td>
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<tr>
<td>HoCO</td>
<td>Head of Country Office</td>
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<tr>
<td>HoRO</td>
<td>Head of Regional Office</td>
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<tr>
<td>HPC</td>
<td>Humanitarian Program Cycle</td>
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<tr>
<td>HQ</td>
<td>Headquarters</td>
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<tr>
<td>HRP</td>
<td>Humanitarian Response Plan</td>
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<td>IASC</td>
<td>Inter-Agency Standing Committee</td>
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<tr>
<td>ICCG</td>
<td>Inter-Cluster Coordination Group</td>
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<tr>
<td>INGO</td>
<td>International Non-Governmental Organization</td>
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<tr>
<td>NNGO</td>
<td>National Non-Governmental Organization</td>
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<tr>
<td>M&amp;R</td>
<td>Monitoring and Reporting</td>
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<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
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<tr>
<td>NCE</td>
<td>No-Cost Extension</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>OCHA</td>
<td>Office for the Coordination of Humanitarian Affairs</td>
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<td>PP</td>
<td>Project Proposal</td>
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<tr>
<td>RC</td>
<td>Review Committee</td>
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<tr>
<td>RC/HC</td>
<td>Resident Coordinator/ Humanitarian Coordinator</td>
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<tr>
<td>RHFU</td>
<td>Regional Humanitarian Financing Unit</td>
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<tr>
<td>RhPF</td>
<td>Regionally hosted Pooled Fund</td>
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<tr>
<td>RO</td>
<td>Regional Office</td>
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<tr>
<td>ROWCA</td>
<td>Regional Office for Central and West Africa</td>
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<tr>
<td>SRC</td>
<td>Strategic Review Committee</td>
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<tr>
<td>TOR</td>
<td>Terms of Reference</td>
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<td>TRC</td>
<td>Technical Review Committee</td>
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1. Introduction

1. The Regional Humanitarian Fund for West and Central Africa (hereafter “the RHFWCA” or “Fund”) seeks to bring the benefits of pooled funding to new and underserved locations in West and Central Africa, with a focus on Burkina Faso, Cameroon, Chad, Mali and Niger. It follows the model of Country-based Pooled Funds (CBPFs) and is based at the OCHA Regional Office for West and Central Africa (ROWCA). Adding substantial value in a region with interconnected challenges, it will support the humanitarian response in each country, prioritizing urgent needs while promoting regional coordination and synergies (see section 1 of the relevant CE addendum for further details on the strategic vision of the Fund).

2. The Fund allows donors to pool their resources in support of countries in the region. Donors will make funding available to Country Envelopes (hereafter “CE”) that will be stood up and stood down based on humanitarian needs, available resources in respective countries and donors’ commitments.

3. In line with humanitarian needs and resource availability, RC/HC will decide on the use of each CE, with advice from country Advisory Boards, and based on country-level consultations and evidence-based requirements. The financial and administrative management of resources will be supported by OCHA’s Regional Office, which will also, through this role, share best practices between countries, and inform country-level decision-making and cross-border coordination through regional analysis.

1.1 Purpose and scope of the Operational Manual

4. The Operational Manual for the RHFWCA outlines the governance arrangements, allocation modalities and priorities, and accountability mechanisms of the Fund, as well as the roles and responsibilities of the stakeholders involved.

5. The Manual seeks to guide implementing partners and to facilitate the role of all stakeholders by:
   a. Providing clarification and instructions for all stakeholders involved in the management of the Fund on effective management and governance practices.
   b. Describing the steps and requirements of the allocation processes with the aim of enhancing timely and strategic allocation decisions.
   c. Providing an overview of the accountability and operational modalities of the Fund.

6. This Manual is issued at the regional level with addendums for each CE. Under the direction of RC/HCs in each country, the Manual as well as the addendum for the specific country will be endorsed by the Advisory Board.
2. Establishment, deactivation, and governance of Country Envelopes

2.1 Establishing a Country Envelope (CE)

7. The establishment of a CE follows the same process as a CBPF (see CBPF Operational Handbook).

8. CEs will be stood up and stood down based on humanitarian needs, available resources in respective countries and donors’ commitments.

9. The opening of an envelope for any given country will be endorsed by the ERC upon recommendation by OCHA following consultations with an array of stakeholders, including donors and operational partners.

10. RC/HCs from countries receiving funds will be designated by the ERC as custodians of the country envelopes and agree to leading a required set of processes at national level, mirroring the accountability of RC/HCs for CBPFs.

11. Conditions to open new CE will include:
   a. Official requests by RC/HCs.
   b. Solid rationale based on the extent of humanitarian needs, operational requirements, and coordination capacities.
   c. Sufficient financial commitments from donors.
   d. Ability of the RC/HC and readiness to set up an Advisory Board to ensure proper governance and management.

12. Minimum threshold for funding commitments, appropriate to the country context, will be established by the ERC to initiate a CE. This will avoid dilution of resources and ensure they are enough to support a strategic allocation in any given country.

13. The ERC will approve the minimum size of each country envelope, based on contextual analysis and OCHA’s recommendation. The minimum size will vary depending on the specific context and will consider the wider funding environment and absorption capacity of partners.

14. Following the formal establishment of a CE, the following steps should be carried out:
   a. Establish the Advisory Board (AB) and Review Committees.
   b. Familiarize the humanitarian community with the processes and requirements of the Fund.
   c. Provide coaching to prospective partners, clusters1, and other stakeholders, as required.
   d. Initiate the due diligence and capacity assessment processes.
   e. Develop a resource mobilization action plan to raise awareness and attract additional donors.
   f. Develop CBPF website on OCHA’s corporate domain.
   g. Configure and activate the Grant Management System (GMS) and organize necessary trainings and orientation sessions.

1 “Clusters” include working groups and/or other country-specific coordination mechanisms.
15. While the Fund may operate more than one country envelope in parallel, CEs will be established step-by-step in line with donor resourcing and will be “rationalized” through the application of minimum thresholds for funding commitments. This will ensure that country envelopes are sufficiently large to have substantial impact on the response – and that they remain focused on the top priority crisis contexts.

2.2 Deactivating/closing a CE

16. Once initiated, CEs remain operational for as long as they are useful to the response. Should a situation be reached in any given country where needs and funding availability decline to the point at which strategic allocations are no longer relevant or viable, the envelope will be deactivated upon recommendation by OCHA until such times as there are grounds for its re-activation.

17. Deactivating/closing a CE follows the same process as a CBPF (see CBPF Operational Handbook). The decision is taken by the ERC upon recommendation from the RC/HC.

2.3 Governance of the Fund and CE

2.3.1 Global Governance

- Emergency Relief Coordinator (ERC)

18. The ERC holds authority over and is accountable for the Fund and its CEs. The ERC monitors their performance through CBPF Section at Headquarters and makes decisions on the establishment, re-organization, and deactivation/closure of the Fund and/or its CEs.

- OCHA HQ - Country-based Pooled Fund Section and other relevant Sections

19. CBPF Section of the Pooled Fund Management Branch at OCHA Headquarters is the focal point for the Fund. It provides substantive support for the management of the Fund and its CEs. It supports the ERC in establishment, re-organization, and deactivation/closure of the Fund and/or its CEs.

20. CBPF Section and relevant Sections at OCHA HQ have the following functions:
   a. Support active resource mobilization
   b. Receive, administer and manage contributions from donors
   c. Ensure compliance with the rules and regulations in place (CBPF Operational Handbook, and UN Financial Rules and Regulations)
   d. Support the development of accountability and risk management frameworks to mitigate various risks
   e. Disburse funds to partners in accordance with the decisions of the RC/HC
f. Provide the RC/HC, the RHFU, Head of OCHA Regional Office and Head of OCHA Country Office with funding updates of donor commitments and disbursements transferred to partners, as well as other financial information

g. Engage in policy discussions and developments and provide policy guidance to the Fund.

- **Pooled Fund Working Group (PFWG)**

21. Pooled Fund Working Group (PFWG) is a multi-stakeholder forum that brings together Member State donors, international NGOs, national NGOs, UN agencies and OCHA to provide policy guidance to all humanitarian Funds (Country-based and Regionally hosted).

2.3.2 Regional Governance

- **OCHA Regional Office for West and Central Africa (ROWCA)**

22. The Regional Fund’s secretariat (referred to as the Regional Humanitarian Financing Unit) is based at the OCHA Regional Office for West and Central Africa (ROWCA) in Dakar, Senegal. It will operate the different CEs in collaboration with respective OCHA Country Offices whose duties are described below (see section 2.3.3).

23. The OCHA Head of ROWCA is responsible for the effective management of the Fund in accordance with the present Manual and its CE addendums. The responsibilities of the Head of ROWCA are as follow:

a. Support and advise RC/HCs on strategic orientations, resource mobilization and transnational humanitarian issues that require a regional analysis

b. Supervise the Regional Humanitarian Financing Unit (RHFU) and ensure that it is well-integrated and coordinated with other units of ROWCA

c. Ensure that RHFU has the capacity to fulfil its accountability requirements, including risk management and minimum operational modalities

d. Interface with headquarters on policy and strategic issues related to the Fund

e. Act as permanent member of the AB of each CE

24. In addition, while the Fund will support humanitarian response in each country by prioritizing urgent needs. Regional coordination and synergies will be promoted by ROWCA through:

a. **Support to RC/HCs and country Advisory Boards by the Head of ROWCA.** The Head of ROWCA will participate as a member in each CE Advisory Board, ensuring that regional perspectives and trends are considered in the development of country strategies and allocation decisions.

b. **Identify common regional priorities for RC/HCs to consider in their funding allocations.** While each RC/HC will have authority and flexibility on how to spend
resources available through country envelopes, a set of common overarching regional priorities will be developed by OCHA at the regional level, in consultation with a wide set of actors. This framework will allow RC/HCs and Advisory Boards to consider some common themes around which to potentially anchor their allocations (e.g. access, gender, accountability to affected people).

c. **Facilitate communications and promote dialogue with stakeholders at the regional level.** The Head of ROWCA participates in a series of regional fora, including the regional level IASC stakeholder meeting, meetings of UN regional directors, and regional donor meetings. The Head of ROWCA will share feedback from these fora with RC/HCs and country teams and will also update and consult regional colleagues on initiatives being undertaken at the country-level.

d. **Disseminate analysis of regional trends with RC/HCs and country Advisory Boards.** ROWCA plays an important analytical role, identifying and communicating humanitarian trends across the region. This analytical work is undertaken in partnership with a broad range of regional colleagues, which contribute their expertise and data to a common understanding of needs and priorities. RC/HCs and their Advisory Boards will benefit from the wider analysis of needs and priorities across the region through support from the Regional Humanitarian Financing Unit.

e. **Share learning and best practices between the different countries with funding envelopes.** Through the involvement of the Regional Humanitarian Financing Unit and the role of the Head of ROWCA on the Advisory Boards, OCHA will help communicate and ensure the sharing of best practices and learning across countries. Advisory Boards will benefit from insight on how other funding envelopes are prioritizing their response, any lessons gathered from allocations, and some best practices on programming. Country-level information will also be shared at the regional level and will therefore benefit from regional insight.

f. **Engage on transnational initiatives, where relevant.** The Regional Humanitarian Financing Unit and the Head of ROWCA can support those RC/HCs (and Advisory Boards) wishing to use funding envelopes to support cross-border initiatives. Once areas for possible collaboration are identified, OCHA can work with UN agency and NGO partners at the regional level, to organize discussions between country teams across borders, to align initiatives and programming. The Head of ROWCA also commonly convenes meetings among RC/HCs in the region.

- **Regional Humanitarian Financing Unit (RHFU)**

25. The Regional Humanitarian Financing Unit (RHFU) -based at OCHA ROWCA- is responsible for the daily management of all programmatic and financial aspects of the Fund and its CEs on behalf of the RC/HCs and under the supervision of the OCHA Head of ROWCA. The RHFU will coordinate and engage the OCHA Country Offices where CEs are
established for strategic and partnerships management. The RHFU will also coordinate with the CBPF Section at Headquarters for technical and policy guidance.

26. The RHFU executes RC/HC decisions and organizes the process of allocating funds according to the present Operational Manual and the respective CE addendums.

Functions of the RHFU

27. **Management of Fund and CEs’ operations and policy advice to the RC/HCs and OCHA Head of ROWCA, including on regional coordination and synergies:**
   a. Advise the RC/HC, OCHA Head of ROWCA, and Head of Country Offices on CE strategies and any other policy matters
   b. Facilitate the development of the CE scope and objectives and allocation strategy papers.
   c. Provide oversight to the entire funding cycle from the launch of an allocation to closure of projects.
   d. Engage with CBPF donors and coordinate with other humanitarian donors in the country, in collaboration with OCHA Country Offices.
   e. Draft the resource mobilization action plan and support its implementation in coordination with OCHA Country Offices and the OCHA Headquarters resource mobilization efforts.
   f. Support the RC/HC and OCHA Head of Country Office efforts to link the CEs with the Humanitarian Programme Cycle (HPC) by promoting allocations in alignment with the HRPs.
   g. Support and promote partner compliance with the Fund and CEs procedures.
   h. Produce reports, analysis and other documents as necessary to support decision-making, coordination, communication and resource mobilization activities. These may include funding updates, monthly reports, fact sheets, talking points, key messages, mission briefing kits, etc.
   i. Promote the complementary use of the CEs with funding from other sources such as CERF, in collaboration with the OCHA Country Office.
   j. Serve as secretariat for the Advisory Board, in collaboration with the OCHA Country Office
   k. Facilitate public information sharing with all stakeholders.
   l. Ensure governance and allocation documentation is available on relevant country page of OCHA website and Pooled Fund Data Hub.

28. **Project cycle management:**
   a. Facilitate and train stakeholders on the use of the Grant Management System (GMS).
   b. Ensure compliance with processes, systems, templates, and tools defined in present Manual and its CE addendums.
   c. Provide support to all fund recipients throughout the allocation process and promote a feedback system for continuous learning.
d. Participate in decision-making and facilitate activities associated with the strategic review of projects (project prioritization).

e. Participate in decision-making and facilitate activities associated with the technical review of projects.

f. Ensure follow up of fund disbursement and refunding with the CBPF Section at Headquarters.

g. Ensure narrative and financial reporting compliance.

h. Manage project revision requests (e.g., follow-up and support on budget revision, reprogramming, no-cost extensions, etc.)

i. Ensure Financial Tracking Service (FTS) reporting, as required, in coordination with the GMS Team at Headquarters.

29. **Implementation of the CBPF Accountability Framework:**

a. Support and advise the RC/HC, OCHA Head of ROWCA, and Head of Country Offices in the development and implementation of the Accountability Framework.

b. Coordinate and facilitate capacity and performance assessments, risk management, monitoring, and reporting.

c. Ensure compliance with the minimum requirements described in the operational modalities of the CE addendums to the present Manual.

d. Ensure compliance with audit requirements and follow up recommendations stemming from audits and monitoring findings.

e. Prepare the annual report of the Fund with chapters dedicated to CEs.

2.3.3 **Country Governance**

- **Resident/Humanitarian Coordinator (RC/HC)**

30. The RC/HC acts as the custodian of the CEs of the Fund on behalf of the ERC. The RC/HC decides the strategy for the use of the CE and ensures that the envelope is delivering on its key objectives and is managed in accordance with this Handbook and the CE addendum.

31. The RC/HC is supported by an AB which advises the RC/HC on the allocation of funds and other strategic issues.

32. The RC/HC is specifically responsible for:

a. Advise the ERC and lead the process at country level of establishing and deactivating/closing of the CE.

b. Approve, review, and update the present Operational Manual and its CE addendum.

c. Chair the AB and providing strategic direction for the CE, that will be outlined in the Strategic Vision document *(see section 1 of the relevant CE addendum)*

d. Lead country-level resource mobilization for the CE supported by the AB, ROWCA, Country Office and in coordination with relevant OCHA entities at HQ.

e. Approve the use of and defining the strategic focus and amounts of fund allocations.

f. Ensure that the AB and strategic and technical review committees’ function in accordance with the guidelines outlined in this Manual.
g. Make final decisions on projects recommended for funding. This responsibility is exclusive to the RC/HC and cannot be delegated. Funding decisions can be made at the discretion of the RC/HC, without a recommendation from the AB, for circumstances which require an immediate response.

h. Approve projects and initiating disbursements.

i. Support a coherent approach to regional emergencies, promote cross-border collaboration and synergies.

j. Ensure complementary use of CBPF funding with other funding sources, including the Central Emergency Response Fund (CERF).

- Advisory Board (AB)

33. The AB is a governance body with an advisory function that supports the RC/HC to steer the strategy and oversee the performance of the CE. The final decision-making authority rests entirely with the RC/HC, who is the chair of the AB.

34. The AB supports the RC/HC in developing an overall strategy and overseeing the performance of the CE. The AB is consulted on key aspects of the management and strategic direction of the envelope, including allocation strategies, resource mobilization and any other major decision taken by the RC/HC related to the fund.

35. Decisions of the AB shall be reached by consensus of the members (without participation of observers). In the event of disagreement, the HC reviews the different positions, and the final decision and responsibility remains with the HC.

Key responsibilities

a. Strategic focus and allocation of funds: The AB supports the RC/HC in ensuring that the main objectives of the Fund, as defined in the Strategic Vision in the CE Addendum (section 1 of the relevant CE addendum) is met. The AB reviews and advises the RC/HC on strategic elements of the Fund such as the allocation strategies, the operational manual and its CE addendum, and project selection. The AB advises the RC/HC in setting funding targets and support resource mobilization efforts, as per the Resource Mobilization Action Plan in the CE addendum.

b. Risk Management: The AB supports the RC/HC in undertaking periodic risk analyses, endorsing the risk management plan of the CE in accordance with the Risk Management Framework (see section 4 of the relevant CE Addendum).

c. Transparency of overall process: The AB oversees the proper implementation of the fund allocation process and management of funds. The AB monitors the fund processes with the objective of ensuring that all stakeholders are treated fairly, and that the management of the fund abides by established policies in the present Manual and CE addendum.

d. Review of CE performance: The AB monitors the operational performance of the Fund, providing advice to the RC/HC, including through an annual review and endorsement of the Common Performance Framework of the CE.

e. Accountability of AB members to their respective constituencies and the entire humanitarian community: Members of the AB are responsible to discuss and report
back on decisions made at the AB meetings to their respective constituencies (donors, national NGOs, international NGOs, and UN agencies) according to the format and form upon which they agree. AB members are also responsible for advising the RC/HC and supporting a decision-making process in the direction of prioritizing the response to the most critical humanitarian needs and in the most optimal, transparent, and fair way possible for the benefit of the most vulnerable populations.

36. In addition, the AB must be informed of:
   a. All cases of misappropriation of funds identified by the RHFU and the appropriate actions taken.
   b. All cases of allegations related to sexual exploitation and abuse.
   c. General conclusions from monitoring visit reports organised by the monitoring and reporting team of the Fund and/or independent evaluations.
   d. Conclusions and recommendations of evaluation(s) and/or audit missions.

**Membership**

37. AB members are nominated by their constituencies (listed below) and endorsed by the RC/HC.
   a. Resident/Humanitarian Coordinator (Chairperson, non-rotating)
   b. OCHA Head of Office (Member, non-rotating)
   c. OCHA Head of Regional Office for Central and West Africa (Member, non-rotating)
   d. Representative(s) of contributing donors (member, rotating, one-year term)
   e. Representative(s) of UN agencies (member, rotating, one-year term)
   f. Representative(s) of international NGOs (member, rotating, one-year term)
   g. Representative(s) of national NGOs (member, rotating, one-year term)

38. Under the leadership and upon proposal of RC/HC, observers (listed below) can be invited on an ad-hoc basis to the AB meetings:
   a. Member States (or entities) contributing to the Regional Fund, and other members of the humanitarian community, who are not regular members of the AB, in the event of presence in the country at the time of the AB meetings.
   b. Member State (or entities) non-contributing to the Fund, with priority to donors with local representation in Niger or regional representation covering Niger.
   c. Other observers such as experts in gender equality, Gender-based Violence (GBV), Prevention against Sexual Exploitation and Abuse (PSEA), organizations supporting women’s rights, organizations of people with disabilities, etc.

39. AB members serve as technical or strategic experts from their constituencies and do not represent the interests of their countries/organizations. AB membership should rotate on a regular basis. Replacement of AB members can be staggered to ensure continuity.

40. AB members must be at the senior leadership level (head of agency, etc.). They make a commitment to attend all AB meetings, to provide comments by email or on online platforms as required and should be authorised by their constituents to make decisions during AB meetings.
41. The number of representatives of the 4 constituencies (donors, UN agencies, INGOs and NNGOs) should be equal. It is recommended to limit membership to 2 or a maximum of 3 representatives of each constituency to ensure efficient decision-making. Balanced gender representation should be maintained where possible.

42. The AB meets at least once a quarter, in addition to meetings to discuss specific allocations. These meetings cover a range of tasks, including allocation priorities, reviewing the Operational Manual and the CE Addendum, performance targets and achievements, and/or to discuss changes in the humanitarian context. A higher frequency and/or ad hoc meetings may be requested by the HC – for example when the AB is required to support or review complex allocation decisions, or to meet as the Advisory Board with visiting officials and missions.

43. A minimum quorum of the following members is necessary to hold an AB meeting:
   a. Resident/Humanitarian Coordinator or the representative
   b. OCHA Head of Office or the representative
   c. OCHA Head of Regional Office for Central and West Africa or the representative
   d. One representative of contributing donors
   e. One representative of UN agencies
   f. One representative of international NGOs
   g. One representative of national NGOs

44. In line with the above-mentioned terms and principles, each CE is required to develop specific Terms of Reference for the AB that will be ratified by the AB members during the first AB meeting. The AB Terms of Reference will be added in the specific CE Addendum Annexed to the present Manuel (see Section 2 of the relevant CE Addendum)

- **Review Committees (Strategic and Technical)**

45. Funding allocations pass through two types of project review:
   a. Strategic Review—a first screening of project proposals in relation to the allocation strategy determined by the RC/HC and the AB and/or in relation to the Fund scope and objectives as outlined in the Operational Manual; and
   b. Technical and Financial Review—which assesses the technical soundness and quality of pre-selected project proposals, including budget issues.

46. The Strategic and Technical Review Committees are established at country-level for each CE. Specific SOPs will provide details on the Review Committees (see Section 5 of the relevant CE Addendum).

47. They are established through a consultative process with a limited number of cluster members.

48. When delivering the strategic function, the respective review committee should equitably represent the members of the cluster and be knowledgeable of humanitarian operations. When delivering the technical function, the respective review committee should be composed of a small group of technical experts to review project proposals.
49. Members of the respective review committees are nominated from the active members of the relevant sectors/clusters. The members should be familiar with the present Operational Manual and the specific CE addendum.

50. To avoid any conflict of interest, the coordinator(s) related to a lead agency which has submitted a project proposal cannot participate in the Fund Review Committee for the specific geographical area where the agency has applied; in this case, they should delegate the task to another relevant organization. An observer status can be considered.

**Strategic Review Committee (SRC)**

51. Strategic Review Committees (SRC) are called by each Cluster to review project proposals submitted by Funds’ eligible partners. Cluster Coordinators support OCHA/RHFU in the process by identifying members based on technical expertise and commitment to dedicate time for reviewing project proposals prior the SRCs and for attending the SRCs.

52. Clusters will send the list of SRC members as soon as an Allocation is launched. Clusters are encouraged to share the workload between several technical experts in particular for larger Allocations.

53. For each Cluster, the SRC shall consist of at least the following six (6) members:
   a. Cluster Coordinator (chair)
   b. Cluster Co-facilitator (co-chair)
   c. One UN representative
   d. One INGO representative
   e. One NNGO representative
   f. OCHA/RHFU representative (as process leader)

54. Members of the SRC are nominated from the active members of the relevant sectors/clusters. The committees should ensure an equitable representation of UN, INGOs and NNGOs.

55. Based on the allocations, it is highly encouraged to invite specialized advisors (gender, GBV, PSEA, disability, protection etc.) to the SRC.

56. In addition, Cluster Coordinators support OCHA/RHFU by ensuring pertinent Cluster information is available in a timely fashion to allow the SRC to deliver on its functions, including providing input for the scorecard and Cluster specific technical criteria which will be used to assess strategic relevance of project proposals.

57. A single scorecard will be used for each Allocation, to score all projects including multi-cluster projects. Scorecard content and design falls under the responsibility of the RHFU.

**Technical Review Committee (TRC)**

58. A list of projects, vetted by the SRC, is submitted by RHFU for consideration and approval to the RC/HC. Only these projects will be technically reviewed.

59. The objective of the technical review process is to ensure that proposals are of the highest possible quality before final approval by the RC/HC.

60. The Technical Review Committees (TRC) are comprised of groups of technical experts, per Cluster, that review project proposals according to their technical merit and the appropriateness of budget provisions. Sufficient time and effort must be dedicated, ensuring that substandard projects are improved or rejected.
61. The technical review stage includes financial review by OCHA Finance (RHFU and OCHA HQ). The financial review is part of the technical review, so that programmatic and financial feedback can be compiled by RHFU and shared with the applicant jointly.

62. The technical review process involves two-way communication between the review committee and the proposing organization. Partners will be able to re-submit project proposals at the most two times upon receiving written comments through the technical review process.

63. Cluster Coordinators will input and clear technical comments on the GMS.

- OCHA Head of Country Office

64. In close collaboration with the OCHA Head of ROWCA, OCHA Head of Country Office (HoCO) - in countries where there is a CE - will oversee the operations of the fund in support of the RC/HC.

65. A specific chapter in the CE addendum provides the details on the role and responsibilities of the OCHA Office and HoCO (see Section 2 of the CE Addendum). Overall, the HoCOs’ responsibilities with respect to the CE are to:
   a. Support and advise the RC/HC on strategic issues and resource mobilization
   b. Identify a specific Unit or person in the OCHA office that would act as the focal point and in-country support for RHFU
   c. Support the RHFU and coordinate with other country-level OCHA units
   d. Promote active involvement of existing coordination structures in Fund and CE processes and ensure that Fund scope and objectives and/or Allocation Strategy Papers are aligned with the HRP.
   e. Approve project revisions within the scope of the delegation of authority granted by the RC/HC.
   f. Interface with headquarters on policy issues related to the Fund
   g. Act as a permanent member of the country-level AB
   h. Review the CE’s complaints email (ocha-rhfwca-complaint@un.org).

- Stakeholders
  - Coordination mechanisms - cluster, sectors, working groups and sub-national coordination mechanisms

66. Cluster coordinators support the CE of the Fund at two levels:
   a. At a strategic level, cluster leads should ensure that there are linkages between the CE, the HRP and cluster strategies; and
   b. At an operational level, cluster coordinators, upon request, should provide technical expertise to the process of project prioritization and to the technical review of projects.
67. The Cluster coordinator and co-coordinators will undertake the following activities in relation to the CE of the Fund:
   a. Facilitate all Fund-related processes in consultation with cluster partners.
   b. Establish needs-based priorities for CE funding in consultation with cluster partners.
   c. Facilitate cross-cluster/sector/sub-national coordination.
   d. Lead a transparent and inclusive process to identify, review and recommend priority humanitarian projects for funding based on agreed priorities and strategies and document these processes.
   e. Ensure quality and timely submissions of all related cluster materials.
   f. Promote the systematic use of relevant standard indicators for projects.
   g. Participate in field monitoring visits to support technical assessment of implemented projects according to the provisions of the accountability framework endorsed by the RC/HC.
   h. Review and recommend revision requests when technical or strategic input is required.
   i. Input technical comments in the Grants Management System (GMS) during the allocation review process.
   j. Train and build capacity of cluster partners (national and international) on the Fund and CE procedures.

   o Implementing partners (IP)

68. Implementing partners (IPs) have the following responsibilities:
   a. **Application:** IPs must familiarize themselves with Fund and CE processes and seek advice from the OCHA Country Office and RHFU before applying for funding. In close collaboration with the RHFU and clusters, the applicant partner develops and submits a project proposal and budget to the Fund (see Annex 8 of this manual), through the GMS, providing all necessary supporting documents, within the given deadlines, and in a responsive manner.
   b. **Implementation:** After the approval process, the IP signs a grant agreement which specifies the terms and conditions applicable to the approved project. IPs commit to comply with all the requirements defined in the grant agreement. Grant agreements may be modified to accommodate necessary changes in projects.
   c. **Monitoring:** IPs must have robust internal monitoring and reporting procedures in place. IPs shall facilitate the monitoring of the projects in collaboration with the OCHA Country Office, RHFU, cluster coordinators and other relevant parties. The OCHA Country Office and headquarters reserve the right to organize visits with partners, external experts, or donors to review completed or on-going project activities.
   d. **Reporting:** The IP shall provide narrative and financial reports in line with the reporting requirements stipulated in the grant agreement or otherwise agreed in the accountability framework of the CE (see Section 3 of the relevant CE Addendum). In addition, any constraints (e.g., financial, logistical, security) that may lead to significant changes to the project must be communicated to the RHFU immediately.
69. While the CE and the Fund will provide funding directly to IPs. The Fund will only support sub-implementation where direct funding is not possible or where the partners express a preference to work in partnership.

70. The Fund discourages sub-implementation as a means of risk transfer. If it is felt to be necessary, due to the volatility of the situation, or the high risk of partners, this should be explicitly documented, and measures should be put in place to ensure enhanced support to sub-IPs with adequate monitoring of implementation.

71. The Fund will encourage sub-implementation when sub-IPs and specifically when local and national actors can benefit from technical expertise provided through the partnership. This approach intends to support the involvement of local and national actors where they have not yet completed the capacity assessment but can gain experience and develop capacities through the partnership.

72. Conversely, the Fund discourage such arrangements where they have been unable to demonstrate meaningful support and mentorship to sub-IPs and especially local and national actors, and where the arrangement has been reduced to one of transfer of funds (pass-through).

73. In case of sub-implementation, primary IPs shall:
   a. Ensure that any project support costs (PSC) are fairly distributed between the Implementing Partner and the sub-IP proportionate to the project budget and activities being undertaken by either.
   b. Ensure that sub-implementation demonstrable added value, including, amongst others, capacity strengthening of sub-IPs especially local and national actors when they are the sub-IP, promotion of integrated programming, and delivery of humanitarian assistance at scale.
   c. Depending on the amount of the funding granted to the sub-implementing partner, the RHFU may decide to conduct a capacity assessment of the sub-grantee. The threshold amount will depend on the risk level of the country and must be specified in each country addendum (see Section 3 of the relevant CE Addendum).

74. The Fund and its CEs bring decision-making over the use of resources to the country level, through an inclusive process that includes all key stakeholders and harnesses local knowledge and nuanced interpretation of local dynamics. This ensures that CEs are responsive to locally driven analysis and understanding of vulnerabilities.

75. At the Fund level, a mechanism will be established for each country envelope to facilitate feedback from communities and other stakeholders with a view to continuous enhancement in the transparency and accountability of processes.

76. At the project level, project proposals are required to articulate their approach to accountability to affected people, as a key aspect of program quality. Project monitoring activities include this aspect, with a view to generating observations and recommendations that can support learning and application of best practices.
3. Allocation of funds

3.1 Allocation Modalities

77. The Fund provides the RC/HCs with two modalities to allocate fund: Standard and Reserve Allocations.

78. Considering the underfunded scenario against protracted crisis needs and the urgency regarding emerging situations, rapid decision-making and immediate scale-up of life-saving response will be encouraged for both Standard and Reserve Allocations. This entails strong commitment and enhanced efforts from all stakeholders involved in the CE allocations to do everything in their power to expedite the allocation process to the extent possible and ensure maximum possible responsiveness.

79. A specific timeline will be including for each Allocation Strategy, considering key steps, responsible stakeholders, and dates.

3.1.1 Standard Allocation

80. The RC/HC uses the Standard Allocation process to support targeted priorities within the HRP, in clear linkage with the strategic objectives defined by the HRP, updated assessments and existing humanitarian coordination mechanisms.

81. The process is informed by the AB and is conducted in close consultation with humanitarian partners to ensure the best possible use of resources.

82. The process is transparent. Transparency is interpreted as the degree to which all relevant information is communicated to key stakeholders in a timely manner and whether allocation decisions are documented and rationalized.

83. A specific timeline will be included for each Allocation Strategy, considering key steps, responsible stakeholders, and dates. The process of the Standard Allocation is executed through several steps which are outlined below.
<table>
<thead>
<tr>
<th>Steps</th>
<th>Description</th>
<th>Responsibility</th>
<th># of Days (indicative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1 Allocation strategy development</td>
<td>1.1 RHFU prepares Allocation Strategy Paper (strategic priorities, criteria, process and timeline), in consultation with the RC/HC, AB, OCHA Head of ROWCA, OCHA Head of Country Office, and clusters.</td>
<td>Clusters/working groups, ROWCA, OCHA CO, RC/HC, AB, RHFU</td>
<td></td>
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<tr>
<td></td>
<td>1.2 Allocation Strategy Paper review by CBPF Section HQ</td>
<td>OCHA CBPF Section HQ</td>
<td></td>
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<tr>
<td></td>
<td>1.3 RC/HC review and AB endorsement of strategy</td>
<td>RC/HC, AB</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.4 RHFU launches allocation on behalf of HC</td>
<td>RC/HC, RHFU</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.5 RHFU develops a scorecard, in consultation with clusters, for the strategic review of the proposals.</td>
<td>RHFU, Clusters/working groups</td>
<td></td>
</tr>
<tr>
<td>Step 2 Submission of proposal</td>
<td>2.1 Submission of Project proposal on GMS</td>
<td>IP, Clusters</td>
<td>5 working days</td>
</tr>
<tr>
<td></td>
<td>2.2 General check by RHFU (eligibility of partner in case of suspension, compliance with template, non-duplication of proposal, etc.)</td>
<td>RHFU</td>
<td>2 working days</td>
</tr>
<tr>
<td>Step 3 Strategic review</td>
<td>3.1 Strategic Review Committees use GMS-based unified allocation scorecard to review and recommend projects in their respective sectors.</td>
<td>Strategic Review Committees, RHFU</td>
<td>3-5 working days</td>
</tr>
<tr>
<td>Step 4 Preliminary Approval</td>
<td>4.1 RHFU prepares SRC recommendations for AB review remotely or via AB meeting</td>
<td>- HC - HFU</td>
<td>3 working days</td>
</tr>
<tr>
<td></td>
<td>4.2 Recommended projects are submitted to RC/HC for pre-approval. AB may feedback to HC/HFU at meeting or via email (at discretion of RC/HC)</td>
<td>AB, RC/HC, RHFU</td>
<td>3 working days</td>
</tr>
<tr>
<td>Step 5 Technical and financial review</td>
<td>5.1 Partners are informed of RC/HC pre-approval or rejection</td>
<td>RHFU</td>
<td>10 working days</td>
</tr>
<tr>
<td></td>
<td>5.2 Technical Review Committees (TRCs) review pre-approved projects to ensure (i) they meet technical cluster and Fund’s requirements, and (ii) budget provisions are appropriate and feedback to partners.</td>
<td>RHFU, TRC, Clusters, CBPF Section HQ</td>
<td></td>
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<tr>
<td></td>
<td>5.3 RHFU shares consolidated budget and technical feedback shared with partner</td>
<td>RHFU</td>
<td></td>
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<tr>
<td></td>
<td>5.4 Proposal revised - if the project does not meet quality standards thereafter, it is rejected (maximum of 3 rounds of revisions recommended)</td>
<td>IP</td>
<td>5 working days</td>
</tr>
<tr>
<td>Step 6 Final approval by HC</td>
<td>6.1 RHFU prepares Grant Agreement for finalized projects and sets start date and reporting timeline in consultation with partner and in line with Operational Modalities</td>
<td>RHFU</td>
<td>2 working days</td>
</tr>
<tr>
<td></td>
<td>6.2 RC/HC approves project and signs Grant Agreement</td>
<td>RHFU, RC/HC</td>
<td>1 working day</td>
</tr>
<tr>
<td></td>
<td>6.3 Partner counter-signs Grant Agreement</td>
<td>RHFU, IP</td>
<td>2 working days</td>
</tr>
<tr>
<td></td>
<td>6.4 OCHA HQ/EO signs Grant Agreement which is uploaded as final in GMS</td>
<td>RHFU, OCHA HQ, IP</td>
<td>2 working days</td>
</tr>
<tr>
<td>Step 7 Disbursement</td>
<td>7.1 CBPF Section HQ actions disbursement</td>
<td>CBPF Section HQ</td>
<td>10 working days</td>
</tr>
</tbody>
</table>
3.1.2 Reserve Allocation

84. The Reserve Allocation modality will be used for rapid and flexible allocation of funds in response to unforeseen circumstances, emergencies or to catalyse further resources to a specific emergency. Reserve Allocations are usually slightly faster than Standard Allocations and are more geographically or thematically focused.

85. The Fund is active and open to emergency funding based on discussions between the RHFU, clusters, sectors, sub-national coordination mechanisms and eligible partners, and as per RC/HC decision.

86. Reserve Allocations require a strategy/case for funding which may of course be limited in scope and criteria when compared to Standard Allocations in order to ensure a rapid and flexible disbursement schedule.

87. When Reserve Allocations expect to receive more than one proposal, the Reserve Allocation proposals should undergo a competitive prioritization process using scorecards in the GMS.

88. No specific percentage of funds is set aside for the Reserve. Instead, a decision will be made by the HC, in consultation with the AB, determining what amount of funds should be set aside. These funds, not programmed during the Standard Allocation, will constitute the Reserve.

89. Given that it may be necessary to quickly activate the reserve modality; the allocation process is designed to be quicker than that for Standard Allocations. The RC/HC will consult with the AB on the activation of a Reserve Allocation process, unless due to extraordinary circumstances such consultation would be impractical or would significantly delay the decision-making process.

90. Consultation with the AB will be done either through a regular meeting, an extraordinary meeting convened specifically for the purpose, or by email where a meeting may be not preferred or is impractical for operational reasons. E-mail consultation will be on a ‘no objections basis’, typically with a 48-hour period for response. The RHFU will notify the AB of the HC’s final decision, typically within 24 hours of the consultation.

91. A specific timeline will be included for each Allocation Strategy, considering key steps, responsible stakeholders, and dates. The process of the Reserve Allocation is executed through several steps which are outlined below.

<table>
<thead>
<tr>
<th>Reserve allocation Process</th>
<th>Steps</th>
<th>Description</th>
<th>Responsibility</th>
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<td>RC/HC, RHFU</td>
<td></td>
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</tr>
</tbody>
</table>
### 3.2 Eligibility

92. Humanitarian projects carried out by the following organizations could be eligible for funding:

- a. NGOs – National and International
- b. Organizations of the Red Cross/Red Crescent (RC/RC) Movement
- c. UN Agencies

93. As soon as an eligible partner – NGO, UN agency or organization of RC/RC movement - implements a project funded by the Fund, an adjusted partner performance index will be applied, including information from the Internal Capacity Assessment and from its performance during the project implementation according to the established criteria. It may have an impact in the final adjusted risk level and implications as per Operational Modalities.

#### 3.2.1 Eligibility of NGOs and Organization of the RC/RC Movement

94. RHFU, in collaboration with OCHA Country Office, will carry out a due diligence process and an Internal Capacity Assessment (ICA) of potential NGO partners and organizations of the Red Cross/Red Crescent Movement. The outcomes of the due diligence and ICA
processes will determine the partner’s eligibility, and the risk level of the partners considered eligible. Please refer to Section 4.2.1 for further details on the eligibility process.

3.2.2 Eligibility of UN Agencies

95. To become eligible for funding, United Nations agencies that are member of the Humanitarian Country Team must fill out the Registration Form on the GMS of the Fund (http://gms.unocha.org/). UN agencies are required to provide name and contact information for the focal point(s) and the legal representative of the organization, address of main office, and bank information.

96. Once the registration and due diligence form duly filled out has been submitted, OCHA will proceed with its review and approval. Approval of the registration form by OCHA determines the eligibility of the UN agency.

3.3 Criterion for funding projects

97. Review and approval of project proposals is made in accordance with the programmatic framework and focus described above and based on the following criteria:

a. **Eligibility:** Partners that have gone through a due diligence and capacity assessment process and have an established risk level are eligible partners of the Fund.

b. **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 and the demonstrated operational capacity and physical access to the affected population of the application organization.

c. **Programmatic relevance:** This 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, gender and age marker score, the risks analysis and the mitigation measures, the conflict-sensitivity and protection analysis, the cash-based programming approach and the environmental risks, if any.

d. **Cost-effectiveness:** This question looks at the proportion of budget related to direct, staff and other personal cost and start-up costs.

e. **Management and monitoring:** This focus on the suggested monitoring activities including standard and mandatory Fund indicators, clear reference and actions related to ensure 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.

f. **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.
3.4 Project duration

98. Implementation of projects funded by the Fund is established at twelve months for Standard Allocations and up to six months for Reserve Allocations. Some projects, based on the needs and the nature of response, could exceptionally be longer than twelve months. The RC/HC is responsible for approving the length of projects before GA signature.

99. If necessary, during projects implementation, partners can request project revisions to re-program and, exceptionally, no-cost extension to extend the duration of the grant once for a maximum of three-month period, after strong justification. Cost-extension may be also considered following strong justification. (see Annex 4 of this manual)

3.5 Start date and eligibility of expenditure

100. The RHFU will liaise with the IP to determine the start date of the project. The earliest possible start date of the project is the date the project’s budget is cleared by the Finance unit of the CBPF Section at HQ. The agreed upon start date will be included in the Grant Agreement. The RC/HC will then sign the Grant Agreement.

4. Accountability Framework

101. Accountability is the foundation for effective management of the Fund and its CEs. It is exercised through a set of different components that enable the RC/HC, mandated by the ERC, to ensure that implementing partners are delivering intended programmatic results; that the CE of the Fund is managed responsibly and according to established guidelines; and ultimately that the CE is achieving its main objectives. The components are:
   a. Risk management
   b. Due diligence, capacity assessment and performance review
   c. Monitoring and Reporting (financial and programmatic)
   d. Project monitoring and financial spot-checks
   e. Audits (project level)
   f. Evaluation of Performance

102. There are two types of accountability that articulate what the main stakeholders involved in the Fund processes are responsible for and should be held accountable for. This essentially relates to what the RC/HC (and OCHA in its supporting function) and partners are respectively accountable for:
   a. Fund Management: Accountability relates to the ability of Fund to achieve its objectives as humanitarian financing mechanism. The RC/HC is responsible for establishing a process which produces high quality allocation strategies, selects appropriate and qualified partners, monitors implementation and verifies that reported results are genuine and matches those of approved project agreements. This is directly linked to the Common Performance Framework validated by the CC at the CE level.
   b. Partners: Accountability relates to the ability of individual organizations receiving funding to achieve expected project results. This means that partners are ultimately
responsible for project activities, project outputs and for reporting accurately on results.

103. Accountable use of resources is ascertained through a set of different components which is composed in the Accountability Framework. The Accountability Framework, once endorsed, will define how and when partners will be assessed and selected as the Fund partners, what will be monitored and reported on, how and when audits will be carried out, who is responsible for each pillar of accountability, what key actions will be taken, and what resources are necessary for ensuring overall accountability.

104. The RC/HC, through and with delegate authority to OCHA/RHFU, will take progressive actions to address non-compliance with any requirement stemming from the accountability framework or the relevant contractual agreements (see Annex 9 of the present manual).

4.1 Risk Management

105. The management of the Fund and its CEs is based on a risk-based approach to ensure that a thorough analysis of risks has undertaken and that adequate assurance modalities are identified to mitigate these risks. The Fund risk management and assurance activities are undertaken at various levels on a continuous basis.

106. At the Fund level, the Fund risk management aims at providing a specific set of tools for the decision-making process to support the achievement of strategic outcomes in a transparent manner. Risk management includes risk identification, risk analysis and the development of mitigation strategies to manage residual risks. Partner risk management is concerned with tailoring grant management procedures according to the capacity and performance of partners. Funding decisions should consider risk analysis at both levels suggesting the appropriate assurance mechanisms.

107. At the partner level, the Fund is required to assess the capacity of each NGO implementing partner that seeks funding to determine eligibility. Eligible NGOs are categorized according to a specific risk rating which determines the minimum standard of operational modalities applicable to the partner. The principle is that the higher the risk the more stringent assurance mechanisms will apply. The system encourages improvements in capacity as partners can migrate to lower risk levels through good performance and by addressing capacity weaknesses.

108. The combination of the fund level and partner level risk should inform funding decisions, determine applicable assurances, and spell out residual risk. Overall risk pertaining to a specific project should be determined by the partners’ level of risk combined with other contextual and operational factors. This could include the type of funded activity and the location/area in which the project is implemented.

109. CEs are required to develop a country-specific Risk Analysis and Mitigation Matrix (See section 4 of the addendum to the relevant CE) that will be annexed to the CE addendum of the present Manual.
4.2 Risk-based grant management

110. An essential component of the Fund Accountability Framework is the analysis of the risk that is present when disbursing funds to each partner. Partner risk analysis is carried out by analysing partner capacity which determines eligibility. Eligible partners are rated according to risk based on assessed capacity as: (i) High Risk, (ii) Medium Risk, or (iii) Low Risk. The risk level is translated into minimum control mechanisms (Operational Modalities) applicable to the grants issued to the partner. Over time, as partners receive funding and implements projects, risk ratings will increasingly be determined by partner performance Index.

111. Risk-based grant management serves three main functions. First, it aims at improving the management of the funded projects by matching grant management and oversight requirements with assessed risk e.g., low risk partners are subject to fewer controls than medium or high-risk partners. Second, risk-based management helps partners identify areas for improvement, and provides tangible incentives for capacity building, in turn allowing for a wider range of partners, especially national NGOs, to access funds.

112. The partner-based risk analysis only applies to NGO partners. These entities are not part of the UN system and do not have the legal standing of UN agencies. UN agencies are intergovernmental organizations that are accountable to UN Member States. Each UN agency has its own governance and control framework which applies also to their management of the Fund grants.

4.2.1 Eligibility Process

113. All organizations that are interested in becoming a partner of the Fund must participate in the Eligibility Process. The process is designed to determine whether an organization has the institutional, managerial, financial, and technical expertise to implement humanitarian projects.

114. The eligibility process for prospective partners shall be conducted once every year during the first quarter of the year ahead of the first allocation of the year. On exceptional basis, the HC may allow to conduct an ad hoc eligibility process anytime during the year to identify new humanitarian actors that may be the best placed to address new emerging needs in a specific geographical location where none of the eligible partners of the fund is present.

115. The Eligibility Process has three separate steps each with its own function:

**Step 1: Expression of Interest**: Determines whether an organization meets the minimum requirements to undergo a full assessment. This is conducted through the Clusters which recommend new organizations to OCHA RHFU to conduct the eligibility process.

**Step 2: Due Diligence/ GMS Registration**: Provides the organization access to the online Grant Management System (GMS) and due diligence information is reviewed.

**Step 3: Internal Capacity Assessment**: Assesses the risk level of the organization through a desk review of submitted documents and a visit to its office(s).

**Step 1: Expression of Interest**

All organizations that wish to engage eligibility process and send a registration request to the RHFU and/or OCHA Country Office must first ensure that all minimum requirements are
met. The minimum requirements are related to the institutional, managerial, financial and technical capacity of the organization as well as legal registration. The RHFU has compiled these minimum requirements to ensure that global OCHA and local requirements are met, but also to manage interested organizations’ expectations, as partners who do not meet the requirements would not be able to pass the full Internal Capacity Assessment (ICA).

116. The minimum requirements include:
   a. Valid Registration Certificate of the NGO (in the country of funding envelope and/or home country for international NGOs)
   b. Recommendation letter of at least one cluster recognizing the minimum technical capacity of the partner for implementing humanitarian projects
   c. NGO participation in the Humanitarian Response Plan (HRP) and coordination mechanisms

117. Once an organization has ensured that the minimum requirements are met, the organization must express its interest to become an eligible partner of the Fund through the Cluster to which it is affiliated as part of the coordination mechanisms at national and/or local level. The request must be submitted along with the registration certificate as well as supporting documents referenced above. In consultation with the concerned Cluster and through a review of the documents submitted, the RHFU will verify that the minimum requirements are met. The organization will be then invited to move to Step 2.

**Step 2: Due Diligence/ GMS Registration**

118. When an organization has passed Step 1, it will be provided with an account in the Grant Management System (GMS). GMS supports the full implementation of standard procedures and due diligence processes, it provides support throughout the entire project cycle management, it is the repository of necessary supporting project documents and it ensures timely and effective implementation of control mechanisms to manage and mitigate risks associated with the fund management.

119. In this step of the process the correct name of the organization is determined together with the partner, based on registration, bank information and constitution, and an account in that name opened in the GMS.

120. Subsequently, staff members must register as users in the GMS, and the organization must submit all the information needed for the due diligence process (see Annex 1 of the present Manual. Once users are registered in the GMS, a training is offered to all partners (in person or online) to introduce them to the GMS module where documents are uploaded.

**Step 3: Internal Capacity Assessment (ICA)**

121. When the Due Diligence Information has been approved, RHFU, in collaboration with OCHA Country Office, will carry out a due diligence process and an Internal Capacity Assessment (ICA) of potential NGO partners and organizations of the Red Cross/Red Crescent Movement. The outcomes of the due diligence and ICA processes will determine the partner’s eligibility, and the risk level of the partners considered eligible. The risk rating will in turn influence the control mechanisms (Operational Modalities) that apply to the
management of the partner’s grants, as described in the Global CBPF Operational Handbook.

122. Partner capacity assessments reflect the risk level of a partner at one point in time. The AB is required to review and, if necessary, revisit eligibility thresholds and corresponding risk levels (see section 3 of the addendum to the relevant CE).

123. Partners will be required to submit the documents listed in the ICA checklist via email or any document sharing mechanism. The assessment and scoring will be conducted in the GMS using the capacity assessment function. A comprehensive capacity assessment questionnaire is used to capture key elements of partner capacity in the following categories:
   a. Due Diligence and Registration
   b. Governance and Institutional Capacity
   c. Programmatic Response Capacity
   d. Coordination and Partnership Capacity
   e. Internal and Financial Capacity

124. Based on the context and in discussion with OCHA Country Office, the RHFU could include additional questions to the baseline questionnaire but may not remove or skip any of the core questions OCHA HQ requires for the assessment.

125. The assessment includes a desk-based review of the documents provided by the implementing partner; interviews with the organization’s staff members; where possible visits to the implementing partner’s offices, and interviews with key informants such as previous/existing donors and partners, as well as cluster leads and members. The ICA considers and, whenever possible, encompasses existing assessments such as Harmonized Approach to Cash Transfers (HACT).

126. If conducting an ICA is not possible due to extenuating circumstances, security concerns or lack of access, other modalities such as a Externally-contracted Capacity Assessment (ECA). In such cases, the following are some examples of information sources that can be used to ascertain the level of capacity of partners:
   a. Past performance in the country
   b. Assessments carried out by other donors
   c. Existing partnership agreements with other UN agencies and/or bilateral donors
   d. Demonstrated experience in the country
   e. Access to priority locations
   f. Recommendation from clusters regarding the capacity of partners

127. The Fund operates in highly volatile environments and often respond to sudden onset emergencies. In such circumstances, there may be situations where organizations that have not been subject to a formal capacity assessment require funding to carry out mission-critical or life-saving activities that no other organization can perform. In these exceptional cases, following the AB and RC/HC approval, in consultation with OCHA CBPF Section at HQ and with approval of OCHA’s Executive Officer (EO), a capacity assessment may be not necessary (or can be carried out later). Nonetheless, it is important to ensure that minimum checks are performed to safeguard the accountability of the Fund. In extremis, the Fund may begin funding without a capacity assessment but must always carry out, at minimum, due diligence process for prospective partners.
128. The outcome of the assessment will determine the eligibility of the Organization (Eligible or Ineligible). The minimum threshold to become eligible has been set at 50 points out of 100.

129. All organizations are informed of the outcome of the assessment via email in which an overview of findings and recommendations are provided regardless of the eligibility status.

130. Following an executive decision from the Fund Manager and in consultation with CBPF headquarters, if an organization’s past audits indicate major accountability issues and risks, the partner’s risk will automatically be lowered by one level (e.g., if the partner’s risk level is medium, it will be increased to high risk and if it is high risk, the organization may be made ineligible).

131. Capacity Assessment Scoring with threshold and risk levels:

<table>
<thead>
<tr>
<th>Organization Score (in percentage)</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥90.00 – 100.00</td>
<td>Organization is eligible as a Low-Risk partner.</td>
</tr>
<tr>
<td>≥70.00 – 89.99</td>
<td>Organization is eligible as a Medium Risk partner.</td>
</tr>
<tr>
<td>≥50.00 – 69.99</td>
<td>Organization is eligible as a High-Risk partner.</td>
</tr>
<tr>
<td>0.00 – 49.99</td>
<td>Organization is not eligible. A new capacity assessment can be reconsidered by the Fund twelve (12) months after the review date.</td>
</tr>
</tbody>
</table>

132. Capacity Assessment plays a two-fold role. On one hand, it aims at improving the management of Fund projects by identifying the most suitable modalities and scale of assurances that guarantees sufficient transparency, whilst not overloading partners with unnecessary controls. The streamlining of control mechanisms will make project management requirements lighter for partners classified as having high or medium capacity. On the other hand, the capacity assessment aims at building the capacity of partners by identifying their strengths and areas for improvement and outlining areas where organisational capacity and systems can be strengthened. Non-eligible organisations will receive feedback on the assessment and be encouraged to adjust so as to become eligible in the future.

4.2.2 Performance Management et Performance Index (PI)

133. RHFU will continuously assess performance of partners through the application of monitoring, reporting and financial controls tools, which provide up-to-date information on the quality and success of implementation. Within the Accountability Framework, the internal GMS-based Performance Index tool track partners’ performance so as to inform future funding decisions and revise, if necessary, the Operational Modalities and Control Mechanisms that apply to partners.

134. It allows the Fund to have an up-to-date rating of partner’s performance. The rating of the performance of partners in the implementation of projects will be used alongside the original capacity assessment and contextual factors to determine and adjust as necessary the partner risk levels.
135. The PI tool has been developed to support the RHFU to score the performance of partners on supported projects from submission to closeout. The following categories of partner performance are tracked and scored:
   a. Quality and timeliness of submissions of project documents (proposals, budget and concept notes)
   b. Quality and timeliness of implementation against approved targets
   c. Quality and timeliness of reporting
   d. Frequency, timeliness, and justification of project revision requests
   e. Quality of financial management
   f. Audit findings

136. The scores assigned to each project on the above categories will be summarized in a Performance Index (PI). The PI score is captured in the GMS and is used along with the original capacity assessment score to determine the performance score and risk level of a partner. To reward sound project implementation, the score from PI will progressively be given more weight and the capacity assessment score will become less significant as partners implement more projects. The partners’ scores on the most recent projects will be considered the most important and given the most weight in calculating the overall risk rating score. If the overall risk score of a partner reaches a threshold at which the risk level of the partner should be adjusted, the Fund Manager will be notified automatically through the GMS.

137. Eligible partners that have not implemented projects for more than two consecutive years will be required to undergo a new capacity assessment.

138. If a partner performs poorly consistently and its risk rating score moves from high risk to the threshold of ineligibility, it will be rendered ineligible based on poor performance. Ineligible partners can re-apply for capacity assessment one year after being rendered ineligible, if they can demonstrate that the elements that caused the poor performance have been addressed.

139. UN Agency projects must also be scored for performance in all areas except for the audit. The PI score can be used to assess future funding decisions and frequency of monitoring.

### Performance Index Categories (1-6)

<table>
<thead>
<tr>
<th>Category</th>
<th>Category weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Quality of project document and timeliness of response: How do you assess the quality of the proposals and the timeliness of the response on comments made?</td>
<td>10%</td>
</tr>
<tr>
<td>2. Implementation status (Monitoring and Financial Spot-check findings): What is your overall assessment of the project implementation (quality and timeliness) against approved targets and time-frame? (In case of Financial Spot-check - what is your overall assessment of the soundness of the internal controls and the accuracy of the financial records?)</td>
<td>25%</td>
</tr>
<tr>
<td>4. Revision request/s: How do you assess the timeliness, frequency, and justification of the project revision?</td>
<td>10%</td>
</tr>
<tr>
<td>6. Audit findings: How do you assess the audit findings?</td>
<td>20%</td>
</tr>
</tbody>
</table>
The scores assigned to each project on the above categories will be summarized in a Partner Performance Index (PPI) as follows:

<table>
<thead>
<tr>
<th>Score</th>
<th>Description</th>
<th>Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>00.00 - 49.99</td>
<td>Very poor Performance</td>
<td>Ineligible</td>
</tr>
<tr>
<td>50.00 - 59.99</td>
<td>Poor performance</td>
<td>High</td>
</tr>
<tr>
<td>60.00 - 69.99</td>
<td>Below average Performance</td>
<td>High</td>
</tr>
<tr>
<td>70.00 - 79.99</td>
<td>Average Performance</td>
<td>Medium</td>
</tr>
<tr>
<td>80.00 - 89.99</td>
<td>Above average Performance</td>
<td>Medium</td>
</tr>
<tr>
<td>90.00 - 94.99</td>
<td>Good performance</td>
<td>Low</td>
</tr>
<tr>
<td>95.00 - 100.00</td>
<td>Outstanding Performance</td>
<td>Low</td>
</tr>
</tbody>
</table>

All projects implemented by a partner as well as the initial capacity assessment (CA) are considered in the performance index. Based on the number of projects implemented, the PI score is automatically adjusted, and the CA becomes less relevant.

4.2.3 Operational Modalities

140. The information about partners obtained through the Fund Accountability Framework tools, but also through other credible sources (consultation with OCHA Country Office, Cluster, etc.), is used to inform decisions on partner engagement modalities. The assurance mechanisms that are used to manage grants vary depending on three factors: partner risk level, value of the project, and duration of the project.

141. These aspects are captured in the Operational Modalities that each CE is required to develop and add as annex in the CE addendum of the present Manual. The details of the Operational Modalities are outlined in the Global CBPF Operational Handbook (see Annex 3 of the addendum to the relevant CE). The Operational Modalities must cover the following aspects:

a. Disbursement policy (i.e., number and percentage of disbursements)

b. Funding ceiling

c. Field monitoring visits

d. Financial spot checks
e. Narrative reporting requirements
f. Financial reporting requirements

g. Project audit

4.2.4 Compliance measures

142. Through the above mentioned accountability mechanisms, the RC/HC aims to safeguard programmatic and financial management of the CE of the Fund. Compliance measures enables the RC/HC to address non-compliance with the legal terms agreed between the Fund and the recipient organization, especially related to the following types of situations:

a. Overdue financial or narrative reports
b. No refund of unspent funds
c. Critical (high risk) audit findings/qualified audit opinion (especially on lack of critical internal controls, serious weaknesses in internal controls, lack of bank reconciliation; lack of double-entry accounting system; lack of supporting documents, lack of authentic receipts)
d. Critical findings from monitoring and financial spot checks
e. Violation of humanitarian principles and code of conduct.
f. Indication of possible fraud, corruption, or misuse of funds (See Annex 6 of the Present manual).

143. OIOS performs internal audits of OCHA, and adheres to the single audit principle, whereby it cannot audit UN funds and programs which have their own internal audit function. OIOS and Board of Auditors (BoA) audits regularly cover OCHA management of pooled funds and consider whether procedures for management of the funds are appropriate. These audits cover all parts of the Fund (allocations, risk management, etc.), look at compliance with rules and guidelines and are publicly available.

144. When a partner does not comply with the requirements described in the present Manual and its CE addendums and reflected in the contractual agreement or violates any other obligations stemming from the contractual agreement, OCHA will progressively take corrective actions commonly referred to as compliance measures (See Annex 9 of the Present manual). In line with the single audit principle, donors and member states should not carry out additional audits and should respect the single audit principle to avoid duplication of efforts, minimize disruption and costs to all parties and conflicting recommendations that could result in widespread confusion and misunderstanding of Fund operations.

145. The general principle underpinning the application of compliance measures is that whenever a partner does not comply with requirements stemming from the accountability framework described above or in relevant contractual agreements, the RC/HC, through RHFU and OCHA HQ, will take progressive actions to address the partners’ behaviour. Solutions will be pursued as and when deemed appropriate by OCHA.
4.2.5 Common Performance Framework (CPF)

146. The Common Performance Framework (CPF) is a management tool that provides a set of indicators to assess how well a CE performs in relation to the policy objectives and operational standards set out in the Global CBPF Operational Handbook. The CPF will enable management and stakeholders involved in the governance of the Fund to identify, analyse, and address challenges in reaching and maintaining a well-performing Fund.

147. The tool is built on five fundamental principles: inclusiveness, flexibility, timeliness, efficiency, and accountability and risk management. These principles guide the management of Fund and how it has achieved the strategic objectives of improving the response, strengthening leadership and ensuring better coordination and resourcing of humanitarian plans. The CPF includes a set of 20 performance indicators to assess the Funds’ overall ability to deliver their overarching objectives in line with five principles.

148. In the first quarter of each year, each CE will discuss the indicators with the AB and set the targets/benchmark and definitions of score ranges based on its context. Results will be reported in the Fund’s Annual Report.

4.3 Monitoring

149. The Fund implementing partners (UNs, NGOs and organizations of RC/RC Movement) are expected to have adequate internal mechanisms for project management, reporting and monitoring. The capacity of each organization will be verified during the eligibility process, the project approval process as well as during the monitoring and reporting phase. All recipient organization are subject to monitoring by the Fund. The requirements, based on risk-level of partners, are outlined in the CE Operational Modalities (See section 3 of the addendum to the relevant CE). The same approach is applied to project implemented by UN agencies.

150. Monitoring of projects is applied in accordance with the monitoring plan that is defined prior the signature of the Grant Agreement in line with the CE Operational Modalities. For each funding instance, a monitoring plan is developed, specifying the type and frequency of monitoring to be applied on funded projects. The basis of this plan in informed by the partner risk level, project duration and amount, location of the project and other relevant information. The type of monitoring tools in the monitoring plan should be able to satisfy the minimum standards set out in the operational modalities.

151. The main purpose of monitoring is to assess progress made towards set targets and to verify the accuracy of reporting submitted by UN and NGO partners. The monitoring and reporting have the following key objectives:

a. Verify partner progress in delivering of project outputs and activities (as per log frame and work plan), the beneficiary targeting process, the use of resources (as per budget) and internal monitoring and reporting systems.

b. Triangulate information collected through other means, identify gaps and trends in humanitarian operations and reflect on best practices and lessons learned using findings and recommendations for results management, risk mitigation and public information.
c. Strengthen partnership and coordination between OCHA, the partner and the local authorities, and to engage and seek feedback from affected communities.

4.3.1 Roles and Responsibilities

152. The RC/HC is responsible for ensuring that a representative sample of funded projects are effectively monitored through appropriate monitoring modalities. The RHFU is further responsible for coordinating monitoring efforts and ensuring that monitoring of projects is carried out.

153. The RHFU shall calculate the expected costs of monitoring and reporting activities based on the target and timeframe. These costs shall become part of the RHFU cost plan and are a direct cost of the Fund.

154. The RHFU coordinates and participates in field monitoring visits and should work closely with OCHA Country Office and Clusters in devising procedures related to monitoring. Upon request of the RHFU and approval of the HoO, the OCHA Country Office may carry out some monitoring activities on behalf of the RHFU. A monitoring plan should be developed by the RHFU at the time allocation decisions have been made. The monitoring plan may be adjusted depending on changes in the operational context and information gathered through reporting. The following are the key responsibilities of the RHFU in terms of monitoring:

   a. Developing and maintaining a comprehensive monitoring plan which reflects the minimum requirements of the CE operational modalities.

   b. Working with cluster coordinators and co-coordinators in ensuring that monitoring is undertaken in close coordination with other cluster monitoring activities.

   c. Developing terms of reference and contracting external expertise for third party monitoring or remote monitoring as required.

   d. Undertaking field site monitoring missions in line with the monitoring plan in cooperation with OCHA sub-offices.

   e. Reviewing and analysing information collected through monitoring activities and reporting.

155. Minimum monitoring arrangements for projects implemented by RC/RC Movement and NGOs will be determined based on the risk level assigned to the partner, the duration of project activities and the size of the project budget as articulated in the CE Operational Modalities.

4.3.2 Monitoring Tools and Process

156. Taking into consideration that partners’ project management systems is the backbone of monitoring, one of the objectives of Fund monitoring tools is to provide an additional level of verification of project results. Partners describe the tools they intend to use for project monitoring in the project proposal.

157. The monitoring plan should describe what type of monitoring tools that will be used to satisfy the minimum standards set out in the CE operational modalities. The following monitoring tools could be used:
a. **Field site monitoring**: implemented by RHFU and supported by OCHA Country Office and clusters, field site monitoring is a critical component of the overall framework to verify that funded projects are delivering against targeted outputs, and to allow the RC/HC and clusters to assess the qualitative aspects of programme implementation. As there are limitations to what can be observed through site visits, additional information will still need to be collected through other means. While field monitoring will not attempt to make evaluative assessments of projects, it will be essential to select an approach that covers issues beyond the delivery of project outputs. Field monitoring visits should, at a minimum, collect information that: (i) assesses the timeliness of the overall project implementation; (ii) verifies reported results; and (iii) assesses progress on key project activities.

In addition, the RHFU monitoring team will visit partners' offices to assess the quality and methodology of ongoing projects, focusing on quality control. These visits aim at raising awareness on the importance of monitoring during RHFU evaluation, ensuring that partners adhere to the monitoring standards they have proposed, especially when projects include sub-implementing partners. During the visits, RHFU commits to submit comments and methodology on how partner monitoring modalities can be improved.

b. **Third Party Monitoring (TPM)**: TPM is considered as one of the monitoring approaches suitable for the Fund due to limited access but also, to avoid monitoring gaps as the considerable size of the fund does not allow RHFU and cluster staff to conduct all the required monitoring visits. This approach enables the Fund to obtain independently verified information on the status of implementation of projects (mainly in high-risk areas), with particular emphasis on the achievement of project outputs. The approach combines field visits and desk reviews of available fund-related documentation (e.g., project proposals and any other relevant information/documentation). The focus of third-party monitoring is to verify that contracted activities are being implemented and associated outputs are delivered. Based on the context and upon approval of RC/HC and the AB, TPM could be outsourced to private service providers.

c. **Remote monitoring**: Remote monitoring online or via phone occurs in instances when it is not feasible to conduct physical project visits. This is not uncommon as the Fund tend to operate in insecure and highly volatile environments with restricted access. Remote monitoring only be used as a last resort in cases where there are no other options, the principle is to use enough sources of information to allow for meaningful monitoring. For those situations where it is not possible to undertake any form of monitoring (physical or remote), funding projects should be considered in light of the urgency of the needs they address.

d. **Financial Spot Check (FSC)**: FSC is conducted to assess the soundness of the internal controls and the accuracy of the financial records of the partner. A financial spot check should be conducted based on the risk level of the partner and the operational modality of the Fund. On-site FSC by RHFU staff and special audits by audit firms may be conducted based on CE Operational Modalities, or when warranted due to concerns about the functioning of the partner’s internal controls. It is advisable that at least one spot check per partner per year be conducted (See Annex 5 of the Present manual).
158. All options above will need to be carefully assessed using a ‘Do No Harm’ approach to make sure that the selected monitoring option does not simply ‘transfer risks’ to other entities in charge of monitoring or create unintentional harm.

4.4 Reporting

4.4.1 Partner Reporting

159. At the partner level, the Fund requires reporting, which is one of the key elements of the Fund Accountability Framework, to ensure that activities carried out are on track to reach proposed project objectives.

160. All implementing partners, in accordance with the CE Operational Modalities, are required to submit Narrative and Financial Reports (interim and final, as relevant). Reporting requirements are determined by:
   a. Duration of projects (applicable to both UN Agencies and NGOs)
   b. Partner risk level (applicable only to NGOs)
   c. Total project budget (applicable only to NGOs)

All narrative reports should collect, as a minimum requirement, information on:
   d. Number of beneficiaries targeted and reached,
   e. Progress on project outputs,
   f. Use of funds (un-certified financial expenditures), and
   g. Details of sub-granting

The reporting templates are available on GMS.

161. Individual reporting requirements for each project can be found under Annex B of the project Grant Agreement (See Annex 2.a of the Present manual).

<table>
<thead>
<tr>
<th>Type of reporting</th>
<th>Type of partners</th>
<th>Reporting timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Narrative</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interim</td>
<td>All IPs</td>
<td>According to CE Operational Modalities</td>
</tr>
<tr>
<td>Final</td>
<td>All IPs</td>
<td>Within but no later than two months after project end-date</td>
</tr>
<tr>
<td><strong>Financial</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interim</td>
<td>NGOs and RC/RC organizations</td>
<td>Upon utilization of 70% of disbursed funds and prior to application of the subsequent tranche, where applicable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To be submitted by 31 January covering expenditure incurred up to 31 December of previous year</td>
</tr>
<tr>
<td></td>
<td>UN</td>
<td>By 31 January to reflect expenditure incurred up to 31 December of previous year</td>
</tr>
<tr>
<td>Final</td>
<td>NGOs and RC/RC organizations</td>
<td>Within but no later than two months after project end-date</td>
</tr>
<tr>
<td></td>
<td>UN</td>
<td>Upon completion of the project covering the period between inception and completion of the project due no later than 30 June of the following year</td>
</tr>
</tbody>
</table>
4.4.2 Fund Annual Report

162. At the Fund level, RHFU periodically reports on the use of the Fund and CEs through an Annual Report. The Annual Report will include CE-focused chapters. It will focus on CE allocations and achievement by Clusters, and will feature trends, best practices, lessons learned and challenges, and showcase success stories and achievements. To measure the performance of CEs, RHFU uses the Common Performance Framework (CPF) mentioned above.

163. RHFU will also publish a range of public information products, including dashboards (quarterly, allocation-specific, and thematic) and human-interest stories.

4.5 Audit

164. Internal UN oversight bodies (OIOS – Office of Internal Oversight Services and the BOA - Board of Auditors) regularly audit OCHA, including the Fund, operations.

165. The external audit is an oversight mechanism and an essential component of the Fund Accountability Framework. It enhances the transparency and sound financial management of resources allocated through the Fund. Independent audit of all NGO executed projects funded through the Fund is conducted by an external audit firm and should be triggered within two months after approval of the final financial report. UN agencies are subject to internal oversight audit systems and other mechanisms established by their respective governing bodies.

166. The Fund audits are conducted in accordance with the International Standards on Auditing, at locations determined by factors such as implementation, partner risk levels, and security and access considerations. A separate audit report is issued for each project, containing the audit findings, and pointing to the areas that need to be addressed by the partner to improve its capacity and performance. The audit findings are taken into consideration when the partner risk levels, or future operational modalities are adjusted.

167. An audit contract based on a Long-Term Agreement (LTA) Contract, procured through the UN Procurement Division, is in place for all Humanitarian Funds including the Regional Humanitarian Fund. It is the responsibility of the RHFU to ensure Task Orders are in place under the relevant LTA to cover all upcoming audits in a timely manner and this is carried out in liaison with the OCHA Operational Services Section at HQ. The costs of the audit services will be covered by the Fund.

168. Once the audit process is triggered on GMS, automatic notifications will be sent out to partner copying RHFU team. Below is an indicative workflow:

   a. RHFU Finance focal point informs the partner by email about the start of the audit as soon as the plan is agreed with audit firm.

   b. The auditors will get in touch with partner to agree on field visit to partner office and then share the final plan with RHFU.

   c. After the conduct of the audit, the audit firm shares the draft report with partner for soliciting their management response. If there is a critical finding, the auditor should immediately inform RHFU for further advice prior getting back to partner. The partner has one week to provide the management response to audit firm.
d. The audit firm shares the final draft report for RHFU review after receiving the partner feedback.
e. Once the report is reviewed/finalized by RHFU, the audit firm issues the final signed audit report both to partner and RHFU.
f. RHFU upload the report on GMS for CBPF Section HQ clearance.
g. Once the report is cleared by CBPF Section HQ and all dues (refund or disbursement) are processed, the project will be closed by RHFU on GMS.

169. RHFU will keep a log of all audit findings that may expose OCHA to high risks to ensure that partners address previous findings on management weaknesses before applying for new funding. The audit performance will feed into the Performance Index of an implementing partner which will impact the risk level of NGO and RC/RC organization partners.

170. RHFU may also recommend the HC to trigger a specific audit during project implementation if it has reasonable concerns about the implementation of a project.

4.6 Accountability to affected population

171. All Fund stakeholders are strongly encouraged to abide by the five Commitments to Accountability to Affected Populations of the IASC (leadership/governance, transparency, feedback/complaints, participation, design monitoring and evaluation).

172. The Fund and its CEs bring decision-making over the use of resources to the country level, through an inclusive process that includes representatives of local civil society and harnesses local knowledge and nuanced interpretation of local dynamics. This ensures that CEs are responsive to locally driven analysis and understanding of vulnerabilities.

173. At the Fund level, a mechanism will be established for each CE to facilitate feedback from communities and other stakeholders with a view to continuous enhancement in the transparency and accountability of processes.

174. At the project level, partners are required to have a feedback/complaints mechanism, in which community members can raise concerns to staff not involved in the project and this can be done anonymously. In the project proposals, implementing partners are asked to describe how affected populations and specific beneficiaries have been and will be involved throughout the project cycle. Reporting and monitoring procedures will seek to verify how this has been applied throughout project implementation. This will include, for the projects that will be monitored, assessing the level of participation and access to information by project beneficiaries and complaints mechanisms.

4.7 Complaint Mechanisms and Appeals Process

175. During the project implementation and reporting, if needed, the RC/HC, through the RHFU, will take progressive actions to address non-compliance with the contractual agreements and any obligations described in the Global CBPF Operational Handbook. The measures enable the RC/HC to address non-compliance with the legal terms agreed between the Fund and the recipient organization, especially related to the types of situations detailed above under Section 4.2.4. Compliance Measures.
176. Stakeholders with insufficiently addressed concerns or complaints regarding processes or decisions can at any point in time contact OCHA using the Fund complaints email (ocha-rhfwca-complaint@un.org) which is accessible only by OCHA Head of Regional Office and OCHA Head of Country Office. Complaints will be compiled, reviewed, and raised to the RC/HC, who will then take a decision on necessary action(s). The RC/HC will share with the AB any proven cases and actions taken thereof.

4.8 Reporting Fraud and Sexual Exploitation and Abuse (SEA)

177. The Fund has zero tolerance for abuse and misconduct, including sexual exploitation and abuse (SEA) (See Annex 7 of the Present manual). It communicates accordingly to its personnel and takes all reasonable measures to prevent abuse and misconduct. In particular, but not limited, the Fund partners and further extended to sub-partners, consultants, contractors, vendors, and all allocated parties receiving funds from or providing goods, or services to the Fund, represent and certify to undertake all reasonable actions to prevent: sexual exploitation and abuse, sexual and work place harassment, discrimination, assault, threat, jeopardizing life of staff or others, abuse of authority, mismanagement, misuse and misappropriation of assets and funds, theft, fraud, corruption, misrepresentation, collusion and other violation of procurement principles, gross negligence, conflict of interest, violation of the relevant law, and/or of International Humanitarian, Human Rights and Refugee Law and of humanitarian principles, abuse of UN status, privileges and immunities, violation of confidentiality, violation of terms and contractual clauses under the Grant Agreement.

178. The Fund partners shall ensure that all possible measures are taken to prevent its personnel from exploiting and abusing vulnerable population and other persons of concern to OCHA and engaging in any form of behaviour that could qualify as misconduct and abuse. The failure of the Fund partners to take effective measures to prevent such abuse or other misconduct, or the failure to investigate allegations of the same and to take disciplinary and corrective actions when misconduct is found to have occurred, will constitute grounds for termination of the agreement with OCHA.

4.8.1 Fraud, Corruption or Misuse of Funds

179. The Fund partners must comply with all requirements of the UN Standards of Conduct. The partners should report to the Fund Manager whenever there is a credible indication of possible abuse and misconduct including fraud, corruption or misuse of funds related to Funds’ projects. OCHA Head of ROWCA should then immediately inform the CBPF Section HQ.

180. Self-reporting is mandatory. Individual cases should be reported to determine whether an investigation process is warranted. The CBPF Report Form on Suspected Fraudulent Acts by partners should be used to document the facts of the case (See Annex 6.a of the Present manual). The decision to trigger an investigation is made by the OCHA HQ, in consultation with the OCHA Head of Regional Office and the RC/HC and AB, as appropriate. OCHA will
apply appropriate conservative measures (e.g., suspension) to partners that are being investigated. Information sharing and communication should be handled on a confidential basis.

181. The CBPFs SOPs on Response to Concerns of Fraud or Misuse of Funds by Partners (See Annex 6 of the Present manual) describes the successive steps that OCHA will take in the event of an investigation into an implementing partner. Information sharing and communication should be handled on a confidential basis.

182. Other incidents during the project cycle that affect a partners’ ability to account for the use of funds or goods, must be reported to RHFU in writing as soon as they occur. An Incident report and supporting documents should be submitted by the HFU to OCHA HQ within 30 days (See Annex 6.b of the Present manual). Incidents include theft by third parties, diversion of humanitarian assistance by a third party, looting of offices or warehouses, or loss of documents. These incidents should be reported to the CEs AB at a minimum on a six-months basis.

4.8.2 Allegations of Sexual Exploitation and Abuse

183. The Fund has zero tolerance against sexual exploitation and abuse (SEA).

184. The Fund is guided by the OCHA Standard Operating Procedures (SOPs) on Sexual Misconduct: Protection from Sexual Exploitation and Abuse and Sexual Harassment (See Annex 7 of the Present manual)

185. These SOPs are designed to ensure that OCHA’s response to allegations of SEA involving implementing partners is aligned with the overall accountability framework. These procedures are applicable to all reported cases of alleged SEA involving personnel of partners of the Fund.

186. The Fund shall assess the capacity of the partner to mitigate risks of SEA. If the Fund partner is assessed as having weak capacity to prevent or to mitigate risks of SEA, the RHFU will implement appropriate risk mitigation measures, including capacity building and monitoring.

<table>
<thead>
<tr>
<th>Assessment Criteria</th>
<th>RHFU Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the partner plans to sub-contract activities to another entity, the partner has the necessary reporting and monitoring mechanisms in place to prevent and respond to allegations and incidents of sexual exploitation and abuse (SEA).</td>
<td>Request the partner to describe reporting and monitoring mechanisms in place.</td>
</tr>
<tr>
<td>The partner has properly screened staff for involvement or alleged involvement in SEA or violations of human rights.</td>
<td>Confirm that reference and background checks for partner personnel have been completed.</td>
</tr>
<tr>
<td>The partner has reporting procedures in place for SEA allegations for employees, contractors/sub-implementing partners and beneficiaries.</td>
<td>Request and review partner’s reporting procedure.</td>
</tr>
<tr>
<td>The partner is informed of the UN zero tolerance policy on SEA, and related UN agency, funds and programme policies on SEA.</td>
<td>Confirm in writing that the partner is informed of the UN zero tolerance policy on SEA, and related UN agency, funds and programmes policies on SEA.</td>
</tr>
</tbody>
</table>
The partner's staff who are working on CE-funded projects have completed SEA training, or equivalent.  
Confirm that the partner has completed a SEA training, or equivalent.

The partner has dealt appropriately with any past SEA allegations.  
Request the partner to describe any past allegations and outcomes.

5. Administration of the Fund and CEs

5.1 Budget preparation principles

187. In the budgeting process, partners are expected to comply with the Global CBPF Operational Handbook. Detailed budget guidelines can be found in Annex 9 of the Present manual.

5.2 Signature of Grant Agreements

188. Standard Grant Agreement templates (See Annexes 2.a and 2.b of the Present operational manual) must be used for contracting. No changes in the articles of the Grant Agreement are allowed.

189. Grant Agreements with UN agencies, NGOs, and Red Cross and Red Crescent Movement are prepared by the RHFU. Grant agreements are signed by the RC/HC and countersigned by the authorized representative of the partner as recorded in the Due Diligence module of the GMS. Grant agreements are then sent to CBPF Section HQ for final approval and signature by EO (or a duly delegated officer).

190. The grant agreement is only valid upon signature by both the RC/HC and implementing partner. The start date, agreed by the HFU in consultation with the implementing partner, is indicated in the Annex B of the grant agreement. The start date on Annex B can be as early as the signature date of the IP to accommodate expenditure eligibility. If the signature of the grant agreement by the partner occurs after the agreed upon start date, the date of the signature of the grant agreement will determine the official start date of the project.

191. Expenditure is eligible from the date of signature by the partner, which marks the entry into effect of the grant agreement.

5.3 Guidelines on requesting project changes

192. Changes in a project may be required due to various reasons and may have different consequences to the project’s scope, duration, and budget. Variations of all forms must be brought to the Fund Manager's attention. The Fund Manager in consultation with cluster/sector/working group/sub-national coordination mechanism coordinators will assess whether the proposed changes need formal written authorization, whether an amendment to the initial Grant Agreement is necessary or whether the breath of the proposed changes is such that the project needs to be terminated. Cost extensions may be allowed upon strong justification and through consultation with OCHA and approval from the RC/HC. The request for cost extension should include progress narrative and financial reports of the
current project. All cost extensions are subject to partner and project ceilings and funding availability.

193. Signed Grant Agreement Amendment (See Annex 3.a or 3.b of the Present manual) will be required under the conditions listed in annex 4 of the Present manual.

5.4 Project closure

194. A project will be considered closed when the following conditions are met:

a. Final narrative report received and cleared by the Fund Manager. Partners must submit the final narrative report within two calendar months after the end of the project implementation (including NCEs). The Fund Manager has up to one calendar month from receipt to review and clear the final narrative report.

b. Final financial statement and report pre-cleared by the Fund Manager and cleared by the Finance Officer from CBPF section. Partners must submit the final financial statement, including an inventory of assets purchased under the grant, within two calendar months after the end of the project implementation (including NCEs).

c. After clearance of the final financial report, the RHFU will arrange the audit of completed project within two months.

d. RHFU and CBPF Section HQ will review the audit report and, if all conditions are met, will close the project (on GMS and all relevant financial systems) within two months.

e. Following the closure of a project and its audit, partners will be notified by RHFU about the exact amount to be refunded (when applicable). Partners have one month from the date of notification to refund amounts due. Non-compliance with the request will be subject to specific measures (see Global CBPF Operational Handbook). Proof of payment needs to be received and acknowledged by RHFU.

6. Additional information

195. For additional information consult the following sources:

196. GMS grant management support is available at: https://gms.unocha.org/support

197. Real-time information of the Fund is available at https://cbpf.data.unocha.org


200. The policies and guidelines related to the management of the Fund can be found at: https://www.unocha.org/our-work/humanitarian-financing/country-based-pooled-funds-cbpf/

201. Twitter: @OCHAROWCA https://twitter.com/OCHAROWCA?s=09

202. Facebook: OCHA West & Central Africa: https://m.facebook.com/OCHAWestCentralAfrica/
7. Contact information
Regional Humanitarian Financing Unit (RHFU) – OCHA Regional Office for Central and West Africa
Tel: + 221 77 395 82 97
Email: ocha-rhwca@un.org
Website: https://www.unocha.org/rowca/fonds-humanitaire-regional

8. Review date
203. This Operational Manual follows the CBPF Global Handbook. It is discussed with the AB of each CE. It will be revised annually or as required.
Any feedback on the present document can also be communicated to RHFU at any time at: ocha-rhwca@un.org

9. List of Annexes
Annex 1. List of documents required for the due diligence process
Annex 2.a. Grant Agreement with NGOs
Annex 2.b. Grant agreement with UN agencies
Annex 3.a. Amendment to Grant Agreement with NGOs
Annex 3.b. Amendment to Grant Agreement with UN Agencies
Annex 4. SOP for the submission and processing of a Project Review Request
Annex 5. SOP for Financial spot checks
Annex 6. Guidance Note on allegations of fraud and financial misconduct
Annex 6.a. Suspected Fraud and Other Reporting Form
Annex 6.b. Form for reporting cases of theft, hijacking, looting, etc.
Annex 7. Guidance Note on sexual misconduct involving partners
Annex 8. Technical guidelines for budgeting
Annex 9. Measures applicable to partners in case of non-compliance