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Acronyms
AB Advisory Board
AAP Accountability to Affected Populations
BoA Board of Auditors
CBPF Country-Based Pooled Fund (formerly Funding Coordination Section – FCS)
CERF Central Emergency Response Fund
CPF Common Performance Framework
EO Executive Officer
GMS Grant Management System
HC Humanitarian Coordinator
HCT Humanitarian Country Team
HFU Humanitarian Financing Unit
HoO Head of Office
HPC Humanitarian Programme Cycle
HQ Headquarters
IASC Inter-Agency Standing Committee
ICA Internal Capacity Assessment
ICWG Inter-Cluster Working Group
IOM Internal Organization for Migration
MA Managing Agent
MPTF Multi Partner Trust Fund
NCE No-Cost Extension
NGO Non-Governmental Organization
OCHA Office for the Coordination of Humanitarian Affairs
OIOS Office of Internal Oversight Services
OM Operational Manual
PI/PPI Performance Index / Partner Performance Index
PUNO Participating United Nations Organization
RC/RC Red Cross / Red Crescent
RRM Rapid Response Mechanism
SAA Standard Administrative Agent
SRC Strategic Review Committee
TPM Third Party Monitoring
TRC Technical Review Committee
UNDP United Nations Development Programme
SSHF South Sudan Humanitarian Fund
SS-HRP South Sudan Humanitarian Response Plan
1. Introduction

1. The South Sudan Humanitarian Fund (SSHF) is a multi-donor Country-Based Pooled Fund (CBPF) established in 2012 with the aim of ensuring coordinated, timely, strategic, and flexible funding to humanitarian organizations working to address the most critical needs of millions of people affected by the humanitarian crisis in South Sudan. Funding is available to a wide range of humanitarian actors operating in the framework of the South Sudan Humanitarian Response Plan (SS-HRP). Funding decisions are made in-country in consultation with the humanitarian community, ensuring collective ownership of the emergency response and prioritization by those closest to people in need. The SSHF is managed locally by the United Nations Office for the Coordination (OCHA) under the leadership of the Humanitarian Coordinator (HC).

2. The UNDP Multi-Partner Trust Fund Office (MPTF Office) serves as the Administrative Agent (AA) of the SSHF, in accordance with the annex to the Operational Handbook\(^1\). The AA receives contributions to the SSHF from donors, disburses funds upon decision of the Humanitarian Coordinator to the respective Participating UN Organisations (hereafter “the PUNOs”), and provides related financial reports and statements. The PUNOs assume full financial and programmatic accountability for the funds disbursed to them by the AA, use the funds to undertake projects approved by the HC, and provide related narrative and financial reports.

2.1 Purpose

3. The Operational Manual for the SSHF 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. This Manual is issued by the HC and endorsed by the Advisory Board (AB) to guide implementing partners and facilitate the role of all stakeholders by:

- Providing clarification and instructions for all stakeholders involved in the management of the SSHF on effective management and governance practices;
- Describing the steps and requirements of the allocation processes with the aim of enhancing timely and strategic allocation decisions;
- Providing an overview of the general direction and programmatic focus of the SSHF.

1.2 Scope

4. This Manual is designed within the framework provided by the Operational Handbook for Country-based Pooled Funds, which describes the global set of rules that apply to all CBPFs worldwide. The present document defines the country-specific regulations that govern the SSHF and adapts specific aspects of the global regulations to the humanitarian context in South Sudan. Adherence to the guidance provided in the two documents is mandatory to ensure standard and transparent processes.

\(^1\) https://www.unocha.org/sites/unocha/files/Operational_Handbook_for_OCHA_CBPFs_Version1.2.pdf
2. Objectives of the South Sudan Humanitarian Fund

2.1 Overall objectives

5. The SSHF has three overall objectives:

- To improve the humanitarian response by increasing the extent to which funding is allocated to priority humanitarian needs through an inclusive and coordinated process at the field level.
- To strengthen the leadership of the HC.
- To contribute to the delivery of the SS-HRP within the context of the Humanitarian Program Cycle (HPC).

6. Further, the SSHF aims to ensure that humanitarian needs are addressed in a collaborative manner, fostering cooperation and coordination within and between Clusters and humanitarian organizations. As such, the Fund contributes to ensure the technical recommendations of clusters and working groups, in line with the strategic objectives of the SS-HRP.

2.2 Focus of the South Sudan Humanitarian Fund

7. The SSHF will continue consolidating its crucial role as an efficient funding instrument addressing the critical humanitarian needs of the people of South Sudan. It will remain a major tool for supporting a coordinated response. The 2019 SS-HRP requirement stand at $1.5 billion. The SSHF 2020 will launch a minimum of two standard allocations each focusing on SS-HRP geographic priorities. The HC will use the reserve modality for responding immediately to emergency or for covering critical gaps.

8. During 2020, the SSHF will focus the following priorities:

- **Covering critical gaps in the operation, as identified by the HC and HCT.** In support of this, the SSHF will use standard allocations to support projects which address critical gaps in cluster strategies, and which expand coverage in remote and hard-to-reach areas.
- **Promoting integrated programmes in locations with extreme levels of multiple vulnerabilities.** In support of this, the SSHF will prioritize support for multi-cluster initiatives in IPC Level 3, 4 and 5 districts and other high-risk districts as determined through assessments.
- **Addressing new priorities, as identified by the HC and Humanitarian Country Team (HCT).** In support of this, the SSHF will use reserve allocations to fast-track support for projects which address emerging priorities.
- **Building the capacity of front-line national partners in line with commitments made in the Grand Bargain.** In support of this, the Humanitarian Financing Unit will assist national partners during all stages of the allocation process through monthly clinics, training and mentoring.
- **Expanding evidence-based programming and ensuring that the partners best able to provide services receive funding.** In support of this, all allocation decisions will be based on cluster defences where cluster coordinators will present the steps they have taken to ensure projects meet strategic and technical criteria.

• **Strengthening risk management.** In support of this, the SSHF has updated its risk management framework and its Accountability Framework in line with the Operational Manual and global CBPF Handbook.

9. In South Sudan, 11 Clusters are activated within the humanitarian response: Camp Coordination and Camp Management, Education, Emergency Shelter and Non-Food Items, Food Security and Livelihoods, Health, Nutrition, Protection, Water, Sanitation and Hygiene, Logistics, Coordination and Common Services. The SSHF will focus on supporting first-line activities addressing the dire humanitarian needs through an integrated approach across all Clusters across all Clusters through Standard Allocations.

10. Allocation Strategy Papers will outline priority interventions to be funded through both, the Standard and the Reserve allocation windows of the SSHF.

11. Interventions supported by the SSHF are to be in line with basic humanitarian principles of humanity, neutrality, impartiality and independence.

3. **Governance**

11. The activities of the SSHF will be carried out under the overall stewardship of the HC. The HC will be supported by an Advisory Board (AB) and an OCHA-led Humanitarian Financing Unit (HFU) fulfilling the SSHF’s secretariat functions. The SSHF AB will be chaired by the HC and will welcome the senior-level participation of donors, UN organizations (in their capacity as cluster lead agencies) and NGO representatives. Cluster coordinators play a key role in prioritization, as well as project review at both a strategic and technical level.

3.1 **Humanitarian Coordinator**

12. The HC leads the overall management and oversight of the SSHF as detailed in the Operational Handbook for CBPFs, supported by the OCHA Head of Office, the OCHA HFU, and advised by the SSHF AB.

13. The overall management of the Fund on behalf of the Emergency Relief Coordinator (ERC) will rest with the HC, supported by OCHA and advised by the SSHF AB. Key responsibilities of the HC are:

• Leading the process at country level of establishing and closing of the Humanitarian Fund.
• Approving, reviewing and updating the CBPF Operational Manual that is prepared based on the global operational Handbook.
• Chairing the AB and providing strategic direction for the SSHF.
• Leading country-level resource mobilization for the fund supported by the AB, OCHA Country Office and in coordination with relevant OCHA entities at HQ.
• Approving the use of and defining the strategic focus and amounts of fund allocations.
• Ensuring that the AB and strategic and technical review committee(s) function in accordance with the guidelines outlined in the CBPF Global Operational Handbook.
• Making final decisions on projects recommended for funding. This responsibility is exclusive to the HC and cannot be delegated. Funding decisions can be made at the discretion of the HC, without a recommendation from the AB, for circumstances which require an immediate response. In addition, the HC has the authority to overrule recommendations from the review committee(s).
• Approval of direct cost for OCHA HFU.
• Approving projects and initiating disbursements.
• Review and, where appropriate, approve project revisions.
• Ensuring complementary use of CBPF funding with other funding sources, including the CERF.
• Making final decisions on projects recommended for funding. This responsibility is exclusive to the HC and cannot be delegated. Funding decisions can be made at the discretion of the HC, without a recommendation from the AB, for circumstances which require an immediate response. In addition, the HC has the authority to overrule recommendations from the review committee(s).

3.2 Advisory Board

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

15. The AB supports the HC in developing an overall strategy and overseeing the performance of the SSHF. The AB is consulted on key aspects of the management and strategic direction of the SSHF, including allocation strategies, the Common Performance Framework, resource mobilization and any other major decision taken by the HC related to the Fund. The AB also reviews direct costs of the Fund prior to HC approval.

16. Key responsibilities of the AB include:

• Strategic focus: The AB supports the HC in ensuring that the main objectives of the Fund are met. The AB reviews and advises the HC on strategic elements of the Fund such as the allocation strategies, the operational manual and project selection. The scope and objectives of the SSHF, outlined in this operational manual, will be reviewed at least once a year. The AB advises the HC in setting funding targets and support resource mobilization efforts.

• Risk Management: The AB supports the HC and the OCHA Country Office in undertaking periodic risk analyses, endorsing the risk management plan of the fund in accordance with the Risk Management Framework. The Framework on pages 17-21 has been updated accordingly.

• Transparency of overall process: 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.

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

17. The composition of the AB is determined based on consultations between the HC, the HCT, contributing donors and NGOs, as outlined below. It ensures equitable representation of the key stakeholders to the Fund (Donors, UN agencies, NGOs and OCHA).

18. The SSHF AB is composed of 11 members. Members and Observers of the AB, as outlined in the respective AB Terms of Reference (Annex 1):

• Humanitarian Coordinator (Chairperson, non-rotating);
• OCHA Head of Office (Custodian, non-rotating);
• SSHF Head of HFU (Secretariat, non-rotating);
• 2 Representatives of contributing donors (Members, one-year term);
• 2 Representatives of UN Cluster Lead Agencies (Members, one-year term);
• 2 Representatives of the International NGO community (Members, one-year term);
• 2 Representatives of the national NGO community (Members, one-year term);

19. Observers can be invited on an ad-hoc basis following HC’s approval. The HC invites technical experts (as observers), incl. OCHA, cluster staff and partner representatives to attend AB meetings as needed. Attendance at SSHF Advisory Board meetings is restricted (not a public forum) and requires formal HC invitation at all times.

20. AB members should not act in their individual capacity but represent their broader constituency. AB members must be at the senior leadership level (head of agency, etc.). Board members 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.

21. A minimum quorum of two third of the members is necessary to go ahead with a meeting of the AB.

22. Nomination process and rotation: Members are expected to commit to a one-year participation; renewal of membership should be discussed with their respective constituency should they want to stay as a member of the AB for an additional year. OCHA/HFU should be notified of any upcoming election/nomination process, as well as of the outcome. The rotation plan will be determined by the HC in consultation with the AB.

23. The AB holds, at minimum, quarterly meetings including an Annual General Meeting in the last quarter of the year in which overall strategic issues will be discussed and decided, policy considered, and donor pledges sought.

24. The SSHF HFU provides regular and frequent updates and information on its activities during Advisory Board Meetings. Advisory Board Members may request specific topics to be tabled (meeting agenda) discussed and meetings to be convened. Additionally, AB members and observers are invited to contact the SSHF Secretariat (see contact details) at any time in case additional information is needed.

3.3 OCHA Head of Office

25. The OCHA HoO oversees the operation of the fund to support the HC. As such, the HoO is responsible for the effective management of the fund

26. The HoO responsibilities with respect to the CBPF are to:

• Support and advise the HC on strategic issues and resource mobilization.
• Supervise the OCHA Humanitarian Financing Unit (HFU) and ensure that the HFU is well integrated and coordinated with other units of the OCHA Country Office and sub-offices.
• Ensure that OCHA has the capacity to fulfil its accountability requirements, including risk management and minimum operational modalities.
• Promote active involvement of existing coordination structures in CBPF processes and ensure that CBPF scope and objectives (as outlined in the Operational Manual) and/or Allocation Strategy Papers are aligned with the HRP.
• Approve project revisions within the scope of the delegation of authority granted by the HC.
• Interface with headquarters on policy issues related to the CBPF.
• Act as a permanent member of the AB
• Review the SSHF complaints email (sshfcomplaints@un.org) accessible only by OCHA HoO.

3.4 OCHA’s Humanitarian Financing Unit

27. The Humanitarian Financing Unit (HFU) is responsible for the daily management of all programmatic and financial aspects of the CBPF on behalf of the HC and under the supervision of the OCHA HoO, in coordination with OCHA CBPF Section. The OCHA HFU executes HC decisions and organizes the process of allocating funds according to the Handbook and the South Sudan operational manual. The three main functions of the HFU are summarized as follows:

• Management of SSHF operations and policy advice to the HC and OCHA HoO.
• SSHF Project Cycle Management.
• Implementation of the CBPF Accountability Framework adhering to the existing Operational Modalities.

Detailed responsibilities can be found in the CBPF Global Handbook.

3.5 Administrative Agent (AA)

28. In its capacity as the Administrative Agent (AA) of the SSHF, the UNDP MPTF Office will:

• Conclude the Standard Memorandum of Understanding6 (hereafter “the SSHF MOU” - Annex 3) with PUNOs in full coordination with OCHA;
• Negotiate and conclude the Standard Administrative Arrangement (hereafter “the SSHF SAA”) with donors contributing to the SSHF;
• Receive contributions from donors;
• Administer donor funds received, including administration of earned interest;
• Disburse funds to PUNOs in accordance with the instructions from the HC within 3 – 5 working days;
• Consolidate annual and final certified financial statements and reports, based on submissions provided to the AA by each Participating UN Organization, in accordance with the timelines specified in the MOU and SAA;
• Provide periodic (annual and final) consolidated financial reports to the HC and SSHF Advisory Board through OCHA; and
• Provide statements of donor commitments, deposits and transfers to Participating UN Organizations and other financial information in real time on the publicly accessible MPTF Office GATEWAY (http://mptf.undp.org).

3.6 Cluster Coordinators

29. Cluster coordinators support SSHF at two levels: (i) at a strategic level, cluster leads should ensure that there are linkages between the fund, the HRP and cluster strategies; and (ii) 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.
30. The Cluster coordinator and co-coordinators will undertake the following activities in relation to the SSHF:

- Facilitate all SSHF related processes in consultation with cluster partners;
- Establish needs-based priorities for SSHF funding in consultation with cluster partners;
- Facilitate cross-cluster coordination;
- Lead a process to transparently identify, review and recommend priority humanitarian projects for funding based on agreed overall cluster priorities and strategies and document these processes;
- Defend cluster strategies and proposal during SSHF allocation rounds;
- Ensure quality and timely submissions of all related cluster materials;
- Promote the systematic use of relevant standard indicators for projects;
- Participate in field monitoring visits to support technical assessment of implemented projects according to the provisions of the accountability framework endorsed by the HC;
- Review and recommend revision requests when technical or strategic input is required;
- Input technical comments in the Grants Management System (GMS) during the allocation review process;
- Train and build capacity of cluster partners (national and international) on SSHF procedures.

3.7 Implementing Partners

31. In relation to the SSHF, implementing partners have the following responsibilities:

- **Application:** Implementing partners must familiarize themselves with SSHF processes and seek advice from the OCHA Country Office (i.e. HFU) before applying for funding. In close collaboration with the OCHA Country Office and clusters, the applicant partner develops and submits a project proposal and budget to the Fund (through the GMS) providing all necessary supporting documents, within the given deadlines, and in a responsive manner.

- **Implementation:** After the approval process, the implementing partner signs a grant agreement which specifies the terms and conditions applicable to the approved project. Implementing partners commit to comply with all the requirements defined in the grant agreement. Grant agreements may be modified to accommodate necessary changes in projects.

- **Monitoring:** Implementing partners must have robust internal monitoring and reporting procedures in place. Implementing partners shall facilitate the monitoring of the projects in collaboration with the OCHA Country Office, 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 ongoing project activities.

- **Reporting:** The partner 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 fund. In addition, any constraints (e.g. financial, logistical, security) that may lead to significant changes to the project must be communicated to the HC and/or OCHA immediately.

3.8 Review Committee

32. The Review Committee(s) are responsible for the strategic and technical review of the project proposals submitted for SSHF funding. Considering the high number of projects received for each Allocation and when relevant, the Strategic Review Committees (SRC) will do a first screening of the submitted project proposals before they go to the technical review. OCHA/HFU will take part in decision making, and support review committees in discharging their functions. To avoid conflict of interest, Review Committee(s) members whose
Organization has submitted a project proposal will not participate on the specific project review (either Cluster, NGO or UN Agency).

3.8.1 Strategic Review

33. Strategic Review Committees are called by each Cluster to review project proposals submitted by SSHF eligible partners. Cluster Coordinators support OCHA/HFU 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. 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.

34. For each Cluster, the SRC shall consist of the following six (6) members:

- Cluster Coordinator (chair) or Cluster co-chair
- One OCHA/HFU representative (as process leader) and one as secretariat
- One UN representative
- One INGO representative
- One NNGO representative

35. In addition, Cluster Coordinators support OCHA/HFU 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.

36. 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 HFU.

37. Each SRC members should be familiar with the SSHF Operational Manual.

38. In the specific case of a Reserve Allocation, a light review consisting of at least three (3) members should review the proposed projects. It should consist of:

- Cluster Coordinator (chair) or Cluster co-chair
- One OCHA/HFU representative (as process owner) and one as secretariat
- One UN or NGO or INGO representative

3.8.2 Technical and financial review

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

40. The objective of the technical review process is to ensure that proposals are of the highest possible quality before final approval by the HC. 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 have to be dedicated, ensuring that substandard projects are improved or rejected.

41. The technical review stage includes financial review by OCHA Finance (OCHA/HFU and OCHA HQ). The financial
review is part of the technical review, so that programmatic and financial feedback can be compiled by OCHA/HFU and shared with the applicant jointly.

42. 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.

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

4. Allocation modalities

44. The SSHF has two types of allocations; Standard and Reserve. The Standard Allocation process is used to support targeted priorities within the HRP. The Reserve Allocation is intended for rapid and flexible allocation of funds in response to unforeseen circumstances, emergencies, or contextually relevant needs.

4.1 Eligibility

45. Donor contributions to the SSHF will be utilized to fund projects carried out by:

- UN Organizations (UNOs)
- National and international Non-Governmental Organizations (NGOs)
- Others (organizations of the International Red Cross and Red Crescent Movement)

4.1.1 UN eligibility

46. In order to become eligible for funding from the SSHF, United Nations agencies can contact the ochasshf@un.org who will advise on the next steps. 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.

47. 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.

4.1.2 NGO and Red Cross/Red Crescent eligibility

48. OCHA, as the Managing Agent, will carry out a due diligence process and an assessment of the capacity of potential NGO implementing partners. The outcomes of the due diligence and capacity assessment 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 Operational Handbook for CBPFs.

49. The process for due diligence is described in detail in the Operational Handbook for CBPFs. The procedures that will be utilized to assess the capacity of implementing partners in the context of the SSHF are described in section 5.2 of this manual.

4.2 Allocation criteria:
50. The review and approval of project proposals is made in accordance with the programmatic framework and focus described earlier and based on the following criteria:

- Partner eligibility and capacity: verified through a due diligence and capacity assessment process, with due diligence information updated at the time of the allocation;
- Strategic relevance: clear linkage to the strategic and Cluster-specific objectives of the SS-HRP, compliance with the priorities outlines of the Allocation Strategy;
- Access: proven access and/or physical presence to areas of operation; the location of the project is clearly identified;
- Needs-based: the identified needs are well explained and documented with a recent needs-assessment (unless a sudden onset disaster makes it impossible to conduct a thorough needs assessments), and beneficiaries are clearly described;
- Appropriateness: the activities are adequate to respond to the identified needs;
- Technical soundness and cost effectiveness: the proposal meets technical requirements to implement the planned activities; and the budget is fair, proportionate in relation to the context, and adequate to achieve the stated objectives;
- Intervention logic: a sound logical framework, linked to objectives of the SS-HRP and the standard activities and indicators provided by the Clusters;
- Risk management: assumptions and risks are comprehensively and clearly spelled out, along with risk mitigation strategies;
- Monitoring: a realistic monitoring and reporting strategy is reflected in the proposal.

4.3 Grant Duration

51. Implementation of projects funded by the SSHF should not exceed twelve (12) months from the project start date as indicated in the final approved project documents. Project pre-financing will be limited only to the budgeted costs (of the approved project proposal) incurred in the interim period between the Project’s approval start date (first possible start date is the date when the HC and the Partner have both signed the Grant Agreement) and the date of actual cash disbursement to the recipient project.

52. If necessary, implementing partners can request project revisions and/or no-cost extension to re-program and/or extend the duration of the grant. On an exceptional basis and for clear operational reasons, the HC can approve a project revision extending the total duration of the project to a maximum of 15 months.

4.4 Allocation steps (or workflow)

4.4.1 Standard Allocation

53. The Standard Allocation process will be used to channel most of the funds and will support targeted priorities within the SS-HRP. The indicative timeline below considers such large allocations.
### SSHF Indicative Workflow for a Standard Allocation Process

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Stakeholders Involve</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Allocation Strategy Paper Development</td>
<td>Development and launch of allocation paper at the request of the HC, in consultation with humanitarian partners using existing coordination mechanisms.</td>
<td>HC/AB, SSHF Cluster, Leads Cluster members, OCHA HQ/CBPF Section</td>
</tr>
<tr>
<td>2. Submission of project proposals</td>
<td>Call for proposals, disseminated through sectors. Eligible partners prepare project proposals that address priorities identified in the allocation paper and submit online in the Grant Management System.</td>
<td>Partners, Cluster Leads</td>
</tr>
<tr>
<td>3. Preliminary Review</td>
<td>Preliminary review of submitted proposals for completeness (compliance with application template), non-duplication of proposal</td>
<td>SSHF</td>
</tr>
<tr>
<td>4. Strategic review</td>
<td>Cluster Strategic Review Committees (SRCs) review submitted proposals using scorecards in GMS focusing on: (i) strategic relevance, (ii) programmatic relevance, (iii) cost effectiveness, (iv) management and monitoring, and (v) engagement with coordination mechanisms.</td>
<td>SCRs, SSHF</td>
</tr>
<tr>
<td>5. Preliminary endorsement by HC</td>
<td>SRC recommended projects presented to the HC and AB for review and pre-approval. The presentation summarizes the expected outcomes/results of the recommended projects including the link to the priorities outlined in the allocation paper for the HC’s and AB’s consideration and comparison to the initial Allocation Paper.</td>
<td>HC, AB, SSHF</td>
</tr>
<tr>
<td>6. Technical and financial review</td>
<td>Cluster Technical Review Committees (TRCs) review pre-approved projects to ensure (i) they meet technical cluster and SSHF requirements, and (ii) budget provisions are appropriate and feedback to partners. SSHF and OCHA HQ/CBPF Section conduct financial review. Partners revise and re-submit their proposals. Technically sound and financially cleared projects are recommended to the HC for approval.</td>
<td>SSHF, TRCs Cluster Leads, OCHA CBPF Section</td>
</tr>
<tr>
<td>7. Final approval by HC</td>
<td>HC approves recommended projects, and signs Grant Agreements (GAs). Partners and OCHA CBPF Finance counter-sign GAs.</td>
<td>SSHF, Partners, OCHA CBPF Finance</td>
</tr>
<tr>
<td>8. Disbursement</td>
<td>Fund disbursed to partners as per SSHF operational modalities.</td>
<td>OCHA CBPF Section, MPTF Partners</td>
</tr>
</tbody>
</table>

**A Standard Allocation process takes usually about 10 weeks (Launch of Allocation Paper to Funds received by Partners)**
4.4.2 Reserve Allocation

54. The Reserve Allocation modality will be used for rapid and flexible allocation of funds in response to unforeseen circumstances, emergencies or to cover critical gaps. 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.

55. There are two funding windows for Reserve Allocations, each with a distinct purpose:
   i. The ‘emergency response window’ enables the HC to address unanticipated and time-critical humanitarian needs, promoting early action and response to emergencies to reduce loss of life. This includes, for example needs resulting from unanticipated natural disasters, disease outbreaks, and population displacement. In exceptional cases projects not previously encompassed within the HRP may be considered for funding.
   ii. The ‘underfunded window’ enables the HC to respond to critical humanitarian needs which remain unaddressed. The window typically funds ongoing activities identified in the HRP that have emerged as top priorities, but which have not been funded through Standard Allocations and / or that have not attracted, nor are likely to attract, sufficient funding from other sources.

56. 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 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. Consultation with the AB will be done either through a regular meeting, an extraordinary meeting convened specifically for the purpose, or by e-mail 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 OCHA HFU will notify the AB of the HC’s final decision, typically within 24 hours of the consultation.

57. When a Reserve Allocation is activated under the ‘emergency response window’, only pre-selected partners with an assigned risk level of ‘low’ or ‘medium’ are eligible to apply for funding. Proposals are subject to Technical Review by the SSHF TS and the respective cluster to ensure their quality prior to final approval by the HC.

58. When a Reserve Allocation is activated under the ‘underfunded window’ all existing partners are eligible to apply for funding. On an exceptional basis and at the discretion of the HC, other humanitarian organisations that have not previously partnered with the SSHF may also apply. New partners are subject to the usual risk management policies and procedures, including capacity assessments. Proposals are subject to Technical Review by the SSHF TS and the respective cluster to ensure their quality prior to final approval by the HC.
### SSHF Indicative Workflow for a Reserve Allocation Process

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Stakeholders Involve</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Allocation Strategy Paper Development</td>
<td>Development and launch of allocation paper in consultation with humanitarian partners through email and/or other fast means of communication. Process will include definition, compilation and consolidation of cluster priorities and requirements.</td>
<td>HC/AB, SSHF Cluster, Leads Cluster members, OCHA HQ/CBPF Section</td>
</tr>
<tr>
<td>2. Submission of project proposals</td>
<td>Call for proposals, disseminated through Cluster Leads. Eligible partners prepare project proposals that address priorities identified in the allocation paper and submit online in the Grant Management System (GMS).</td>
<td>Partners, Cluster Leads</td>
</tr>
<tr>
<td>3. Strategic/Technical review</td>
<td>Strategic/Technical Review Committees (S/TRCs) review submitted proposals using a balanced scorecard in GMS, focusing on: (i) strategic relevance, (ii) programmatic relevance, (iii) cost effectiveness, (iv) management and monitoring, and (v) engagement with coordination mechanisms. Recommended projects are reviewed to ensure (i) they meet technical sector and SSHF requirements, and (ii) budget provisions are appropriate and provide feedback to partners. SSHF and OCHA HQ/CBPF Section conduct financial review. Partners revise and re-submit their proposals. Technically sound and financially cleared projects are recommended to the HC for approval.</td>
<td>SCRs, TRCs SSHF, HQ/CBPF Section</td>
</tr>
<tr>
<td>4. Final approval by HC</td>
<td>HC approves recommended projects, and signs Grant Agreements (GAs). Partners and OCHA CBPF Finance counter-sign GAs.</td>
<td>SSHF, Partners, OCHA CBPF Finance</td>
</tr>
<tr>
<td>5. Disbursement</td>
<td>Fund disbursed to partners as per SSHF operational modalities.</td>
<td>OCHA CBPF Finance, MPTF, Partners</td>
</tr>
</tbody>
</table>

**A Reserve Allocation process takes usually about 6 weeks (Launch of Allocation Paper to Funds received by Partners)**
5. Accountability

50. Accountability is the foundation for effective CBPF management. It is exercised through a set of different components that enable the HC, mandated by the ERC, to ensure that: (i) implementing partners are delivering intended programmatic results; (ii) the CBPF is managed responsibly and according to established guidelines; and ultimately (iii) the CBPF is achieving its main objectives.

51. Accountability of the SSHF is articulated on two levels. The first measure of accountability is the ability of the Fund to achieve its objectives as a humanitarian financing mechanism. The HC is responsible for establishing a process which produces high-quality allocation strategies, selects appropriate and qualified implementing partners, monitors implementation and verifies that reported results are genuine and match those of approved project agreements. Second, accountability relates to the ability of individual implementing partners to achieve expected project outputs and outcomes. Implementing partners are ultimately responsible for project activities, project outputs and for reporting accurately on results.

52. To this end, OCHA prepares an Accountability Framework consisting of four pillars that enables the HC to ensure that implementing partners are delivering intended programmatic results; the SSHF is managed responsibly and according to established guidelines; and, ultimately, that the SSHF is achieving its main objectives. The pillars are:

- Fund-level risk management
- Due diligence, capacity assessment and performance review
- Monitoring and reporting
- Auditing and evaluation

53. The Accountability Framework, once endorsed, will define how and when partners will be assessed and selected as SSHF 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.

54. The HC, through OCHA/HFU, will take progressive actions to address non-compliance with any requirement stemming from the accountability framework or the relevant contractual agreements (see Annex 15 of the Global Handbook).
5.1 2020 Risk Management Framework

55. Risks in the context of the SSHF are not limited to organisations that receive funding and implement projects. Risk management covers the full range of risks that may affect the achievement of the Fund’s objectives. In this light, risks have been identified, analyzed and categorized by severity according to relative likelihood and potential impact on Fund objectives. Mitigation strategies are designed, and assigned to specific stakeholders. This analysis represents a management tool which enables the HC, supported by the AB, to ensure strategic decision making and guarantee that the SSHF remains relevant in the context in which it is operating. To this end, OCHA HFU has developed a detailed fund-level risk management framework that broadens the definition of risk beyond programmatic and financial risks associated with implementing partners and identifies the key factors of risks faced by the Fund in the national context.

Table 1: Risk analysis and mitigation matrix

<table>
<thead>
<tr>
<th>Risk category 1: Context / Delivery</th>
<th>Likelihood</th>
<th>Impact</th>
<th>Mitigation strategy</th>
<th>Timeframe</th>
<th>Risk owners</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk 1: SSHF partners have limited access to project areas in South Sudan due to violence, insecurity, bureaucratic impediments, interference with humanitarian work</strong></td>
<td>Likely</td>
<td>Major</td>
<td>Increased information sharing with OCHA’s Access team. HC negotiations with parties to the conflict. SSHF partners engage with parties to the conflict and immediately inform OCHA when facing constraints to enable OCHA to assist.</td>
<td>In place</td>
<td>Partners, HC, OCHA</td>
</tr>
<tr>
<td><strong>Risk 2: UN downsizing of staff/ Direct threats to UN and NGOs staff</strong></td>
<td>Likely</td>
<td>Major</td>
<td>The HFU in South Sudan has strengthened the capacity of its team overall and has recruited additional national staff to ensure business continuity in case of evacuation of International Staff, or a general lowered ceiling for, international staff. OCHA/HFU will built strong partnerships with service providers (Third Party Monitoring (TPM) and Audit Company)</td>
<td>On going  First semester 2020</td>
<td>OCHA, HFU</td>
</tr>
</tbody>
</table>
### Risk 3: Procurement of essential goods is delayed, and supplies cannot move into the country due to closure of main airports, seaports, lack of fuel, market collapse.

- **Likely**  
- **Major**  
- **The HFU collaborates closely with UN Agencies on tracking how SSHF-funded projects are affected by procurement constraints to enable HC and OCHA senior management to provide reliable impact analysis to authorities.**  
- **The HFU support UN Agencies to maintain a buffer stock in place in the country.**  
- **The HFU continues to explore innovative project implementation modalities as alternatives to current modalities (i.e. increased cash programmes.)**

### Risk category 2: Financial

**Risk drivers: The economic crisis, unpaid salaries, level of corruption in the country and lack of monitoring access**

<table>
<thead>
<tr>
<th>Risk 1: SSHF partners show weaknesses in financial management, limited monitoring capabilities or weak internal controls.</th>
<th><strong>Almost certain</strong></th>
<th><strong>Major</strong></th>
<th>Accountability Framework is continuously reviewed, strengthened and adjusted to the context, to identify shortcomings and areas of improvement. Capacity development efforts to be developed based on findings from monitoring visits, project audits and financial spot-checks. Extensive Monitoring and Financial Spot-Check modalities implemented. Slow expansion of pool of eligible partner organizations in accordance with carefully selected minimum criteria and strengthened scrutiny.</th>
<th><strong>In place</strong></th>
<th><strong>OCHA /HFU</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk 2: Aid diversion</td>
<td><strong>Likely</strong></td>
<td><strong>Major</strong></td>
<td>The HFU to continue developing strong relationships with partners to identify drivers of aid diversion. Continue to strengthen monitoring, project audit, financial spot-checks to identify triggers and red flags that show potential aid diversion. Consider forensic audit when warranted</td>
<td><strong>In place</strong></td>
<td><strong>OCHA/HFU/Partners</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>UN Agencies, HCT, OCHA</strong></th>
<th><strong>In place</strong></th>
<th><strong>Ongoing</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Second Semester 2020</strong></td>
<td><strong>Q1 2020</strong></td>
<td><strong>Q2 2020</strong></td>
</tr>
</tbody>
</table>
## Risk category 3: Governance
*Risk drivers: Deterioration in Fund’s overall reputation and funding.*

<table>
<thead>
<tr>
<th>Risk</th>
<th>Likelihood</th>
<th>Impact</th>
<th>Control Measures</th>
<th>Due Date</th>
<th>Responsible Parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk 1: Donor fatigue, lack of donor interest</td>
<td>Unlikely</td>
<td>Major</td>
<td>SSHF has an annual Fund strategy and resource mobilization strategy endorsed by the AB. SSHF implements the Common Performance Framework. HC/HoO and Fund Manager engage with SSHF donors on regular basis.</td>
<td>February 2020</td>
<td>HC/OCHA/OCHA/HFU</td>
</tr>
<tr>
<td>Risk 2: Inadequate commitment and lack of active participation among key actors on the AB</td>
<td>Possibly</td>
<td>Major</td>
<td>HFU to ensure transparent communication to all stakeholders. HFU to ensure that Clusters are closely engaged in the planning, and execution of allocations</td>
<td>In place</td>
<td>OCHA/HFU / HC</td>
</tr>
</tbody>
</table>

## Risk category 4: Strategic and programmatic
*Risk drivers: The SSHF funding target of USD 100 million attracts attention from too many stakeholders.*

<table>
<thead>
<tr>
<th>Risk</th>
<th>Likelihood</th>
<th>Impact</th>
<th>Control Measures</th>
<th>Due Date</th>
<th>Responsible Parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk 1: Loss of strategic focus and subsequent limited impact if allocations support too many priorities or projects</td>
<td>Possibly</td>
<td>Major</td>
<td>SSHF aligns its interventions with the SS-HRP and channels most of the funds through Standard Allocations based on needs assessments and clear allocation strategies. The AB is consulted on a regular basis and makes sure that the objectives of the SSHF are followed. SSHF avoid funding too many small projects under $100,000 / year.</td>
<td>In place</td>
<td>HC/OCHA/OCHA/HFU / AB</td>
</tr>
<tr>
<td>Risk 2: Programmatic isolation</td>
<td>Likely</td>
<td>Major</td>
<td>OCHA/HFU is engaging with other donors to better coordinate humanitarian assistance and to develop exit strategies. SSHF allocations are based on a clear analysis, identifying needs, and gaps.</td>
<td>Regularly</td>
<td>OCHA /HFU</td>
</tr>
<tr>
<td>Risk 3: Fluctuating financial donor support</td>
<td>Likely</td>
<td>Moderate</td>
<td>HFU continues to demonstrate ability to manage the Fund in an adaptable, flexible manner quickly adjusting to changing financial environment.</td>
<td>Ongoing</td>
<td>OCHA HoO / Fund Manager</td>
</tr>
<tr>
<td>Risk category 5: Partnership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk 1: Difficult working relationship with national/local government authorities</td>
<td>Likely</td>
<td>Major</td>
<td>OCHA/HFU engages with SSHF partners to identify common challenges that can be raised with OCHA senior management / HC to enable informed negotiations with authorities. OCHA/HFU will track implementation challenges relating to sub-agreement approval with authorities.</td>
<td>In place</td>
<td>HFU/OCHA HoO / HC / OCHA office / SSHF partners</td>
</tr>
<tr>
<td>Risk 2: Poor project quality</td>
<td>Likely</td>
<td>Moderate</td>
<td>SSHF projects are based on a clear and detailed need assessment. SSHF will continue to strengthen project revision and monitoring by technical experts from Clusters and technical working groups. SSHF continues its monthly clinics on program management topics.</td>
<td>In place</td>
<td>OCHA HFU / Clusters</td>
</tr>
<tr>
<td>Risk 3: Low programmatic and administrative absorption capacity of SSHF partner organizations</td>
<td>Likely</td>
<td>Major</td>
<td>SSHF will support projects to improve the capacity of local partners via project monitoring, closer communication between HFU/partner, re-assessment of partner performance. Implement partner capacity review and risk rating and use results of assessment to apply appropriate compliance measures. Joint HFU/Clusters monitoring visits. OCHA/HFU will analyse partners’ capacity to absorb more funding.</td>
<td>In place</td>
<td>OCHA HFU/Clusters</td>
</tr>
<tr>
<td>---</td>
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<td>---</td>
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<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Risk 4: Fraud/Corruption/ Diversion/ Theft incidents in SSHF (co-) funded projects.</td>
<td>Very Likely</td>
<td>Major</td>
<td>Implement and contextualize fraud and corruption prevention and response policies, guidelines and protocols based on global guidelines and best practice. Implement robust and context appropriate monitoring framework. Close cooperation with HQ, partners, stakeholders and donors to enable early detection. Verification of internal prevention and control mechanisms of partner</td>
<td>Ongoing</td>
<td>OCHA HFU/ Partners</td>
</tr>
<tr>
<td>Risk 5: Sexual Exploitation and Abuse (SEA) in SSHF-funded projects</td>
<td>Possible</td>
<td>Major</td>
<td>Ensure all PSEA protocols are fit for purpose, implemented and monitored by both the partner and the SSHF.</td>
<td>Ongoing</td>
<td>SSHF / Partners</td>
</tr>
</tbody>
</table>
5.2 Risk-based grant management

56. Partner risk analysis is carried out by analyzing partner capacity which determines eligibility. Eligible partners are rated according to risk based on assessed capacity. 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 implement projects, risk ratings will increasingly be determined by partner performance.

57. Risk-based grant management serves two main functions. Firstly, it aims at improving the management of SSHF projects by matching grant management and oversight requirements with assessed risk. Low risk partners are subject to fewer controls than medium or high-risk partners. Secondly, 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 more easily.

58. 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 CBPF grants.

59. Eligible partners are rated as: (i) High Risk, (ii) Medium Risk, or (iii) Low Risk. Risk levels determine the minimum set of control mechanisms applied throughout the grant management cycle. As a partner implements projects, its risk level will be determined by its Performance Index (PI) score described in section 5.2.2.

5.2.1 Eligibility Process

60. All organizations that are interested in becoming a partner of the SSHF 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. A separate Eligibility Process Guidance Document with detailed descriptions of the process and requirements is available on the OCHA South Sudan in Annex 4.

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

- **Step 1: Registration/ Expression of Interest**: Determines whether an organization meets the minimum requirements to undergo a full assessment
- **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: Registration/ Expression of Interest**

62. All organizations that wish to engage eligibility process and send a registration request to the SSHF 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 Humanitarian
Financing Unit (HFU) 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). The minimum requirements include:

- Valid Registration Certificate of the NGO (in South Sudan and/or home country for international NGOs),
- Recommendation letter of at least one cluster recognizing the minimum technical capacity of the partner for implementing humanitarian projects,
- NGO participation in rolling years’ Humanitarian Response Plan (HRP),
- NGO’s programmatic expenditure/budget of the last twenty-four (24) months should be equal or more than US$ 200,000

Further information if available at: https://www.unocha.org/South Sudan/eligibility.

63. Once an organization has ensured that the minimum requirements are met, the organization must submit a registration form as well as supporting documents. Once HFU has verified that the minimum requirements are met through a review of the documents submitted, the organization is invited to move to Step 2.

Step 2: Due Diligence/ GMS Registration

64. When an organization has passed Step 1 the it will be provided with an account in the SSHF’s Grant Management System (GMS). 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. Subsequently, staff members must register as users in the GMS, and the organization is given three weeks to submit all the information needed for the due diligence process as well as the ICA. All the required documentation for the ICA is compiled in a checklist available on the OCHA South Sudan website. Once users are registered in the GMS a small training is offered to all partners (in person or via telephone) to introduce them to the GMS module where documents are uploaded.

Step 3: Internal Capacity Assessment

65. When the Due Diligence Information has been approved by the HFU the ICA can be planned with the partner. The assessment includes a desk review of the documents submitted by the organization as well as a visit to one or more of the organization’s offices by the HFU’s finance and programmatic staff.

66. ICA global questionnaire is used to conduct the assessment and it is hosted in the Grant Management System. The assessment captures and scores key elements of partner capacity in the following categories: a) Due Diligence; b) Governance and Institutional Capacity; c) Programmatic Response Capacity; d) Coordination and Partnership Capacity; and e) Financial Capacity. 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.

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2 https://www.unocha.org/south-sudan/about-ss-hf
67. 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.

68. 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 considered by the SSHF twelve (12) months after the review date.</td>
</tr>
</tbody>
</table>

5.2.2 Performance Index (PI)

69. The PI tool is a key part of the SSHF Accountability Framework and it allows the SSHF to have an up to date rating of partner’s performance. The rating of the performance of partners of implementing projects will be used alongside the original capacity assessment and contextual factors to determine and adjust as necessary the partner risk levels.

70. The PI tool has been developed to support the Humanitarian Financing Unit (HFU) to score the performance of partners on supported projects from submission to closeout. The following categories of partner performance are tracked and scored: i) quality and timeliness of submissions of project documents (proposals, budget and concept notes); ii) quality and timeliness of implementation against approved targets; iii) quality and timeliness of reporting; iv) frequency, timeliness and justification of project revision requests; v) quality of financial management; vi) audit findings; The scores assigned to each project on the above categories will be summarized in a Performance Index (PI).

71. 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 SSHF 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.

72. Eligible partners that have not implemented SSHF-funded projects for more than three consecutive years will be required to undergo a new capacity assessment.
73. 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.

74. 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.
### 5.2.3 Operational Modalities

<table>
<thead>
<tr>
<th>Risk level</th>
<th>Project duration (months)</th>
<th>Project value (thousand USD)</th>
<th>Maximum amount per project* (thousand USD)</th>
<th>Disbursement s (in % of total)</th>
<th>Financial reporting**</th>
<th>Narrative reporting**</th>
<th>Monitoring**</th>
<th>Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>For disbursement 31 January Final</td>
<td>Progress Final Project Monitoring Financial spot check</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NGOs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Less than or equal to 7</td>
<td>≤ 250</td>
<td>60-40</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>1 mid</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>&gt; 250</td>
<td>500</td>
<td>50-50</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>1 mid</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Over 7 and up to 12</td>
<td>≤ 250</td>
<td>40-40-20</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>&gt; 250</td>
<td>500</td>
<td>30-30-40</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>2-3*</td>
<td>Yes</td>
</tr>
<tr>
<td>Medium</td>
<td>Less than or equal to 7</td>
<td>≤ 250</td>
<td>100</td>
<td>-</td>
<td>Yes</td>
<td>Yes</td>
<td>1 mid</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>&gt; 250</td>
<td>800</td>
<td>60-40</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>1 mid</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Over 7 and up to 12</td>
<td>≤ 250</td>
<td>80-20</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>1 mid</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>&gt; 250</td>
<td>1,500</td>
<td>40-40-20</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>1 mid</td>
<td>Yes</td>
</tr>
<tr>
<td>Low</td>
<td>Less than or equal to 7</td>
<td>≤ 400</td>
<td>100</td>
<td>-</td>
<td>Yes</td>
<td>Yes</td>
<td>-</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>&gt; 400</td>
<td>2,000</td>
<td>80-20</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>-</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Over 7 and up to 12</td>
<td>≤ 400</td>
<td>100</td>
<td>-</td>
<td>Yes</td>
<td>Yes</td>
<td>1 mid</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>&gt; 400</td>
<td>80-20</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>1 mid</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>≥2,000</td>
<td>60-40</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>1 mid</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>UN Agencies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>For disbursement 31 January Final</td>
<td>Progress Final Project Monitoring Financial spot check</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N/A</td>
<td>Less than or equal to 7</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>-</td>
<td>Yes</td>
<td>1***</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Over 7 and up to 12</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>-</td>
<td>Yes</td>
<td>1***</td>
<td>-</td>
</tr>
</tbody>
</table>
Total USD Ceiling of Active Grants:

For **HIGH risk partners** = An individual NGO with a high-risk rating is allowed to hold a maximum total amount of $1 million USD in active grants at any one time. Active grants are calculated as grants under implementation at the time of an allocation (estimated date of grant agreement signature as per Allocation Strategy timeline). Partners who have exceeded that ceiling will have to ensure previous grants have either been closed or under final reporting or auditing before they can request additional funds.

**Remarks:** High Risk partners which have never implemented a SSHF project can apply for a maximum amount of USD 0,5 million (total grants) the first time.

* Three progress reports are only required for projects of 10 months or more.

** Minimum reporting/monitoring requirements.

*** Monitoring of UN agency projects is mandatory according to the new 2017 CBPF global guideline and is described in the monitoring section of this guideline. Project monitoring will be systematic if the UN agency has a grant equal to or over US$2 million.
5.2.4 Compliance Measures

75. Through the aforementioned accountability mechanisms, the HC will aim to safeguard programmatic and financial management of CBPFs. Compliance measures enables the 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:

- Overdue financial or narrative reports.
- Non-refund of unspent funds.
- 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).
- Critical findings from monitoring and financial spot checks.
- Violation of humanitarian principles and code of conduct

76. 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 BoA audits regularly cover OCHA management of pooled funds and consider whether procedures for management of CBPFs are appropriate. These audits cover all parts of the CBPFs (Allocations, risk management, etc.), look at compliance with rules and guidelines and are publicly available.

77. When a partner does not comply with the requirements described in this handbook 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 (Annex 15, Compliance Measures). 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 CBPF operations.

78. 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 HC, through OCHA, will take progressive actions to address the partners’ behavior. Solutions will be pursued as and when deemed appropriate by OCHA.

5.2.5 Common Performance Framework (CPF)

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

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80. The tool is built on five fundamental principles that guide the management of CBPFs and the manner by which they achieved the strategic objectives of improving the response, strengthening leadership and ensuring better coordination and resourcing of humanitarian plans. The CPF applies a set of twenty indicators based on the five principles to measure the fund performance (Inclusivity, Flexibility, Timeless, Efficiency and Accountability & risk management).

81. The CPF indicators will be published as part of the annual report and an annual review of achievements will be presented to the AB.

5.3 Monitoring

82. SSHF implementing partners (UNs and NGOs) 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, UN agencies and NGOs, are subject to monitoring by the fund. While the requirement will not be identical, the SSHF recognized that the HC needs reassurance of project performance, regardless of the implementing entity.

83. In order to achieve the objective of project monitoring as define in the new CBPF global guidelines, the SSHF will use a set of tools to ensure adequate monitoring based on the monitoring capacity of the different entities and the local context. The monitoring plan is defined prior the signature of the Grant Agreement in line with the Fund Operational Modalities. Additional monitoring can be decided during project implementation phased on an ad hoc basis. Monitoring timeline and frequency will be defined as per the operational modalities.

84. Monitoring is defined as the systematic and regular process of collecting, verifying and triangulating information to assess progress made against project outputs and activities; bearing in mind accountability to affected populations and donors. Information gathered is used to make informed decisions and strengthen partnership and coordination.

5.3.1 Monitoring objectives

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

- 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.
- 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.
- Strengthen partnership and coordination between OCHA, the partner and the local authorities, and to engage and seek feedback from affected communities.
5.3.2 Roles and Responsibilities

86. The HC is responsible for ensuring that a representative sample of CBPF-funded projects are effectively monitored through appropriate monitoring modalities. The HFU is further responsible for coordinating monitoring efforts and ensuring that monitoring of projects is carried out.

87. The HFU shall calculate the expected costs of monitoring and reporting activities based on the target and timeframe. These costs shall become part of the HFU cost plan, and are a direct cost of the fund.

88. The HFU coordinates and participates in field monitoring visits and should work closely with clusters in devising procedures related to monitoring. A monitoring plan should be developed by the HFU 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 HFU in terms of monitoring:

- Developing and maintaining a comprehensive monitoring plan which reflects the minimum requirements of the operational modalities.
- Working with cluster coordinators and co-coordinators in ensuring that monitoring is undertaken in close coordination with other cluster monitoring activities.
- Developing terms of reference and contracting external expertise for third party monitoring or remote monitoring as required.
- Undertaking field site monitoring missions in line with the monitoring plan in cooperation with OCHA sub-offices.
- Reviewing and analyzing information collected through monitoring activities and reporting.

89. 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 operational modalities of CBPF.

90. According to the 2018 CBPF Operational Handbook, the monitoring of UN projects is mandatory. UN Agencies are expected to follow the monitoring process proposed when submitting a project proposal (monitoring section of the project proposal) and should provide HFU with the monitoring report during project implementation. Monitoring actions should be clearly defined in the project workplan at project proposal submission stage. HFU can decide to monitor a project implemented by a UN agency if the UN agency does not provide monitoring reports at the defined timelines stated in the Grant Agreement or in case the submitted report does not provide enough reassurance on the project implementation. Lastly, a monitoring visit will be required if the agency has received a grant equal or over $2 million.

5.3.3 SSHF Monitoring Tools and Monitoring Process

91. Taking into consideration that partners’ project management systems is the backbone of monitoring, one of the objectives of CBPF 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.
92. The monitoring plan should describe what type of monitoring tools that will be used to satisfy the minimum standards set out in the operational modalities. The following represent the most commonly used monitoring tools in CBPFs to date.

93. **Field site monitoring**: implemented by OCHA and supported by clusters, field site monitoring is a critical component of the overall framework to verify that CBPF-funded projects are delivering against targeted outputs, and to allow the 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) makes an assessment of the timeliness of the overall project implementation, (ii) verifies reported results, and (iii) assesses progress on key project activities.

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

95. **Third Party Monitoring (TPM)**: TPM is considered as one of the monitoring approaches suitable for SSHF due to limited access to some states and payams within South Sudan but also, to avoid monitoring gaps as the considerable size of the fund does not allow OCHA and cluster staff to conduct all the required monitoring visits. This approach enables the SSHF to obtain independently verified information on the status of implementation of CBPF 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.

96. **Remote monitoring** occurs in instances when it is not feasible to conduct physical project visits. This is not uncommon as CBPFs 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.

97. **Financial Spot Check**: Financial spot checks will be 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 financial spot checks by HFU staff and special audits by audit firms may be conducted on the basis of Operational Modality, 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.

### 5.4 Reporting

#### 5.4.1 Partner reporting

98. Narrative and financial reporting requirements for NGOs and UN Agencies are determined according to the
Operational Modalities (OM) described above and in-line with the CBPF global guidelines and submitted in the GMS. Individual reporting requirements for each project can be found under Annex B of the project Grant Agreement.

<table>
<thead>
<tr>
<th>Progress Narrative report</th>
<th>Final narrative report</th>
<th>Interim financial statement</th>
<th>Final financial report</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGO</td>
<td>Within 2 months of completion of the project</td>
<td>To be submitted by OCHA to release the disbursement of the next instalment at any time once 70% of the previous instalment has been spent. By 31st January covering expenditures up to 31st December</td>
<td>Within 2 months of completion of the project</td>
</tr>
</tbody>
</table>

UN

According to OM

Within 2 months of project completion

By 31st January to reflect expenditure incurred for project activities

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

5.4.2 SSHF Annual Reports and Periodic Updates

99. The HC, supported by OCHA/HFU and in close consultation with the Cluster Coordinators, will prepare a narrative Annual Report to report on the Fund performance in relation to its strategic objectives (including links with SS-HRP, strengthening of HC, promoting partnership with NGOS and strengthening of coordination system). The Annual Report will report on fund allocation and achievement by Clusters, and will feature trends, best practices, lessons learned and challenges, and showcase success stories and achievements.

100. OCHA/HFU will publish a range of public information products, including dashboards (quarterly, allocation-specific, and thematic), human interest stories, and a monitoring report.

5.5 Audit

101. Audit will be conducted according to global Operational Handbook for CBPF. The Audit will be conducted by the approved audit service provider.

5.5.1 OCHA Operations Audit

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

5.5.2 Project Audits

103. Audit of UN Organizations / IOM: Participating UN Organizations and IOM will be audited in accordance with
their own financial rules and regulations and the framework for auditing multi-donor trust funds subject to single audit principle (agreed to by the Internal Audit Services of Participating UN Organizations and endorsed by the UN Development Group (UNDG) in September 2007).

104. **Audits of NGOs**: NGO implemented projects will be audited in compliance with applicable financial regulations, rules and directives as per OCHA CBPF Grant Agreement. The costs of such an exercise will be borne by OCHA. One or several external auditing companies will be contacted by OCHA to deliver on the financial and operational audit requirements of NGO partners. The audit process will be as follow:

105. Once the final financial report is cleared by CBPFs Finance in New York, the audit process will be triggered, and the system notification will be sent out to partner copying HFU team:

- OCHA/HFU Finance focal point informs the partner by email about the start of the audit as soon as the plan is agreed with audit firm.
- The auditors will get in touch with partner to agree on field visit to partner office and then share the final plan with OCHA/HFU.
- 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 OCHA/HFU for further advice prior getting back to partner. The partner has one week to provide the management response to audit firm.
- The audit firm shares the final draft report for OCHA/HFU review after receiving the partner feedback.
- Once the report is reviewed/finalized by OCHA/HFU, the audit firm issues the final signed audit report both to partner and OCHA/HFU.
- OCHA/HFU upload the report on GMS for CBPF Finance clearance.
- Once the report is cleared by CBPF Finance and all dues (refund or disbursement) are processed, the project will be closed by OCHA/HFU on GMS.

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

107. OCHA/HFU may also recommend the HC to trigger a specific audit during project implementation, if OCHA/HFU has reasonable concerns about the implementation of a project.

### 5.6 Accountability to Affected Populations

108. All SSHF 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). Organizations are required to have a feedback/complaints mechanism at the project level, in which community members can raise concerns to staff not involved in the project and this can be done anonymously.

109. At the project proposal stage, implementing partners are asked to describe how affected populations and specific beneficiaries have been and will be involved throughout the project cycle. SSHF 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, making an assessment of the level of participation and access to information by project beneficiaries and complaints mechanisms.
5.7 Complaint mechanism and Appeals Process

110. During the project implementation and reporting, if needed, the HC, through the HFU, will take progressive actions to address non-compliance with the contractual agreements and any obligations described in the global operational handbook. The measures enable the 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 under paragraph 75. See Annex 4 for details on the SSHF feedback and complaint mechanism.

111. Stakeholders with insufficiently addressed concerns or complaints regarding processes or decisions can at any point in time contact OCHA using the SSHF complaints email (sshfcomplaints@un.org) which is accessible only by OCHA HoO. During 2020 OCHA will be requesting from all SSHF partners to include the email account to their own complaints’ mechanisms raising awareness to the population benefiting from SSHF funded projects. Complaints will be compiled, reviewed and raised to the HC, who will then take a decision on necessary action(s). The HC will share with the AB any proven cases and actions taken thereof.

6. Administration of CBPFs

6.1 Budget preparation principles

112. In the budgeting process, partners are expected to comply with the new Operational Handbook guidelines. Detailed budget guidelines can be found in Annex 2.

6.2 Guidelines on requesting project changes

113. Changes in a project may be required due to various reasons and may have different consequences to the project’s scope, duration and budget. The Fund Manager in consultation with cluster/sector 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.

114. Signed Grant Agreement Amendment will be required in the following circumstances:

- Changes to the project budget exceeding the 15 per cent tolerance allowed for each Budget Category.
- Addition of a new budget line, irrespective of whether it is below or over the 15% tolerance allowed for each Budget Category.
- Change in duration of the project.
- Change of banking information relevant to the project.
- Any other changes that have financial or legal implications and are part of the Grant Agreement.

115. The following changes do not require a Grant Agreement Amendment and will be approved in GMS through the approval without GA amendment’ feature:

- Change in project location, unless the entire project area has been changed.
- Change in number of beneficiaries, unless this changes the nature of the project.
- Change in approved project activity, unless this changes the project objective and key result
116. No-Cost Extension (NCE) requests will be considered on a case-by-case basis, depending on the reasons justifying the request and evidence of progress collected through narrative and financial reports (i.e. progress/interim), or through field monitoring visits and financial spot checks.

117. Partners will be asked to provide a background to the request, explain the challenges and suggested solutions and added value. The HFU, in consultation with Cluster Coordinators, will then assess the nature of the request.

118. In all cases, only written requests sent to the HFU by e-mail will be considered. Revision and No-Cost Extension requests must be raised to the HFU at least one (1) month before the end date of the project. Any requests received after this period cannot be processed. Any changes to the initially approved project, that have not been agreed with the HFU, may result in ineligible cost. Under no circumstances should budget revisions increase the total budget originally approved.

6.3 Project closure

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

- 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.
- Partners must submit the final financial statement, including an inventory of assets purchased under the grant (see Annex 1 of the SSHF Operational Manual) within 2 calendar months after the end of the project implementation (including NCEs). Once the final financial statement has been received, it will be pre-cleared by the fund manager and cleared by OCHA HQ/CBPF (within one month). If partners have more than 15,000 USD unspent money, partners will need to refund the unspent amount before the audit otherwise no refund will be requested before the audit.
- After clearance of the final financial report, projects will be audited within 2 months.
- OCHA/HFU and OCHA HQ/CBPF will review and close the project within 2 months from receipt of the audit report.
- Following the closure of a project and its audit (when applicable), partners will be notified by OCHA about the exact amount to be refunded. 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 Annex 15 of the Operational Handbook for CBPFs: Compliance Measures). Proof of payment needs to be received and acknowledged by OCHA.

7. Fraud and other incidents involving loss

120. OCHA HQ (Chief of CBPF Section) should immediately be informed by the OCHA HoO whenever there is a credible indication of possible fraud, corruption or misuse of funds related to CBPF projects. Individual cases should be reported to determine whether an investigation process is warranted. The CBPF Report Form on Suspected Fraudulent Acts by IPs should be used to document the facts of the case (Annex 22a\(^3\), Fraud

Report Form). The decision to trigger an investigation is made by the OCHA HQ/EO after a consultative process involving OCHA HQ/FCS and the OCHA Country Office while keeping the HC informed. OCHA will apply appropriate conservative measures (e.g. suspension) to partners that are being investigated.

121. OCHA Standard Operating Procedure (SOP) on Suspected Fraud and Misuse of Funds (Annex 22b\(^4\)) which describes the successive steps that OCHA will take in the event of an investigation into an implementing partner contracted under a CBPF. Information sharing and communication should be handled on a confidential basis.

122. Other incidents: Incidents during the project cycle that affect a partners’ ability to account for the use of funds or goods, must be reported to HFU in writing as soon as they occur. An Incident Report and supporting documents should be submitted by the HFU to OCHA HQ/FCS within 30 days (see Annex 22c and d\(^5\), Incident Reporting Guidelines and Incident Report Form). 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 Funds’ Advisory Board at a minimum on a six months basis.

8. Additional information

123. Information on the 2019 Humanitarian Needs Overview and the 2019 SS-HRP can be found on OCHA South Sudan website.

9. Contact information

124. Communication with SSHF:
   - SSHF enquiries: southsudanpf@un.org
   - SSHF complaints: southsudanpfcomplaints@un.org
   - SSHF Website: https://www.unocha.org/south-sudan/about-ss-hf
   - CBPF GMS: https://gms.unocha.org/
   - CBPF GMS Business Intelligence Website: https://gms.unocha.org/bi

10. Review date

122. This manual has been reviewed and discussed with the AB, endorsed in 28 January 2020 by the HC.

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\(^4\) As above
\(^5\) As above
Annex 1: SSHF Advisory Board Terms of Reference

1. The SSHF Advisory Board (AB) is a governance body with an advisory function that supports the HC and HFU in the management of the SSHF. The AB provides guidance and advice to the HC on strategic and policy matters in pursuit of SSHF objectives.

2. The AB is guided by the terms of the SSHF Operational Manual, reviewed annually.

**Members and Observers**

i. Humanitarian Coordinator (Chairperson, non-rotating);
ii. OCHA Head of Office (Custodian, non-rotating);
iii. SSHF Head of Unit (Secretariat, non-rotating);
iv. 2 Representatives of contributing donors (Members, one-year term);
v. 2 Representatives of UN Cluster Lead Agencies (Members, one-year term);
vi. 2 Representatives of the International NGO community (Members, one-year term);
vii. 2 Representatives of the national NGO community (Members, one-year term);

3. Upon request by the HC, UN Cluster Lead Agencies, contributing donors and NGOs select representatives as AB members.

4. Members attend AB meetings in their capacity as technical and/or strategic experts and not to represent the interest of their organizations or constituencies.

5. Members are high-level representative of their respective organization.

6. Members commit to attend all AB meetings and to provide SSHF relevant support to the HC when required.

7. Members may request specific topics to be tabled (meeting agenda), discussed and meetings to be convened.

8. Members may request technical reviews of specifics aspects of the SSHF, including its performance.

9. Members may attend strategic (SRC) and/or technical (TRC) review committees as observer.

10. Observers are selected and invited at the discretion of the HC. Observers may contribute to discussions at AB meetings but may not contribute to discussions whenever the AB is convening for presentations by clusters on projects recommended for funding. Observers may provide feedback to the HC and AB members in relation to procedural and strategic matters.

11. Equal gender representation will be maintained whenever possible.

12. The HC may invite technical experts (as observers), incl. OCHA, cluster staff and partner representatives to attend AB meetings as needed.

13. Attendance at SSHF Advisory Board meetings requires formal HC invitation at all times.

**Specific Responsibilities of Advisory Board Members**

i. Advise the HC on the strategic focus of the SSHF and support the HC to ensure that the objectives of the SSHF are met i.e. by reviewing allocation strategies to verify compliance with agreed objectives;

ii. Provides guidance regarding the Common Performance Framework in terms of setting targets/benchmarks and definitions of scores according to the context.

iii. Analyse risks that may affect the achievement of agreed objectives and advise the HC on risk mitigation strategies; review and endorse the SSHF Accountability Framework;

iv. Advise the HC on transparency and equitability of allocation processes;
v. Review SSHF processes to ensure that the management of the SSHF is consistent with its own and CBPF global guidelines;

vi. Participate in the development of Allocation Strategies, at presentations for project recommendations, and any other allocation stage as requested by the HC;

vii. Ensure accuracy of key SSHF information products. Review the SSHF Annual Report and other information products to ensure they are accurate and address the needs of target audiences;

viii. Commit to support the HC in resource mobilization for the SSHF;

ix. Endorse the annual SSHF cost-plan.

x. Report back to their relevant constituents on AB meeting key messages.

Continuity
14. Members are expected to support the HC for a period of one-year.
15. Continuity of membership and the selection of members and observer is discussed with and decided by the HC at the SSHF Annual General Meeting.
16. The Terms of Reference (TOR) of the AB are reviewed annually by the HC/AB and are updated as needed.

Humanitarian Financing Unit
17. The HFU provides secretariat functions for all AB meetings.
18. The HFU/SSHF Head of Unit provides regular and frequent updates and information on SSHF activities during AB meetings.
19. The SSHF secretariat is providing the minutes taken during AB meetings within one (1) week after the meeting. Minutes of meetings are provided to AB members and observers, only.
Annex 2: Asset Management Guidelines

The projects funded through the SSHF often involve purchase of assets in support of delivering the project objectives. Most partners have received multiple grants from the SSHF in the last two years. Partners\(^6\) (IP) must adhere to the following guidelines to ensure proper reporting and managing of assets purchased under the SSHF project:

1. **Procurement**
   a. As a general rule, all asset purchases must be conducted as per the approved SSHF project budget and within the approved timeframe in order to be considered as eligible costs.
   b. Assets purchased one (1) month before the end of the project or later are in most cases considered as not necessary for the project and will be declared ineligible unless duly justified operationally. In this case, the partner needs to notify the OCHA Humanitarian Financing Unit (HFU) through an email to obtain approval for late procurement of an asset.
   c. If possible, OCHA/HFU advises the implementing partner not to purchase new assets but use their own assets. In such a case, the partner can charge the depreciation cost of their assets to the SSHF project.

2. **Ownership and Management**
   a. Any asset purchased under a SSHF project is considered property of the implementing partner and will remain with the partner unless the assets is transferred to a third party if stipulated in the project proposal.
   b. The partner is responsible to manage the asset and fulfil any obligations arising from the ownership of the asset e.g. taxes, insurance and any registrations required by the laws of the local government.
   c. The partner is expected to apply its own asset management rules and regulations towards depreciation, donation or write-off of an asset.
   d. OCHA/HFU must be notified on the end use or disposal of the asset through the asset register, provided by OCHA/HFU for SSHF partners to list and report on the assets.
   e. Use of the asset is solely limited to humanitarian work and cannot be used or donated for profit-making or other purposes. If an implementing partner sells an asset and thereby fund an ongoing project, this must be clearly documented and captured in the asset register.
   f. Donation / transfer of assets above US $2,500: Implementing partner may need to procure and transfer assets or equipment to a third party (health facilities, water committees). A donation certificate must be signed by both parties for each asset transferred. The certificate should mention the asset specification which include the brand, model and serial number, and how the asset will be used at the end of the project. Prior approval from OCHA is mandatory for any donation/transfer of assets.

3. **Reporting**
   a. The partner must submit the Asset Register along with the final financial report through the SSHF Grant Management System (GMS). The report should be uploaded under the document centre on the GMS.
   b. Only assets of a value equivalent to or above US$2,500 or technology (computers, printers, camera ...) or energy (generators, solar system,.) related equipment’s should be listed in the asset register for reporting to the SSHF.
   c. The Asset Register will feed into the budget reviewing process and subsequent allocation rounds to avoid funding the same asset for the second time to a partner.

4. **Records and Audit**
   a. OCHA reserves the right to inquire about the SSHF-funded asset and request relevant documentation at any time.
   b. All supporting documents for the procurement and end use of an asset (e.g. invoice, purchase order, payment voucher, bid analysis, donation certificate, government licencing and registration, and disposal approval) as reported to OCHA/HFU should be maintained for external auditing commissioned by OCHA for all SSHF projects.
   c. The partner needs to assure the auditors of the proper use of the asset for the implementation of the funded project.

\(^6\) IP refers only to NGOs and not UN agencies
Annex 3: Financial and Budget guidelines

The South Sudan Humanitarian Fund (SSHF), is a Country Based Pooled Fund (CBPF), directed by the UN Humanitarian Coordinator and managed by OCHA’s Humanitarian Financing Unit (HFU) to ensure adherence to the principles of economy, efficiency, effectiveness, transparency and accountability. This guide has been developed to clarify the financial requirements for the preparation of SSHF project budgets and to enhance the understanding of the main budget related issues encountered during previous allocations. Partners must use the online Grant Management System (GMS) for the submission of the budget along with project proposals, which can be found at: https://cbpf.unocha.org.

1. The Role of the SSHF partner is to:
   a. Provide a correct and fair budget breakdown of the planned costs that are necessary to implement the activities and achieve the objectives of the project.
   b. Use and comply with the budget template of the online GMS, and any budget templates and guidance provided by OCHA for the classification and itemization of planned costs.
   c. Provide an accurate budget narrative (as an essential component of the budget) that clearly explains the object and the rationale of each budget line. For example, shared costs, large/expensive assets, and costs/equipment required to support the regular operation of the partners are clear cases where the provision of details will be necessary in the budget narrative.

2. Eligible costs must:
   a. Be necessary and reasonable for the delivery of the objectives of the project.
   b. Comply with the principles of sound financial management, the principles of economy, efficiency, effectiveness, transparency and accountability.
   c. Be identifiable in the accounting records and backed by original supporting evidence as incurred, in accordance with the approved project proposal and period.

   Eligible costs may include:
   d. Costs of staff (including salaries, social security contributions, medical insurance, and hazard pay (when applicable)) involved in the management and implementation of the project.
   e. Salaries and costs may not exceed the costs normally borne by the partner in other projects.
   f. Costs for consultancies involved in the implementation of the project.
   g. Support staff costs at country level directly related to the project may be included.
   h. Travel and subsistence costs directly linked to the project implementation for project staff consultants, and other personnel that may also be eligible, provided the costs do not exceed those normally borne by the partner.
   i. A contribution to the partner’s Country Office costs, such as shared costs charged on the basis of a well-explained calculation and a reasonable allocation system. Shared costs must be itemized.
   j. The financial support to beneficiaries, including cash and voucher-based distribution.
   k. Purchase costs for goods and services delivered to the beneficiaries of the project, including quality control, transport, storage and distribution costs.
   l. Costs related to non-expendable items (assets) such as equipment, information and technology (IT) equipment for registration and relevant field activities, medical equipment water pumps and generators, etc.
   m. Expenditures incurred by the partner related to the award of contracts required for the implementation of the project, such as expenses for the tendering process.
   n. Costs incurred by the partner’s sub-implementing partners, directly attributable to the implementation of the project.
   o. Other costs deriving directly from the requirements of the grant agreement such as monitoring, reporting, evaluation, dissemination of information, translation, insurance etc., including financial service costs (in particular bank fees for transfers).

3. Direct and Indirect Costs:
   There are two categories of eligible expenditures: direct costs and indirect costs.
Direct Costs:
- a. Direct costs have to be clearly linked to the project activities described in the project proposal and the logical framework.
- b. Direct costs are defined as actual costs directly related to the implementation of the project to cover the costs of goods and services delivered to beneficiaries, and the costs related to the support activities (even partial, such as a security guard or a logistician partially working for the project), required for the delivery of services and the achievement of the project objectives.
- c. Project budgets will be evaluated based upon a reasonable Direct/Support cost ratio (80/20) and adherence to SSHF budget preparation/financial guidelines.

Direct costs include:
- a. Staff and related personnel costs, including consultants and other personnel.
- b. Supplies, commodities, materials.
- c. Equipment.
- d. Contractual services.
- e. Travel costs, including transportation, fuel, and daily subsistence allowances for staff, consultants and other personnel linked to the project.
- f. Transfers and grants to counterparts/sub-implementing partners.
- g. General operating and other direct costs including security expenses, office stationary, and utilities such as telecommunications, internet, office rental and other direct costs, including expenses for monitoring, evaluation and reporting, related to the implementation of the project.

Indirect Costs:
- a. Indirect costs are referred to as Programme Support Costs (PSC). PSC are all costs that are incurred by the SSHF partners regardless of the scope and level of its activities and which cannot be traced unequivocally to specific activities, projects or programmes. These costs typically include corporate costs (i.e. headquarters and statutory bodies, legal services, general procurement and recruitment etc.) not related to service provision to a particular project. PSC is charged as a maximum 7% of the approved direct expenditures incurred by the partner.
- b. PSC of sub-IPs associated to the implementation of a specific project are covered by the overall maximum 7% of the actual project expenditures and may not be duplicated in the sub-partners’ budget.
- c. Indirect costs do not have to be itemized in the project budget.

4. Shared Costs:
Sharing costs between different donors and projects under a Country programme of the SSHF partner is an acceptable practice for CBPFs. The partner may share certain Country office costs to different uses and projects, for example staff, office rent, utilities and rented vehicles. However:
- a. All shared costs must be directly linked to the project implementation.
- b. All shared costs shall be itemized in the budget, following standard accounting practice and based on a well-justified, reasonable and fair allocation system, to be clearly explained in the budget narrative of each relevant budget line to be assessed and approved by OCHA’s HFU.
- c. The SSHF partner should at any time be able to demonstrate how the costs were derived and explain in the budget narrative and logical framework (if relevant) of the project proposal, how the calculation has been made (e.g. pro-rata, averages).
- d. For staff-related costs, if a position is cost-shared, the percentage of the monthly cost corresponding to the time that the person will dedicate to the project shall be budgeted. It is not acceptable to have portions of a unit for staff costs, only percentages are acceptable.
- e. Non-staff shared costs should be shared on the basis of an equitable cost allocation system.
- f. Accordingly, the percentages in the budget are to be assessed and approved by OCHA’s HFU.

5. Guidance on the Itemization of Budget Lines:
Each budget line requires the cost breakdown and narrative, as follows:
- a. Itemize each national and international staff, consultants and other personnel by function and provide unit quantity and unit cost by monthly or daily rates for each staff position. A brief explanation on how each budgeted staff contributes to the project implementation should be provided in the budget narrative.
- b. Provide unit or quantity (e.g., 10 kits, 1000 metric tons) and unit cost for commodities, supplies and materials to be
The budget narrative should be used to account properly for specifying the applicable unit of reference (length, volume, weight, area, etc.).

c. Provide cluster standard/technical specifications for items whose unit cost is greater than US$4,000.
d. Provide list of items and estimated cost per item for kits, when the kit value is greater than US$4,000.
e. Provide the list of items included in kits whose individual value is equal to or less than US$4,000.
f. OCHA still may request for additional information for budget lines with a total value less than US$4,000 in particular if the cost seems not acceptable in South Sudan.
g. Provide the list of items for globally standard/cluster standard kits.
h. Provide cluster standard/technical specifications for those items whose unit costs can greatly vary, based on those same specifications (e.g., for generators, a reference to the possible range of power would be sufficient to properly evaluate the accuracy of the estimated cost).
i. Provide details for any contracts so that the object of the contract results are clearly identified.
j. Itemize general operating costs (e.g. office rent, telecommunications, internet, utilities) for project implementation providing quantity and unit cost. A lump sum for operating costs is not acceptable.
k. Estimates can be accepted in travel, as long as the calculation modality of the estimate is described reasonably in the budget narrative (e.g., providing estimates on the number of trips and average duration in days, daily subsistence allowance (DSA) rates, etc.).
l. National travel: estimate number of trips and cost per trip.
m. International travel: estimate number of trips and cost per trip.

n. In the case of construction works whose individual value is greater than US$4,000, only the labor costs and known essential materials shall be budgeted and itemized, providing unit/quantity and unit cost. The budget narrative should explain how construction costs have been estimated on the basis of a cluster standard prototype of building (latrine, health post, shelter), type of materials (wood, prefabricated, brick/cement/concrete) and formula or rationale used to estimate construction costs (e.g. per square foot or meter, previous experiences, etc.).

6. Ineligible costs that remain the sole responsibility of the partner:
   a. Costs incurred outside the approved implementation period defined by the project start date to project end date (taking into consideration duly approved no-cost extensions).
   b. Costs not included in the approved budget (taking into consideration duly approved budget revisions).
   c. Debts and provisions for possible future losses or debts.
   d. Interest owed by the partner to any third party.
   e. Items already financed from other sources.
   f. Purchases of land or buildings.
   g. Currency exchange losses.
   h. Cessions and rebates by the partner, contractors or staff of the partner as part of declared costs for the project.
   i. Government staff salaries.
   j. Hospitality expenses, provision of food/refreshments for project staff (not including water and hospitality for trainings, events and meeting directly related to project implementation).
   k. Incentives, mark-ups, gifts to staff.
   l. Fines and penalties.
   m. Duties, charges, taxes (including VAT) recoverable by the implementing partner.
   n. Global evaluation of programmes.
   o. Audit fees/system audit fees – these costs are paid directly by the SSHF.

7. Other types of costs:
   On a case-by-case basis and depending on the objectives of the fund, the fund manager retains the flexibility to consider the following costs as eligible:
   a. Government staff training as a component of a project activity that contributes to the achievement of the overall project objectives.
   b. Visibility material of the partner directly related to projects funded by the SSHF.
   c. International travel costs when directly linked to the delivery of the project objectives. When international travel costs are requested to support additional activities outside those of the project, such costs can only be considered if they are well justified and, in the proportion, attributable to the project.
   d. Vehicles.
   e. Depreciation costs for non-expendable/durable equipment used for the project for which the cost is not funded in
the current budget or prior CBPF funding.
f. Equipment for the regular operations of the partner.
g. Recurrent costs for the partner’s current operations.

8. Further rules and recommendations – good practices:
a. Partner to provide budget in line with the SSHF operational modalities, within their risk level. On request from partners, the HFU to know their current risk level (place generic email of the SSHF).
b. Provide an accurate budget narrative (as an essential component of the budget) that clearly explains the components (quantity, unit cost, occurrence and percentage charged to SSHF) and the rationale of each budget line. For example, shared costs, large/expensive assets, and costs/equipment required to support the regular operations of the SSHF partner are clear cases where the provision of details will be required in the budget narrative;
c. Recommendations for each budget category (see below):

➢ Category 1 (Staff and Other Personnel Costs)
  • Every staff member/position with different functional title, TORs and salaries shall be added as a separate budget line.
  • Indicate for each position what specific role it plays in the implementation of the project, explain how the unit cost has been estimated, whether salaries are net or gross and what costs are included in unit cost (e.g. salary and associated taxes, social security, medical and life insurance, hazard pay, fringe benefits, work permit fees, etc.);
  • Personnel costs and allowance/incentive amounts should be reasonable and prepared taking into consideration the need for human resources to achieve project objectives and goals
  • Staff salaries should be as per the organization salary scale and the partner’s salary scale must be uploaded under the ‘documents’ tab;
  • For each staff indicate the location (either in the BL description or narrative section), where the person is/will be based;
  • Follow the cluster standard on the number of staffs to be charged to a specific project.

➢ Category 2 (Supplies, Commodities, Materials)
  • Only supplies that are going to be provided to beneficiaries/facilities shall be indicated in this category (no office supplies, etc.);
  • For supplies include associated transportation, freight, storage and distribution costs must be included and detailed;
  • Group of items (e.g. kit, bag, etc.) shall be broken down within the remark section showing content list. Alternatively, a breakdown/bill of quantity (BoQ) shall be provided.
  • The list of items for globally/cluster standardized kits must be provided (e.g. Post-exposure Prophylaxis (PEP) kits).

➢ Category 3 (Equipment)
  • Specify in the narrative of the BLs whether to which staff, facility, etc. the equipment is going to be allocated to;
  • Technical specifications of all equipment should be provided within the BL narrative;
  • The necessity of procuring new equipment needs to be justified;
  • In case the cost of ownership is included within the item value (costs of item, custom costs, transportation, installation etc.) a breakdown shall be provided;
  • In case of new equipment request (including IT equipment) the partner needs to provide list of all equipment received under SSHF previous projects and proof of disposal. The list should include value, location, year of purchase, status and current end user of the equipment.

➢ Category 4 (Contractual Services)
  • All types of contracted services related to the project shall be included within this category (e.g. project vehicle rental contracts, daily workers, etc.).
  • Any project related staff especially from sectors Health, Nutrition, Education and Protection such as health facility staff, school staff, protection activity staff shall be mentioned under this category.

➢ Category 5 (Travel)
• Project related travel cost should be provided as travel plan, broken down or itemized in budget narrative (into quantity of trips, transportation/ticket, accommodation, DSA/Per diem, etc.), whether how the calculation/estimation was made and specifying the travellers;
• The locations and the necessity of travels for the implementation of the project should be provided in the narrative.

➢ Category 6 (Transfers and Grants to Counterparts)
• Sub-implementing partners shall be provided in separate BLs and names of organizations must be indicated. Total costs of this BLs in this category should match the ‘Sub-Grants to Implementing Partners’ section under the ‘other info’ tab.
• Budget for each Sub-implementing partner shall be uploaded as an excel file under ‘documents’ tab. Online BoQ will not be accepted for sub-implementing partner (pdf or scan of excel tables are not accepted either);
• Activities carried out by the sub-implementing partner shall be indicated briefly in the budget line narrative;
• Sub-IP project budget should be as detailed as the Partner budget respecting the same format and the same rules.
• PSC of sub-implementing partners associated with the implementation of a specific project shall be covered by the overall maximum 7 per cent of the actual project budget and should not be duplicated in the sub-implementing partners’ budget. While the allocation of the PSC is made at the discretion of the partners and the sub-implementing partner, the principle of rationality is encouraged to support partnership.

➢ Category 7 (General Operating and Other Direct Costs)
• All general operating expenses should be itemized (such as office supplies, utilities, stationery, communication costs, etc.);
• Money transfer fees (if any) shall be indicated in this category and the costs explained;
• Cost for office locations and other support cost that are necessary/important for a successful project implementation shall be budgeted and remain proportional to the project’s objectives.

➢ Other:
• Particular attention should be paid by partners to avoid overlap or duplication of costs when other SSHF-proposals are submitted or other SSHF projects are still ongoing.
• Lump sums are not permitted - All amounts should be clearly budgeted and explained.
• All figures must reconcile with the unit cost in the narrative - thus, if the cost is in SSP, the amount needs to be converted in USD to reconcile with the unit cost in the budget.
Annex 4: Eligibility Process

According to the SSHF Operational Manual all organizations that are interested in becoming a partner of the SSHF 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. Organizations interested in participating to the SSHF eligibility process should meet the following minimum criteria:

1. Valid Registration Certificate of the NGO (in South Sudan and/or home country for international NGOs),
2. Recommendation letter of at least one cluster recognizing the minimum technical capacity of the partner for implementing humanitarian projects,
3. NGO participation in rolling years’ Humanitarian Response Plan (HRP),
4. NGO’s programmatic expenditure/budget of the last twenty-four (24) months should be equal or more than US$ 200,000.

STEP ONE – Expression of Interest

When and only when all above criteria have been met, prospective national and international NGOs working in South Sudan who are interested in receiving funding from the South Sudan Humanitarian Fund (SSHF) must first make a ‘statement of interest’ by contacting OCHA Humanitarian Financing Unit (HFU) via email at: ochasshf@un.org submitting the following information:

1. Registration Form – duly completed in English, including contact details and brief information on the organization’s sectors of operations, geographical areas of work and funding levels.
2. Copy of the valid Registration Certificate of the NGO (in South Sudan and/or home country for international NGOs).
3. Copy of the Mission Charter and/or Constitution of the organization (Authentic version, as well as translated in English).
4. Copy of the Passport or Identity Card of organization’s Executive Director (person ultimately legally responsible within organization – i.e. Secretary General or President, not the Country Director).
5. Recommendation letter from at least one Cluster Lead recognizing the minimum technical capacity of the partner for implementing humanitarian projects in South Sudan.
6. Harmonized Approach to Cash Transfers (HACT) Assessment – if existing and only if conducted by another UN Agency within the last 12 months.

NOTE: During the Eligibility Process the Humanitarian Financing Unit may visit on-going projects and main country offices within South Sudan to further examine the existing performance and validity of the provided documentation. Prioritization of Organisations’ evaluation lies with UNOCHA, based on the SSHF programmatic and geographic needs.

STEP TWO – Grant Management System - Due Diligence (DD)

Once the documentation of STEP 1 has been verified, the HFU will provide the prospective NGO access to the Grants Management System (GMS). The NGO will have three weeks’ time to submit a number of required information through the due diligence process. It is the responsibility of the NGO to promptly submit the documentation on time and according to the directions as mentioned from the following link: https://gms.unocha.org/content/due-diligence#accessDueDiligence. The documentation/checklist required for this STEP 2 are:

Category A: General Information

• Organizations name in English language with acronym, in the correct spelling through all submitted documentation,
• Full name, title, phone number and email of Legal Representative,
• Full name, title, phone number and email of Board of Trustees,
• Registration Certificate of the NGO (in South Sudan and/or home country for international NGOs),
• OPS or the Financial Tracking Service number in case NGO has registration.

**Category B: Governance and Institutional Capacity**
• Policies regarding: Procurement, Protection from Sexual Exploitation and Abuse (PSEA), Governance, Organogram, Policy on anti-bribery corruption and abuse of power,
• Code of Conduct document (signed by an authorized official of the organization),
• Mission statement aligned to the humanitarian principles.

**Category C: Programmatic Response Capacity**
• Existing donor MoU (for running year)
• Internal/external project monitoring reports (if available, one sample and most recent),
• M&E Manuals
• Example of implementation of beneficiary feedback/complaints mechanism (indicate if included in manuals or submit document describing mechanisms implemented),
• Needs assessments conducted (if available, one sample and most recent),
• Projects Proposal being implemented over the last two years within South Sudan (one sample).

**Category D. Coordination and Partnership Capacity**
• Recommendation letter of at least one cluster recognizing the minimum technical capacity of the partner for implementing humanitarian projects
• Written confirmation from Organization senior management that it shares its 3/4W information on a regular basis.

**Category E. Internal and Financial Capacity**

1. **Finance**
• Finance team list (name, position, education and number of working experience years)
• Financial manual
• Organization external audit report (of the past three years)
• Bank account statement (English Organization’s name should be identical with bank statement),
• Updated bank signatory list
• Authorization matrix
• Last three months bank reconciliation
• Double accounting system (for example: screenshot from software)
• Budget vs. actual analysis for the last project implemented

2. **Human Resources**
• Human Resource/Administrative manual
• Updated staff list as of last month
• Recent month payroll
• Leave/absence management database
• Salary scale

3. **Procurement**
• Procurement Policy/Procedures
• Stock and asset management/disposal
• Asset register
• Approved procurement committee list

**NOTE:**
- In case the candidate NGO has already undergone a HACT assessment, within the last 12 months from the expression of interest to SSHF, OCHA HFU will be requesting from the relevant UN Agency to share the HACT assessment asking the Agency of any existing performance evaluation.
- Further DD documentation uploading instructions can be found from the following link: [https://gms.unocha.org/content/due-diligence?plid=466#setupDueDiligence](https://gms.unocha.org/content/due-diligence?plid=466#setupDueDiligence)
STEP THREE – Internal Capacity Assessment

The GMS Internal Capacity Assessment (ICA) is the process when OCHA HFU reviews the documents an Organization has submitted during the Due Diligence (STEP 2). The review duration is one week (7 days) and will determine the eligibility of the candidate Organization (Eligible or Ineligible). Once an Organization is considered as an eligible partner the score received from the ICA tool will rate it as: (i) High Risk, (ii) Medium Risk, or (iii) Low Risk. Risk levels determine the minimum set of control mechanisms applied throughout the grant management cycle. The risk level assigned to any Organisation can only be improved through good performance in project implementation measured from the GMS Performance Index.