

## Flexibility Guidance

*SHF in the context of COVID-19 pandemic*

**ENDORSED by ADVISORY BOARD (April 6 2020)**



**SHF**

Somalia  
Humanitarian  
Fund

This document has been prepared to inform SHF stakeholders on additional measures put in place by the SHF management to enable SHF respond with greater flexibility, through simplifications in the current funding arrangements, yet keeping accountability over the use of funds. The guidance, while specific to Somalia, is in line with the global guidelines for country based pooled funds (CBPFs) in the context of COVID-19 pandemic issued by the Emergency Relief Coordinator.

## 1 Introduction and rationale

The COVID-19 pandemic is impacting humanitarian operations globally including Country-Based Pooled Funds (CBPFs) operations in different ways. OCHA Somalia is swiftly adapting to this new working environment and remains committed to supporting humanitarian partners despite the challenges faced. After an analysis of the evolving situation and related challenges which the Somalia Humanitarian Fund (SHF) is beginning to face, and following requests from implementing partners, OCHA has put in place some extraordinary measures that will allow all key stakeholders to continue providing life-saving assistance to those in need.

This document highlights priority and immediate actions, primarily focusing on the processes directly or indirectly supervised by OCHA Somalia Humanitarian Financing Unit (HFU), that have been identified as feasible to address and implement to enable the Fund to continue operating and supporting its partners as optimally as possible during this period. The flexibility guidelines outlined below will *only* apply to eligible partners who have no compliance concerns.

## 2 Risk Management Framework/Compliance Measures

From the outset, SHF's accountability framework had inbuilt mitigation measures to safeguard accountability in the use of funds in the event of disasters out of the Fund's control, and that could result in restrictions in mobility such as is being faced now (Operational Manual, Annex 01). Hence, the process of triangulation of information on project implementation through its monitoring tools (Remote call monitoring (RCM), field visits and spot-checks) is already in place but with the restrictions imposed by the pandemic, the following measures will be universally applied. The objective is to limit both the movement of people and time spent in partner offices.

### a. Operational Modalities

Operationally, the current partner and project funding ceilings and tranches will *not* be adjusted except for instances where there are compliance concerns. HFU will increase the frequency of its current internal consultative assessment of partner performance using standard tools (monitoring, reporting, financial spot-checks and audit), which enables comprehensive and continuous triangulation of project delivery.

### b. Capacity Assessments

Capacity assessments will be conducted both remotely and/or with short/ restricted onsite visits to verify key physical components of projects and organisations.

### *c. Monitoring*

There will be increased use of remote call monitoring substituting the initially planned SHF project field visits and Third-Party Monitoring (TPM). In addition, partners will be required to submit additional implementation documents and GPS tagged photos for verification and triangulation purposes when applicable to the project deliverables.

Implementing partners are expected to keep original documents for five years as per the UN Secretariat Financial rules and regulations.

### *d. Financial Spot Checks and Audits*

The ongoing practice of partners submitting scanned documents as well as through minimal verifications (including remote calls) whenever compliance concerns are identified will be augmented.

Implementing partners are expected to keep original documents for five years as per the UN Secretariat Financial rules and regulations.

## **3 Programmatic Measures**

It is expected that as the implications of restrictions on mobility for both staff and beneficiaries manifest, it will impact activities that require larger congregations such as training workshops, awareness campaigns, and outreach activities and pending installation works etc. Partners are expected to adopt COVID-19 sensitive alternative delivery methods where possible.

The measures outlined in this section will be applied either on a case by case basis or universally as indicated.

### *a. Grant Agreements*

All projects' start date and end date will be explicitly stated in the Grant Agreement (delinking cost eligibility from signature date). The project start date can be as early as the approval date of the technical review, which is after EO budgetary approval (after 'TR Finance' approval).

### *b. Electronic Signature*

OCHA HFRMB will facilitate the following and ensure revisions in the grant management system (GMS)

Phase 1 as of XXXX 2020:

Executive Officer (EO) and implementing partners.

Phase 2 (date to be confirmed): SHF will introduce an improved electronic signature to facilitate the work remotely.

### *c. Staff category*

Extension of the 15 percent budget flexibility to staff category without prior approval. Any variation exceeding 15 percent will require an amendment to the grant agreement.

*d. Budget lines*

The fund will allow creation of new budget lines within the 15 percent parameter provided they are related to the COVID-19 response with *explicit* approval by HFU and cluster coordinator. Any variation exceeding 15 percent will require an amendment to the grant agreement.

*e. No-cost extensions*

- No cost extensions (NCE) will be reviewed on a case by case basis with proper justification. This measure will allow NCE of projects that have already reached their end date and are under reporting phase, to use the unspent balance in COVID-19 related humanitarian response (see table below). In cases where the unspent amount is reprogrammed, prior approval is not required if the category variance is below 15%. This measure will not impact the frequency of reporting and monitoring requirements which will remain as per the original modality in the latest signed agreement.
- This applies for: i) projects that are under implementation and before reaching the end-date of the project; and ii) projects that are in the reporting phase before having submitted their final narrative or financial reports.
- The NCE will automatically modify the agreement and extend the project duration, without requiring any process in GMS or an amendment to the original agreement for the agreed extension.
- The NCE will not apply to projects whereby their implementing partners are involved in a compliance matter or subject to an inquiry.

|       | Category  | NCE Impact               |
|-------|---|--------------------------|
| Cat 1 | If the Project end date is in between- 1 May - 30 June 2020   | NCE until 31 August 2020 |
| Cat 2 | If the Project end date is in between 1 December 2019 – 30 April 2020- but has not submitted the final narrative or financial report (if FFR / FNR submitted, the project will not be eligible for NCE) | NCE until 30 June 2020   |
| Cat 3 | Projects in both categories 1 and 2 above will be reviewed in May 2020 if further flexibility is required   |                          |

*f. Reprogramming of projects*

SHF will facilitate the reprogramming of existing projects to shift resources into priority locations and urgent activities for COVID-19 prevention and response. This will be subject to the implementing partner's clear articulation of the rationale for the re-programming request. Approvals for reprogramming will be approved on a case by case basis along the below criteria:

- SHF funding is no longer required for the humanitarian emergency (or trigger) for which it was initially allocated **and/or**
- COVID-19 response and early action is now a more immediate priority for life-saving humanitarian action than the humanitarian emergency for which the funding was originally allocated and/or

- COVID-19 response is complementary to the original response and would help to protect gains made under that intervention.
- In cases where the requesting UN agency received CERF funding from the two global CERF allocations, UN Agencies will be requested to explain why additional funding is needed through SHF reprogramming, and how it will complement the global CERF funding.

The Grant Management System (GMS) has been adjusted to include ‘COVID-19’, and to allow changes in the sectors/clusters and strategic objectives. Additionally, GMS has been updated and the implementing partners are now able to select strategic objectives and standard indicators from those included within the Global COVID-19 HRP.

### *g. Cost Extensions*

This will be allowed on a discretionary basis to include critical activities responding to the COVID-19 pandemic in the event that clusters allocate additional funding from an allocation to a partner with an ongoing project. This is however subject to approval by HFU as the Fund seeks to spread the risk of funding instead of topping funding for one partner. Approvals will be exceptional particularly if there is no other partner with the requisite capacity to implement the additional COVID-related activities. Cost extensions must be requested one month before the project end date with a justification.

Cost extensions should be recommended by the strategic review committee of the Fund and approved by the HC. Progress reports (narrative and financial reports) of the current project are required as part of the justification. In addition, regular revision procedures apply.

## **3.2 ALLOCATIONS**

### **3.2.1 New allocations**

- SHF allocations will support the humanitarian component of the Somalia COVID-19 Country Preparedness and Response Plan (CPRP)<sup>1</sup> and respond to the direct and indirect humanitarian consequences of COVID-19. In addition, it will be in alignment with the Global COVID-19 Humanitarian Response Plan (GHRP), provided they are not at the expense of other life-saving activities that the Fund undertakes. In this regard, new allocations to COVID-19 response will be complementary to the original response.
- The Fund will promote complementarity with other funding sources, including with the Central Emergency Response Fund (CERF).
- In line with the endorsed 2020 Allocation principles, SHF will *also* continue to focus on addressing the most urgent humanitarian needs and supporting, when and where feasible, direct implementation through non-governmental partners. In addition, the response approach will remain guided by humanitarian principles as well as by inclusivity, gender, protection and community engagement principles. Inclusivity includes vulnerable groups

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<sup>1</sup> The humanitarian component of the Somalia COVID-19 Country Preparedness and Response Plan (CPRP) is a joint effort by key UN agencies and cluster partners including NGOs with a humanitarian mandate to analyse and respond to the direct public health and indirect immediate humanitarian consequences of COVID-19. The CPRP is multi-partner and multi-sector. It focuses on maintaining critical programmes and activities within the 2020 Somalia Humanitarian Response Plan (HRP) and scaling up specific COVID-19 related interventions.

such as internally displaced persons (IDPs), and people with disabilities and elderly people, who have a higher risk of contracting COVID-19 and of isolation and exclusion.

- The Fund further acknowledges not only that access constraints could limit the ability to reach people who are living in hard-to-reach areas and areas controlled by non-state actors, but also the limited mobility and access for international actors. In this regard, support to the best placed eligible local organizations with the capacity to implement is key in ensuring the delivery of response.
- Noting that the Fund's oversight (field monitoring/spot checks) is currently limited and will therefore significantly increase the overall risk, measures to manage this risk may include minimising the amount of funds and number of projects allocated to one organisation to spread the risk as much as possible across several partners.

#### *a. Cost Extensions*

This will be allowed on a discretionary basis to include critical activities responding to the COVID-19 pandemic in the event that clusters allocate additional funding from an allocation to a partner with an ongoing project. Such allocations are subject to consultations with HFU as the Fund seeks to spread the risk of funding instead of topping funding for one partner. Approvals will be exceptional however, if there is *no* other partner with the requisite capacity to implement the additional COVID-related activities. Cost extensions must be requested one month before the project end date with a justification.

- Cost extensions should be recommended by the strategic review committee of the Fund, reviewed by HFU, and approved by the HC. Progress reports (narrative and financial reports) of the current project are required as part of the justification. In addition, regular revision procedures apply.

### **3.2.2 Ongoing allocations**

#### *a. Budget flexibility/cost eligibility*

The SHF will ensure the cost eligibility of:

- planned activities where expenses were already incurred but due to changing circumstances related to COVID-19, did not take place (travels, etc);
- new expenses not foreseen (including protective equipment for staff), but relevant and required as per COVID-19 response;
- staff costs to sustain project operations while implementation is suspended.

#### *b. Cost Extensions*

These will be allowed on a discretionary basis to include critical activities responding to the COVID-19 pandemic in the event that clusters allocate additional funding from an allocation to a partner with an ongoing project. Cost extensions should be recommended by the strategic review committee of the Fund, reviewed by HFU, and approved by the HC. This is in line with risk mitigation measures to spread the risk of funding instead of topping funding for one partner. Approvals will also be exceptional particularly if there is no other partner with the requisite capacity to implement the additional COVID-related activities. In such cases, only an amendment to the existing grant agreement will be required and GMS revision of project details.