STRATEGIC STATEMENT

In view of the escalating conflict in Myanmar which is causing further displacement of people and increased humanitarian needs, the Myanmar Humanitarian Fund (MHF) aims to provide timely resources for critical life-saving activities in priority geographical areas and sector with extended requirements due to the emerging conflict and protracted crises in the country. It takes into consideration increased challenges faced by humanitarian partners, such as restricted humanitarian access, legal registration issues, safety and security concerns, limited cash availability, problems with the supply chain and increasing market prices.

The MHF will safeguard the most effective use of limited funds by ensuring that the most immediate needs are addressed by funding the top priority activities in the most affected areas; ensuring efficient, coordinated and principled response; taking into consideration other sources of funding – including grants from the Central Emergency Response Fund (CERF) – and reprogrammed activities; and assuring the greatest accountability and value-for-money for limited funds available and applying the MHF Accountability and Risk Management Framework.

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

OBJECTIVES

Following the Strategic Statement, the MHF will ensure that humanitarian needs are addressed in a timely and collaborative manner, fostering cooperation and coordination within and between clusters and humanitarian organizations. As such, the MHF promotes joint needs assessments; the use of the Humanitarian Response Plan (HRP) as the basis for strategic planning; close coordination with clusters, the Humanitarian Country Team (HCT), sub-national and regional coordination mechanisms, other pooled funds and funding mechanism; and accountability through a solid monitoring, reporting and risk management framework. Allocations are made based on a rigorous process of prioritization, taken into account a number of factors, including the magnitude and relative severity of needs, underlying causes, anticipated trends and response capacities, access constraints in targeted location and specific response modalities, including multi-purpose cash and voucher assistance (CVA). It has also considered the specific vulnerabilities of the population groups including those linked to age, gender, disabilities or other diversities such as ethnic background and sexual orientation and gender identity. The expansion of the humanitarian needs since the 1 February 2021 military takeover has also been taken into consideration in the revision of the MHF Annual Strategy, including flexibility measures already discussed and endorsed in 2021. Allocations will also consider operating constraints due to the possible increased vulnerability of the COVID-19 pandemic and access restrictions for MHF partners, ensuring that adequate resources are provided to facilitate safe access to the affected populations including those in hard-to-reach areas.

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1 This includes specific guidelines for the prevention and reporting of suspected cases of fraud, corruption, conflict of interest and loss, diversion and theft of assets, cash, property, or other. An additional signed declaration of no-engagement with companies listed in the Annex II.B. of the Independent International Fact-Finding Mission (FFM) report on Myanmar on “The economic interests of the Myanmar military” has been requested to eligible partners since January 2020. Risk matrix and mitigation measures will be revised, as needed. Other donors’ restrictive measures and sanctions, as included in the Agreements with the MHF, will be considered.
Through this strategy, the MHF will aim to achieve the following objectives, grouped in two priority categories:

- **Priority 1:**
  - Objective 1.1: Address acute unmet emergency and humanitarian needs, including those related to emerging and/or protracted humanitarian crisis.
  - Objective 2.1: Respond to new emergencies, sudden-onset disasters and the aggravation of existing emergencies.

- **Priority 2 (will only be prioritised if other sources of funding -such as pooled funds or other funding mechanisms- are not available to support these objectives)**
  - Objective 2.1: Prevent a worsening of the situation and increased vulnerability.
  - Objective 2.2: Increase the emergency response preparedness capacity, including early warning alert and response systems.

**OPERATING PRINCIPLES**

The MHF Advisory Board agrees that funding allocations will be in line with the following principles:

- Provide assistance based on the severity of assessed needs\(^2\) and an agreed allocation strategy, in accordance with the humanitarian principles of humanity, neutrality, impartiality and independence.
- Reinforce existing capacity of local and national partners operating in the affected areas, considering their mandates and activities and based on comparative advantages.
- Target clusters, activities and geographical areas prioritized in allocation strategy papers.
- Ensure the application of minimum humanitarian standards depending on the local context, particularly in displacement sites, including by avoiding harm through mitigating environmental risk.
- Mainstream the centrality of protection in all humanitarian action to avoid and/or minimize any potential protection risk.
- Ensure a gender-responsive\(^3\) and disability inclusion\(^4\) approach across humanitarian interventions, through specific targeting and mainstreaming in all the humanitarian programme cycle to ensure that assistance and services are accessible by women and girls and persons with disabilities and based on their self-stated needs in accordance with the “leaving no one behind” commitment.
- Ensure a conflict-sensitive approach to all humanitarian action, including by applying the principle of “do no harm” at all times.
- Encourage the use of cash-based programming, including specific funding envelopes for multi-purpose cash assistance (CVA), when possible and appropriate.
- Promote the principle “as local as possible, as international as necessary”, prioritizing direct funding to partners, particularly local and national NGOs, where possible, or through equitable partnership as sub-partners including them in project design, implementation, monitoring, reporting and visibility when and where possible. It must include local women’s rights and women-led local organisations (WRO/WLO) and other marginalized groups of civil-society organizations (CSOs).\(^5\)

\(^2\) The main reference documents are the 2022 Humanitarian Needs Overview (HNO) and the 2022 Humanitarian Response Plan (HRP). The HNO includes an analysis of the severity of cluster and inter-cluster needs in priority areas, which is the base of the response prioritization presented in the HRP. A real-time update of the information may be included during the consultation process before a new allocation of funds.


\(^5\) In line with the IASC Interim Guidance on Localization and the COVID-19 Response, as well as the UNSG Statement of 25 November 2020 on violence against women. Following the IASC Interim Guidance, “humanitarian leadership should advocate for local and national NGOs, including women’s rights and women-led local organisations and other marginalized groups of CSOs, to be fully included in balanced -and impartial pooled funding decisions on allocations, evidence suggests that they are often left out of the process.”
- Encourage consortiums of different organizations for better integrated responses, when possible.
- Prioritize multi-cluster and integrated interventions for the same target population and geographical areas to increase impact, while recognizing that, in some circumstances, where there is a particular emergency, more focused interventions are warranted. When appropriate, allocations with a specific focus (thematic, geographical, by type of targeted people, etc.) will be prioritized.
- Ensure accountability to affected people and their meaningful participation in planning and decision-making, with particular consideration to the accessibility of those population groups with specific vulnerabilities linked to age, gender, disabilities or other diversities such as ethnic background and sexual orientation and gender identity, to accountability mechanisms and their input and participation in programme design and project management.
- Commit to the prevention of sexual exploitation and abuse (PSEA) by regular training of programme staff and functional mechanisms for affected populations to make anonymous complaints.
- Support durable solutions for displaced people through the provision of short-term humanitarian assistance.
- Contribute to the discussion on the nexus agenda to create conditions for collaboration, linkages and synergy with relevant programmes and funds operating in the same geographical areas; while keeping the focus on humanitarian action based on a principled approach.
- Promote a coordinated and transparent approach, where partners regularly communicate and share information with clusters.

**ENHANCING AGE, GENDER, DISABILITY, DIVERSITY AND CLIMATE CHANGE**

The MHF is committed to mainstreaming protection in all the phases of the project management cycle, by incorporating protection principles and promoting meaningful access, safety and dignity in humanitarian aid. In addition, the MHF will contribute to the application of the HCT Protection Strategy and other relevant guidance.

Promoting approaches sensitive to age, gender and diversity through funding actions is a requirement for partners applying for MHF funding. The MHF is compliant with the new Gender with Age Marker, the use of which is required for partners applying for funds since January 2019. Gender and age must be mainstreamed throughout the project including analysis, design, implementation and monitoring with accountability mechanisms being accessible and participation of women of all ages in project design and management ensured. Age, gender and disability disaggregated data will be collected and analysed during the implementation period, for monitoring, reporting and programming purposes. The MHF will advocate at global level to revise the project proposal and narrative reporting templates to reflect distinct age categories for older persons, avoiding that significant differences between the age cohorts are neglected and result in failure to address specific rights and needs. Disability inclusion will be mainstreamed in all the activities and projects supported by the MHF and closely monitored. Further, the MHF will require partners to have clear policies and operational mechanisms on safeguarding including the prevention of sexual exploitation and abuse and feedback/complaints handling mechanism. The MHF will be willing to extend appropriate support as needed. The MHF is also committed to systematically identify and act on climate change and environmental issues, as required by the Sphere Standards and the Core Humanitarian Standard on Quality and Accountability. Since 2020, funded partners should demonstrate that climate change and environmental risk have been assessed and that mitigation measures have been put in place.

**PROMOTING LOCALIZATION**

The MHF will continue its ongoing efforts to promote a localization approach in the humanitarian response in Myanmar, with a focus on local and national partners. It would be done in line with the above-agreed MHF...
operating principles including the respect of the humanitarian principles and considering conflict sensitivity. Localization-focused actions may include the following:

- Participation of local and national partners in accountability and coordination mechanisms, and decision-making processes will be reinforced, including the preparation of allocation strategies, the pre-selection of submitted proposals and the technical reviews of selected projects. It may include ad-hoc meetings with the MHF Advisory Board upon request and decentralized consultations at sub-national level. Due to the nature of the Fund, the cluster system and other coordination mechanisms will be encouraged to play a more active role in engaging in the same way with local and national partners.

- Accessible language and definitions of key international humanitarian concepts by using relevant Myanmar context and case studies to improve the understanding of national partners about the MHF funding mechanisms and processes. It will be done in coordination with the Humanitarian Country Team (HCT), the Inter-Cluster Coordination Group (ICCG) and existing sub-national/regional coordination mechanisms to ensure a harmonized approach.

- Adapted strategies to get a better and higher engagement of local and national partners into the MHF funding and processes, particularly at sub-national level with local organizations, WRO/WLO and CSOs, in linkage with existing initiatives of increasing engagement with local partners through capacity mapping and development, including leadership and other key competencies.

- Exploring new ways for more direct partnership with local CSOs and national NGOs, such as encouraging them to become eligible partners and submit proposals to the MHF, particularly in the new emerging humanitarian areas and hard-to-reach areas, ensuring that there is a diversification of actors and independence from the de facto authorities or other non-State armed groups.

- Enhancing the implementation of flexibility measures to ensure quick funding to support immediate response from local CSOs, in case of sudden-onset natural disaster or other emergencies. It includes a better knowledge and use of contingency budget lines, budget reprogramming and cost extension of ongoing funded projects.

- Awareness-raising sessions on the MHF with potential partners, particularly local and national partners in areas affected by protracted crisis and high-risk disaster-prone areas.

- Bilateral meetings and sessions in Myanmar language at national and sub-national level, as needed.

- Ensuring full adherence, respect and application of humanitarian principles among local and national partners, while ensuring sufficient flexibility and support to allow local and national partners to implement humanitarian activities.

- Training activities on the MHF online Grant Management System (GMS) and project design with existing and new eligible partners (upon any new allocation) in Myanmar language.

- Training activities on the project management cycle with funded partners and sub-partners in Myanmar language (any time after approval of grants within a specific allocation), which may include specific modules on staff safety and security, remote management and risk management, mainly for those operating in conflict-affected areas.

- Designing specific strategies to better engage with WLO/WRO and organizations working with persons with disability and other marginalized groups, including awareness on the MHF eligibility process and support for capacity development activities around project design, project management cycle and other questions such as conflict sensitivity and humanitarian principles.

- Establish specific working group with local CSOs and national partners to go through MHF eligibility criteria and identify practical ways to support them in the eligibility process.

- After-action review in Myanmar language to discuss lessons learned, best practices and suggestions for improvement of MHF management, including enhancing peer-to-peer exchanges.

- Day-to-day contacts with partners during the implementation period as needed.

**CHAMPIONING A COORDINATED APPROACH**

Following previous experiences related to the humanitarian-development-peacebuilding nexus, by funding humanitarian activities that reduce risk and vulnerability and progressively achieve the Sustainable Development Goals (SDGs), the MHF will continue to champion a coordinated approach with bilateral donors and other pooled funds and funding mechanisms in the country. This requires close cooperation between a wide
range of actors, while at the same time ensuring respect for their respective operating principles. The specific role/activity of the MHF in this regard will be to enhance the information sharing, coordination and synergy among different funding actors to raise the global impact and the effectiveness of the interventions. It may include discussion on how to strengthen and promoting localization objectives through dedicated capacity building interventions and strategies. For instance, the MHF will benefit from the ongoing coordination and collaboration with the Cash Working Group, contributing to a harmonized approach towards cash assistance through allocation strategies and funding actions.

The MHF will keep the focus on life-saving humanitarian activities, only extending it to immediate recovery activities when needed in complementarity to the initial response provided at the community level by local CSOs and the private sector. Mainstreaming of increased resilience towards future disasters will be part of the response. To this end, MHF funded interventions will also consider approaches to minimize unintended negative environmental impacts of humanitarian activities. Partners applying for MHF funding will be requested to systematically assess, mitigate and monitor the environmental impacts of their programmes and report on progress.

The MHF will also consider response activities made under the UN Framework for the Immediate Socio-Economic Response to COVID-19 in Myanmar (UN-SERPP) and the Health Response Contingency Plan (HRCP), in line with the 2022 Humanitarian Response Plan.

ENSURING EFFICIENCY

Through a strengthened coordination with other global and in-country funds and donors, building on the experience of integrated allocation strategies (MHF, CERF, other funds), the MHF will continue to increase the efficiency of resource allocation in line with the commitments made at the World Humanitarian Summit to strengthen the impact of the humanitarian funding. The MHF will work on better reporting of the MHF contribution to other Grand Bargain’s goals.

The MHF will continue to work to reduce paperwork and simplify processes to improve efficiency and flexibility, with a reinforced engagement with clusters and partners at strategic and technical levels. It includes continuing flexibility approach with partners regarding due diligence requirements (bank accounts, registration, etc.) process application, reporting and any rigid procedures as much as possible, particularly for local CSOs and national partners, while maintaining the minimum assurance and compliance requirements as per Global CPBF Handbook, MHF Operational Manual and UN Rules and Regulations. The Flexibility Guidance and the MHF Engagement Principles with the de facto authorities endorsed in March 2021 will revised at this effect. It also includes improving the prioritization process in preparation of the MHF allocation strategies as required, considering a real-time analysis of the severity of the needs as per sub-national level consultations through the existing coordination mechanisms and bilateral contacts with existing operating partners. The revision of the prioritization will ensure that the MHF funding focuses on the actual severity of needs and reaches the people most in need. A harmonization of standard indicators and activities per cluster will be undertaken in clear linkage with the 2022 HRP and in collaboration with clusters, working groups, thematic advisors and sub-national/regional coordination mechanisms. Consultation and coordination with the Red Cross / Red Crescent Movement, humanitarian donors, funding facilities and pooled funds, such as Access to Health Fund (ACCESS), Livelihoods and Food Security Trust Fund (LIFT), Joint Peace Fund (JPF), Nexus Response Mechanism (NRM), and the Myanmar Chapter of the Women, Peace and Humanitarian Fund (WPHF), will be actively sought. The methodology related to the strategic review and pre-selection of projects will also be revised. Any flexibility measure will be consulted and endorsed by the MHF Advisory Board and will be in line with the Global CPBF Handbook, the MHF Operational Manual and the UN Rules and Regulations. It will be supported by expanding MHF management staff capacity in key functions such as monitoring and reporting.

The MHF will strengthen flexible funding regarding new/sudden-onset emergencies through MHF reserve allocations, particularly in the event of natural disasters and new and/or temporary displacement due to the humanitarian situation. The MHF also uses 8+3 harmonized reporting as per the World Humanitarian Summit’s
commitments\textsuperscript{9} and the Grand Bargain’s goals\textsuperscript{10}. The MHF will report on its contributions against the World Humanitarian Summit and the Grand Bargain.

The MHF will also strengthen accountability to affected population and monitoring activities by extending remote modalities and exploring innovative solutions for hard-to-reach areas, areas controlled by non-state armed groups (NSAGs) or non-accessible areas due to travel restriction or security concerns, which include a strengthening of the role of local CSOs and national NGOs in delivering effective, timely and principled humanitarian response.

The MHF Advisory Board agrees to continue the experience of integrated allocation strategies, particularly through the pooled funds managed by OCHA (CERF, at global level, and MHF, at country level). In this regard, OCHA will facilitate a unique prioritization process considering the most appropriate source of funding per type of activity and organization. Joint coordination, reporting, monitoring and after-action review exercises will be organized as well.

**ALLOCATIONS TIMELINE**

The MHF Advisory Board agrees on the following tentative allocations timeline, subject to the timely receipt of donor contributions:

- November 2022 (project starting in January 2023): Second Standard Allocation, including specific funding envelope for seasonal monsoon preparedness actions.
- Any time during the year: Reserve Allocations.

**DONOR CONTRIBUTION TARGET**

At the 2016 World Humanitarian Summit (WHS) humanitarian partners adopted the commitment to increase the overall portion of humanitarian appeal funding channelled through United Nations country-based pooled funds (CBPFs) to 15 per cent.\textsuperscript{11} As funding levels are not known until the end of the year, it is thus difficult to identify a contribution target at the beginning of the year. To overcome the challenge of setting an over-ambitious contribution target, the MHF Advisory Board agreed on calculating 15 per cent of the previous year HRP funding level.

In the case of the Myanmar Humanitarian Fund (MHF), the contribution target for 2022 has been established at **US$35 million**, which is 15 per cent of the actual funding received in 2021 against the HRP (US$233.5 million).

\textsuperscript{9} The World Humanitarian Summit generated over 3,000 commitments to action, and over 2,500 alignments with the core commitments to deliver the *Agenda for Humanity*. In addition, more than 20 initiatives were either launched or strengthened, aimed at improving the lives of people affected by humanitarian crises.

\textsuperscript{10} The *Grand Bargain* commits donors and aid organizations to providing 25 per cent of global humanitarian funding to local and national responders by 2020, among other commitments.

\textsuperscript{11} Following the 2016 World Humanitarian Summit (WHS), the UN Secretary-General called for increasing the proportion of humanitarian appeal funding channelled through CBPFs to 15 per cent by 2018.