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<th>Description</th>
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<tr>
<td>AB</td>
<td>Advisory Board</td>
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<tr>
<td>AAP</td>
<td>Accountability to Affected Populations</td>
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<tr>
<td>BoA</td>
<td>Board of Auditors</td>
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<tr>
<td>CBPF</td>
<td>Country-Based Pooled Fund (formerly Funding Coordination Section – FCS)</td>
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<tr>
<td>CERF</td>
<td>Central Emergency Response Fund</td>
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<td>CPF</td>
<td>Common Performance Framework</td>
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<td>EO</td>
<td>Executive Officer</td>
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<td>GMS</td>
<td>Grant Management System</td>
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<td>HC</td>
<td>Humanitarian Coordinator</td>
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<td>HCT</td>
<td>Humanitarian Country Team</td>
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<tr>
<td>HFU</td>
<td>Humanitarian Financing Unit</td>
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<td>HoO</td>
<td>Head of Office</td>
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<td>HPC</td>
<td>Humanitarian Programme Cycle</td>
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<tr>
<td>HQ</td>
<td>Headquarters</td>
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<tr>
<td>IASC</td>
<td>Inter-Agency Standing Committee</td>
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<tr>
<td>ICA</td>
<td>Internal Capacity Assessment</td>
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<tr>
<td>ICWG</td>
<td>Inter-Cluster Working Group</td>
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<tr>
<td>IOM</td>
<td>Internal Organization for Migration</td>
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<tr>
<td>MA</td>
<td>Managing Agent</td>
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<tr>
<td>MPTF</td>
<td>Multi Partner Trust Fund</td>
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<tr>
<td>NCE</td>
<td>No-Cost Extension</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<tr>
<td>OCHA</td>
<td>Office for the Coordination of Humanitarian Affairs</td>
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<td>OIOS</td>
<td>Office of Internal Oversight Services</td>
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<tr>
<td>OM</td>
<td>Operational Manual</td>
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<tr>
<td>OMs</td>
<td>Operational Modalities</td>
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<tr>
<td>PI/PPI</td>
<td>Performance Index / Partner Performance Index</td>
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<tr>
<td>PUNO</td>
<td>Participating United Nations Organization</td>
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<tr>
<td>RC/RC</td>
<td>Red Cross / Red Crescent</td>
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<tr>
<td>RRM</td>
<td>Rapid Response Mechanism</td>
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<tr>
<td>SAA</td>
<td>Standard Administrative Agent</td>
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<tr>
<td>SRC</td>
<td>Strategic Review Committee</td>
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<tr>
<td>TPM</td>
<td>Third Party Monitoring</td>
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<td>TRC</td>
<td>Technical Review Committee</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>SSHF</td>
<td>South Sudan Humanitarian Fund</td>
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<td>SS-HRP</td>
<td>South Sudan Humanitarian Response Plan</td>
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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, and flexible funding to humanitarian organizations working to address the most critical needs of the most vulnerable people in South Sudan. The SSHF allocates resources to a wide range of humanitarian actors International Non-Governmental Organizations (INGOs), National Non-Governmental Organizations (NNGOs), and United Nations agencies (UNs) with projects aligned to the humanitarian response plan. Funding decisions are made in consultation with the humanitarian community to ensure collective response, ownership and accurate prioritization in-country. 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. 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.

3. The operational manual for South Sudan is issued by the Humanitarian Coordinator and endorsed by the Advisory Board. To ensure its relevance and effectiveness, the HC will revisit this Manual as needed to adjust the general direction and programmatic focus of the Fund.

1.1 Purpose and scope

4. The SSHF Operational Manual outlines the objectives, describes the governance arrangements, allocation modalities and priorities, accountability mechanisms of the Fund, and the roles and responsibilities of the stakeholders involved in the SSHF processes.

5. This Manual provides guidance to fund partners and facilitates the role of OCHA, members of the relevant review committees, cluster coordinators and other stakeholders.

6. The SSHF Operational Manual should be considered in conjunction with the Operational Handbook for Country-Based Pooled Funds (CBPFs). The Manual outlines all the steps and phases to be followed throughout the allocation processes and defines the country-specific regulations that govern the Fund. It is designed within the framework provided by the global Operational Handbook, which describes the global set of rules applicable to all CBPFs worldwide. The Manual adapts specific aspects of these global guidelines to the South Sudan humanitarian context.

7. Adherence to the guidance provided in the two documents, which complement each other, is mandatory to ensure inclusiveness, transparency, accountability and efficiency of the SSHF processes.

2. Objectives of the South Sudan Humanitarian Fund

2.1 Overall objectives

8. Support lifesaving and life-sustaining assistance to the most vulnerable groups, based on the most urgent humanitarian needs as defined in the HRP or in response to sudden onset emergency needs.

9. Expand the delivery of assistance in hard-to-reach areas by partnering with non-governmental organizations (NGOs).

10. Strengthen coordination and leadership by leveraging the cluster system thereby ensuring that humanitarian needs are addressed in a collaborative manner.

11. Contribute to addressing gaps in priority clusters and regions, and funding imbalances between clusters, in complementarity with other funding sources and channels and thus contribute to the overall improvement in funding coordination.

12. Strive for cost-effectiveness and efficiency while ensuring that all SSHF-funded interventions adhere to the basic humanitarian principles of humanity, neutrality, impartiality and independence.

2.2 Focus of the South Sudan Humanitarian Fund

13. 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 2021 SS-HRP requirement stand at USD 1.9 billion. The SSHF will launch standard allocations focusing on SS-HRP geographic priorities. The HC will use the reserve modality for responding immediately to emergency or for covering critical gaps.

14. In 2021, the SSHF will focus on the following priorities:

- **Covering critical gaps in the operation, as identified by the HC and HCT.** Through standard allocations, the SSHF supports 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.** The SSHF will prioritize support for multi-cluster initiatives for people in areas projected to be in IPC Level 3, 4 and 5 levels of food insecurity and for people with other critical humanitarian needs determined through assessments.

- **Addressing new priorities as identified by the HC and Humanitarian Country Team (HCT).** 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.** 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 placed to provide services receive funding.** All allocation decisions will be based on cluster defenses where cluster coordinators will present the steps they have taken to ensure projects meet strategic and technical criteria.

- **Strengthening risk management.** The SSHF has updated its risk management framework and its Accountability Framework in line with the Operational Manual and global CBPF Handbook.

15. In South Sudan, 11 clusters are activated for 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, and Coordination and Common Services sector. 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. In extreme circumstances, the HC may decide to support core pipeline gaps via reserve allocations.

16. Allocation strategy documents will outline priority interventions to be funded through both, the Standard and Reserve allocation windows of the SSHF.

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

3. Governance

18. The activities of the SSHF will be carried out under the overall stewardship of the HC. The HC is supported by an Advisory Board (AB) which advises on the allocation of funds and other strategic issues of the Humanitarian Fund. The SSHF AB, chaired by the HC and comprised of donors, UN organizations, national and International NGO representatives and OCHA South Sudan, advises on all aspects of the use of the SSHF.

3.1 Humanitarian Coordinator

19. The HC acts as the custodian of the SSHF on behalf of the Emergency Relief Coordinator (ERC). 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.

20. The HC decides the strategy for use of the fund, and ensures that the fund is delivering on its key objectives and is managed in accordance with this operational manual. The overall management of the Fund on behalf of the ERC will rest with the HC, supported by OCHA and advised by the SSHF AB. The HC:

- Approves, reviews and updates the Operational Manual, which outlines the Fund’s scope and objectives; programmatic focus; governance structures and membership; allocation modalities and processes; accountability mechanisms; and operational modalities;
- Leads advocacy and resource mobilization for the Fund, at both global and country levels, supported by OCHA South Sudan and in coordination with the relevant OCHA entities at headquarters;
- Approves direct costs for OCHA South Sudan Humanitarian Financing Unit (HFU);
- Chairs the SSHF AB and provides strategic direction for the Fund;
- Approves the use of and defines strategic focus and amounts of the Fund’s allocations;
- Ensures that the SSHF AB and the strategic and technical review committees function in accordance with the guidelines outlined in the SSHF Operational Manual;
- Makes 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 that require immediate response. In addition, the HC has the authority to overrule recommendations from review committees;
- Approves projects and initiates disbursements;
- Ensures complementary use of SSHF funding with other funding sources, including the Central Emergency Response Fund (CERF) and bilateral funding;
- Leads the process of closing the SSHF.
3.2 Advisory Board

21. 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. 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.

22. 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 (Member, 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);
- 1 Observer non-contributing donor

23. The SSHF AB membership is limited to ensure a meaningful discussion and quick and effective decision-making. The selected members make a commitment to attend all Board meetings, to provide comments by email, as required, and are authorized to make decisions during the AB meetings. Humanitarian UN agencies select two among them as AB members. INGO and NNGO Forums select two NGOs of each as AB members; and the SSHF donors select two SSHF donor representatives and one non-SSHF contributing donor with the role of observer. 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.

24. OCHA Head of Office participates in the AB meetings as a full member; OCHA South Sudan HFU serves as the secretariat of the AB. Board members are elected for one year; tenure is renewable, and representation should be at the country representative or head of country office level.

25. 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.

- **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.

26. 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.

27. 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.

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

29. The HC can call on the AB at any time to (a) give advice on a project rejected by the cluster, but where the submitting organization has appealed, (b) arbitrate conflicts between submitting organizations, a cluster and the HC, (c) perform ad-hoc reviews of the SSHF mechanism in cases of an unexpected change of circumstance, or (d) perform any other advisory function as judged necessary by the HC.

30. The frequency of meetings is determined by the processes that require strategic direction and policy guidance. The AB meets at least four times a year. These meetings cover a range of the above tasks, including but not limited to endorsing budgets for the HFU, reviewing the Operational Manual, sitting to review allocation decisions, or to discuss changes to the humanitarian context.

31. 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 HFU at any time in case additional information is needed.

3.3 OCHA Head of Office

32. The OCHA Head of Office (HoO) oversees the operation of the fund to support the HC. As such, the HoO is responsible for the effective management of the fund

33. The HoO responsibilities with respect to the SSHF 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 SSHF processes and ensure that its 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 SSHF.
   - Act as a permanent member of the AB.
   - Frequently review the SSHF complaints email (sshfcomplaints@un.org) accessible only by OCHA HoO/DHoO.

3.4 Managing Agent (MA) - OCHA Humanitarian Financing Unit

34. The Humanitarian Financing Unit (HFU), under the leadership of the Fund Manager, is responsible for the daily
management of all programmatic and financial aspects of the SSHF 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:

a) Management of SSHF operations and policy advice to the HC

- Advise the HC and OCHA HoO on Fund strategies and other Fund-related matters.
- Facilitate the development of the SSHF scope, objectives and allocation papers.
- Provide oversight to the entire funding cycle from allocation launch to project closure.
- Engage with SSHF donors and coordinate with other humanitarian donors in the country.
- Draft the resource mobilization strategy and support its implementation in coordination with headquarters resource mobilization efforts.
- Support HC and HoO efforts to link the Fund with the Humanitarian Programme Cycle (HPC) by promoting allocations in alignment with the HRP.
- Support and promote partner compliance with the SSHF procedures.
- Produce reports, analysis and other documents, as necessary, to support decision-making, coordination, communication and resource mobilization activities.
- Serve as the AB secretariat.
- Prepare the SSHF annual report.
- Facilitate public information sharing with all stakeholders.
- Ensure that governance and allocation documentation is available on the SSHF webpage.

b) Project Cycle Management

- Facilitate and train stakeholders on the SSHF processes, including but not limited to programmatic and financial management, assurance measures, and the use of the Grant Management System (GMS).
- Ensure compliance with processes, systems, templates and tools for CBPFs defined in the global handbook, this Operational Manual and other SSHF procedures.
- Provide support to all SSHF recipients throughout the allocation process and promote feedback and continuous learning.
- Participate in decision making and facilitate activities associated with strategic review.
- Participate in decision making and facilitate activities associated with the technical review and ensure the finalization of the technical review.
- Ensure the follow up with fund disbursements and refunds.
- Ensure narrative and financial reporting compliance.
- Manage project revision requests (e.g. follow-up and support with budget revisions, reprogramming, no-cost extensions, etc.). Fund Manager, on behalf of OCHA HoO, may proceed with project revision request submission directly to HC’s office.
- Ensure Financial Tracking Service (FTS) reporting, as required.

c) Implementation of the SSHF Accountability Framework

- Support and advise the HC and OCHA HoO on the implementation of the SSHF Accountability Framework.
- Coordinate and facilitate capacity and performance assessments, risk management, monitoring and reporting.
- Ensure compliance with the minimum requirements described in the operational modalities of the SSHF Operational Manual.
- Ensure compliance with audit requirements and follow up recommendations stemming from audits and monitoring findings.
- Facilitate periodic external evaluations in line with the global agreements on evaluation requirements for...
the CBPFs.

### 3.5 Administrative Agent (AA) - UNDP MPTF Office

35. In its capacity as the Administrative Agent (AA) of the SSHF, the UNDP Multi Partner Trust Fund (MPTF) Office will:

- i. Conclude the Standard Memorandum of Understanding 6 (SSHF MOU) with PUNOs in full coordination with OCHA;
- ii. Negotiate and conclude the Standard Administrative Arrangement (SSHF SAA) with donors contributing to the SSHF;
- iii. Receive contributions from donors;
- iv. Administer donor funds received, including administration of earned interest;
- v. Disburse funds to PUNOs in accordance with the instructions from the HC within 3 – 5 working days;
- vi. 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;
- vii. Provide periodic (annual and final) consolidated financial reports to the HC and SSHF Advisory Board through OCHA; and
- viii. 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

36. 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 should provide technical expertise to the process of project prioritization and to the technical review of projects.

37. The Cluster coordinator and co-coordinators will undertake the following activities in relation to the SSHF:

- Strategic prioritization: Cluster coordinators play an active role in the process of agreeing on the strategic priorities of the SSHF allocations and allocation rounds by seeking inputs from their regional and national cluster structures and providing inputs to the Inter-Cluster Coordination Group (ICCG).
- Application process: To the extent possible, cluster coordinators provide programmatic guidance to applicants before their submission of proposals to the Fund.
- Strategic and technical review of projects: Cluster coordinators (i) ensure that the strategic review of projects is carried out as set in the SSHF Operational Manual; (ii) they contribute to the technical review of project proposals; and (iii) provide cluster-specific standard activities and corresponding standard indicators.
- Accountability: 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;
- Monitoring and reporting: Clusters contribute to monitoring and evaluation by developing three to five key indicators and standard activities per cluster, by including SHF projects in their cluster portfolio, by analysing project reports, by participating in inter-agency project visits, by providing any other relevant information about the implemented projects, and by providing sampling criteria for the selection of projects for evaluation.
3.7 **Implementing Partners**

38. Donor contributions to the SSHF are utilized to fund projects carried out by the SHF partners:

- National and international NGOs who have passed the SSHF capacity assessment.
- UN Agencies, Funds and Programmes (UN AFPs), that have signed the standard Memorandum of Understanding (MOU) for the SSHF with the Multi-Partner Trust Fund Office (MPTFO).

39. The responsibilities of the SSHF partners:

a) Application process

- Partners must familiarize themselves with the SSHF processes and, if necessary, seek advice from OCHA South Sudan HFU before applying for funding.
- They must develop and submit project proposals through the GMS that reflect and are aligned with the SSHF allocation strategy and as per guidance of cluster coordinators with all the necessary supporting documents.
- They must adhere to the set timelines and ensure speedy, thorough and responsive review process.
- They must ensure that due diligence information is duly updated in the GMS.

b) Implementation

- After the project approval and technical review process, implementing partners must sign the grant agreement and related annexes specifying the applicable terms and conditions, becoming legally accountable for the proper use of SSHF funds.
- Partners commit to comply with all the requirements defined in the grant agreement. Some terms of the agreement may be modified to accommodate the necessary changes arising through the unforeseeable circumstance through the project revision, budget revision and no-cost extension. (For details on revision requests partners should contact OCHA South Sudan HFU).

c) Accountability

- Partners need to ensure that robust internal accountability procedures (monitoring, reporting, risk management) are in place and diligently applied in relation to the SSHF projects. The monitoring and reporting capacity of each partner will be verified during the capacity assessment, the project approval process and during the project cycle.
- Implementing partners have an obligation to facilitate all SSHF accountability activities (see section 5. Accountability Framework and specific grant agreements), whether conducted by OCHA HFU, cluster coordinators or any other entity contracted or authorized by OCHA South Sudan and the United Nations, including but not limited to visits with partners, external experts or donors; monitoring visits; financial assurance activities; and investigations.
- Implementing partners must provide narrative and financial reports in line with the reporting requirements stipulated in the grant agreement or its annexes.
- Implementing partners must immediately report to the OCHA HFU South Sudan any constraints (management, financial, logistical, security) that may significantly affect the implementation or lead to changes of the SSHF funded project.
- Implementing partners are, as per the grant agreement, obliged to immediately report fraud or suspected fraud. See section 5.9. Complaint and feedback mechanism.
- Implementing partners should always inform OCHA HFU of any organizational changes, including but not limited to the change of designated signatory and/or legal representative, change of organizational name,
change on bank information or contact information.

- Implementing partners are required to actively promote the SSHF feedback and complaint mechanism at their project sites and at their organizational premises; and in their communication with the affected population, staff and external stakeholders;

d) Visibility

- All partners are requested to promote their work and assistance funded by the SSHF, as per the SSHF Visibility Guidelines\(^2\) and in close partnership and collaboration with OCHA South Sudan HFU to maximize the impact of their communication efforts around the SSHF.

### 3.8 Review Committee

3.8.1 Strategic Review

40. 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 review the strategic relevance of submitted project proposals before recommending them for 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).

41. Strategic Review Committees are convened by each Cluster Coordinator 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.

42. For each Cluster, the SRC shall consist of equal member representation.

   a. Cluster Coordinator (chair) or Cluster co-chair
   b. OCHA/HFU representative (as process leader) and one as secretariat
   c. UN representative
   d. INGO representative
   e. NNGO representative

   In addition, cluster coordinators support OCHA HFU by ensuring pertinent Cluster information is availed in time to allow the SRC to deliver on its functions including the score card and Cluster specific technical criteria which will be used to assess the strategic relevance of project proposals.

43. 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.

44. Each SRC member should be familiar with the SSHF Operational Manual and are required to sign a code of conduct agreeing to demonstrate professionalism and integrity throughout the review process without regard

to personal feelings, relationships, or any other biases and maintain confidentiality throughout the review process.

45. For Reserve Allocations the SRC will consist of at least three (3) members during the review process:
   
a. Cluster Coordinator (chair) or Cluster co-chair  
b. One OCHA/HFU representative (as process owner) and one as secretariat  
c. One UN or NNGO or INGO representative

3.8.2 Technical and financial review

46. The SRC recommended project proposals will be shared with HC for consideration and endorsement prior to the technical review.

47. 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). The SRC recommended project proposals will be shared with HC for consideration and endorsement prior to the technical review comprises 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.

48. 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.

49. 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 three times upon receiving written comments through the technical review process.

50. Cluster Coordinators and OCHA HFU will input and clear technical comments on the GMS.

4. Allocation modalities

51. 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

52. Donor contributions to the SSHF will be utilized to fund projects carried out by:
   
a. UN Organizations (PUNOs)  
b. National and international Non-Governmental Organizations (NGOs)  
c. Others (organizations of the International Red Cross and Red Crescent Movement)

4.1.1 UN eligibility

53. 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 but most importantly must have signed the standard Memorandum of Understanding (MOU) for the SSHF with the Multi-Partner Trust Fund Office (MPTFO).

54. 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

55. 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 section 5.1.3.

56. 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:

57. 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:

   a. **Partner eligibility and capacity**: verified through a due diligence and capacity assessment process, with due diligence information updated at the time of the allocation;
   
   b. **Strategic relevance**: clear linkage to the strategic and Cluster-specific objectives of the SS-HRP, compliance with the priorities outlines of the Allocation Strategy;
   
   c. **Access**: proven access and/or physical presence to areas of operation; the location of the project is clearly identified;
   
   d. **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;
   
   e. **Appropriateness**: the activities are adequate to respond to the identified needs;
   
   f. **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;
   
   g. **Intervention logic**: a sound logical framework, linked to objectives of the SS-HRP and the standard activities and indicators provided by the Clusters;
   
   h. **Risk management**: assumptions and risks are comprehensively and clearly spelled out, along with risk mitigation strategies;
   
   i. **Monitoring**: a realistic monitoring and reporting strategy is reflected in the proposal.

4.3 Grant Duration

58. 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.

59. 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

60. 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 |
|---|---|---|
| **Step** | **Description** | **Stakeholders Involve** |
| 1. Allocation Strategy Paper Development | Development and launch of allocation paper at the request of the HC, in consultation with humanitarian partners using existing coordination mechanisms. | HC/AB, SSHF Cluster, Leads Cluster members, OCHA HQ/CBPF section |
| 2. Submission of project proposals | 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. | Partners, Cluster Leads |
| 3. Preliminary Review | Preliminary review of submitted proposals for completeness (compliance with application template), non-duplication of proposal | OCHA HFU |
| 4. Strategic review | 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. | SRCs, OCHA HFU |
| 5. Preliminary endorsement by HC | 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. | HC, AB, OCHA HFU |
| 6. Technical and financial review | 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. | OCHA HFU, TRCs Cluster Leads, OCHA CBPF Section |
| 7. Final approval by HC | HC approves recommended projects, and signs Grant Agreements (GAs). Partners and OCHA CBPF Finance counter-sign GAs. | OCHA HFU, Partners, OCHA CBPF Finance |
| 8. Disbursement | Fund disbursed to partners as per SSHF operational modalities. | OCHA CBPF Section, MPTF Partners |

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

61. 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.

62. 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.

63. 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 email where a meeting may be not preferred or is impractical for operational reasons. E-mail consultation will be on a ‘no objections basis’, typically within 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.

64. 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 OCHA HFU and the respective cluster to ensure their quality prior to final approval by the HC.

65. 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 risk management policies and procedures, including capacity assessments. Proposals are subject to Technical Review by the OCHA HFU and the respective cluster to ensure their quality prior to final approval by the HC.

| SSHF Indicative Workflow for a Reserve Allocation Process |
|---|---|---|
| Step | Description | Stakeholders Involve |
| 1. Allocation Strategy Paper Development | 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. | HC/AB, SSHF Cluster, Leads Cluster members, OCHA HQ/CBPF Section |
| 2. Submission of project proposals | Call for proposals, disseminated through Cluster Leads. Eligible partners prepare project proposals that address priorities identified in the allocation | Partners, Cluster Leads |
4.5 Project proposal submission

66. All project proposals should be submitted via the GMS on the due date outlined in the allocation paper and/or communicated by the SSHF management. Late project proposals will not be accepted. GMS registration is obligatory for all eligible partners prior to the project proposal submission.

67. Project proposals must be prepared aligning with the strategic objectives of the HRP and the allocation paper. This needs to be supported by clear log frames with outcomes, outputs, SMART indicators and detailed activities.

68. Projects should be aligned with the HRP and should include the relevant HRP codes.

4.6 Budget preparation

69. All project proposals must have a detailed budget outlining all the project related planned expenditures under relevant budget lines.

70. Budget proposals must reflect the correct and fair budget breakdown of the planned costs and clearly outline units, quantities and percentages. Partners should avoid including only lump sum amounts and provide bill of quantities (BoQs) or budgetary breakdowns including list of items and costs per item to total the unit cost for planned expenditures. Partners should provide budget breakdowns for all budget lines with costs equal to or exceeding US$ 10,000 indicating the list of items and their unit costs in the case of kits or bundles of items being procured. Partners should also provide technical specifications for all single items costing US$ 10,000 or more. For detailed guidance, see annexes 2(a) budget guidance, (b) guidance note on preparation of budget breakdowns (c) financial and procurement guidelines (d) shared cost (e) asset and inventory management.

71. The provided budget narrative needs to clearly explain the object and the rationale of any budget line. For example, shared costs, large/expensive assets and costs/equipment required to support the regular operation of the implementing partner are cases where the provision of details will be necessary in the budget narrative. See Annex 2 Budget Guidance of this Operational Manual for a detailed budgetary guidance.
4.7. Disbursement policy

72. The number and frequency of disbursements to a partner is determined by the Fund’s Operational Modalities (see Table 5 of this Operational Manual):
   • Type of implementing partner (i.e. UN agency, NGO).
   • Partner risk level (for NGOs).
   • Value of the project.
   • Duration of the project.

73. The first instalment is disbursed within 10 working days of the final signature on the contract by OCHA Executive Officer.

74. Subsequent instalments are to be disbursed upon presentation of evidence that at least 70 per cent of the preceding instalment has been utilized. The partner submits a financial statement reflecting the expenditure to-date and may be requested to provide supporting documentation for a sample or all the reported expenditure. The HFU may apply other means such as financial spot check, monitoring reports, review of narrative reports and independent audit as assurance mechanisms on the expenditure reported. The results of these verification means will be used to determine the release of subsequent instalments.

4.8. Grant duration

75. 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. In exceptional cases, subject to the approval of the HC, projects can go beyond 12 months. The HFU will liaise with the partner to determine the start date of the project. The agreed upon start date will be specified in Article I of the grant agreement. The HC can then sign the grant agreement.

76. If necessary, implementing partners can request project revisions and/or no-cost extension to reprogram and/or extend the duration of the grant.

4.9. Revision requests

77. Significant deviations from the original project objectives, including changes in the geographic location of the project, the target population, or the scope of project activities will be assessed on case-by-case basis. Variations of all forms must be brought to the Fund Manager’s attention with clear and strong justification. Revision requests need to be endorsed by cluster coordinators and approved by the HC.

78. No-cost extension requests will be considered on a case-by-case basis, depending on the justification provided.

79. Project modification requests can be approved by OCHA HoO, if delegated by the HC.

80. Implementing partners are authorized to make budget variations not exceeding fifteen (15) per cent on any one budget category of the approved project budget, provided the total Project Budget allocated by OCHA is not exceeded. Any variations exceeding 15 per cent on any one budget category shall be subject to prior consultations with OCHA and approval by the HC. Any addition of new budget line exceeding 15 per cent of the budget category requires prior consultation with OCHA and approval by the HC.

81. Revision requests are submitted and processed through the GMS after endorsement has been granted by the
cluster coordinator.

5. SSHF Accountability Framework

82. Accountability is the foundation for effective SSHF 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 SSHF is managed responsibly and according to established guidelines; and ultimately (iii) the SSHF is achieving its main objectives.

83. The management of the SSHF is based on a risk-based approach to ensure that a thorough analysis of risks has been undertaken and that adequate assurance modalities are identified to mitigate these risks (see Table 1 SSHF risk analysis and mitigation matrix). The SSHF risk management and assurance activities are undertaken at various levels on a continuous basis.

84. 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.

85. To this end, the SSHF Accountability Framework consists of interlinked pillars which include partner capacity and performance assessment and risk rating; project monitoring (field and remote) and financial spot checks; reporting (financial and programmatic); project audits; and evaluations.
<table>
<thead>
<tr>
<th>Risk category 1: Context / Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk drivers: Decreasing access to people most in need and shrinking humanitarian space</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk</th>
<th>Likelihood</th>
<th>Impact</th>
<th>Mitigation strategy</th>
<th>Timeframe</th>
<th>Risk owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk 1: SSHF partners have limited access to project areas in South Sudan due to violence, insecurity, bureaucratic impediments, interference with humanitarian work</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>Risk 2: UN downsizing of staff/ Direct threats to UN and NGOs staff</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</td>
<td>OCHA, HFU</td>
</tr>
<tr>
<td>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.</td>
<td>Likely</td>
<td>Major</td>
<td>OCHA 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 continues to explore innovative project implementation modalities as alternatives to current modalities (i.e increased cash programmes.)</td>
<td>In place</td>
<td>UN Agencies, HCT, OCHA</td>
</tr>
<tr>
<td>Risk category 2: Financial</td>
<td>Risk 1: SSHF partners show weaknesses in financial management, limited monitoring capabilities or weak internal controls.</td>
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<tr>
<td></td>
<td>Almost certain</td>
<td>Major</td>
<td>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.</td>
<td>In place</td>
<td>OCHA /HFU</td>
</tr>
<tr>
<td></td>
<td>Risk 2: Aid diversion</td>
<td>Likely</td>
<td>Major</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>In place</td>
</tr>
<tr>
<td></td>
<td>Risk category 3: Governance</td>
<td>Risk 1: Donor fatigue, lack of donor interest</td>
<td>Likely</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>
</tr>
<tr>
<td></td>
<td></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>
</tr>
<tr>
<td></td>
<td>Risk 2: Inadequate commitment and lack of active participation among key actors on the AB</td>
<td></td>
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</tbody>
</table>

South Sudan Humanitarian Fund (SSHF)
### Risk category 4: Strategic and programmatic

**Risk drivers:** The SSHF funding contributions are less than any previous year but still attracting the attention from too many stakeholders.

<table>
<thead>
<tr>
<th>Risk 1: Loss of strategic focus and subsequent limited impact if allocations support too many priorities or projects</th>
<th>Possibly</th>
<th>Major</th>
<th>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.</th>
<th>In place</th>
<th>HC / OCHA/HFU / AB</th>
</tr>
</thead>
<tbody>
<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 In place</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>
</tbody>
</table>

### Risk category 5: Partnership

**Risk drivers:** Effectiveness of the humanitarian coordination system vis-à-vis the operation and management of the Fund

<table>
<thead>
<tr>
<th>Risk 1: Difficult working relationship with national/local government authorities</th>
<th>Likely</th>
<th>Major</th>
<th>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.</th>
<th>In place Quarterly</th>
<th>HFU/OCHA HoO / HC / OCHA office / SSHF partners</th>
</tr>
</thead>
<tbody>
<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 Ongoing</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.</td>
<td>In place</td>
<td>OCHA HFU / Clusters</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></td>
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<tr>
<td>Joint HFU/Clusters monitoring visits. OCHA/HFU will analyse partners’ capacity to absorb more funding.</td>
<td>Ongoing</td>
<td>OCHA HFU/ Partners</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk 5: Sexual Exploitation and Abuse (SEA) in SSHF-funded projects</th>
<th>Possible</th>
<th>Major</th>
</tr>
</thead>
<tbody>
<tr>
<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>SSHF / Partners</td>
</tr>
</tbody>
</table>

**Risk category 6: Hazard risks**

<table>
<thead>
<tr>
<th>Risk 1: Propensity to natural disasters: Erosion, logging and climate change</th>
<th>Possible</th>
<th>Moderate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk will have to be accepted as the SSHF cannot influence the risk. However, better contingency planning and use of seasonality approaches can mitigate the risk to some extent.</td>
<td>Ongoing</td>
<td>Implementing Partners, Clusters Humanitarian Coordinator Fund Manager</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk 2: Outbreak of global pandemics: COVID-19 impact on humanitarian operation</th>
<th>Possible</th>
<th>Major</th>
</tr>
</thead>
<tbody>
<tr>
<td>Situation to be reviewed on a case by case basis to safeguard security of staff and other stakeholders. Effect of risk on accountability will be mitigated by ensuring use of remote monitoring, training/meeting and assessment tools. Third party monitoring are contracted which will increase access to insecure regions and use of remote monitoring tools. Use of video conferencing platforms to conduct meetings, partner trainings and proposal reviews.</td>
<td>Ongoing</td>
<td>Implementing Partners OCHA HoO Fund Manager Clusters Vendors conducting third party monitoring</td>
</tr>
</tbody>
</table>
5.1 Risk-based grant management

86. Partner risk analysis is carried out by analyzing partner capacity which determines eligibility. Eligible partners are categorized according to a specific risk rating which determines the minimum standard of operational modalities applicable to them. Over time, as partners receive funding and implement projects, risk ratings will increasingly be determined by partner performance.

87. 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.

88. 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.

89. 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 5.1.2.

5.1.1 Eligibility Process

90. 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.

91. 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**

92. 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),
- Signed and stamped 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 from date of expression of interest should be equal or more than US$ 200,000
- Proof of NGO is free from any obligation or debts towards Personal Income Tax (PIT), or National Social Insurance (NSI) or with-holding tax (WHT) to the National Revenue Authority (NRA) in South Sudan for the last 24 months.

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

93. Once an organization has ensured that the minimum requirements are met, the organization will submit a registration form and 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**

94. When an organization has passed Step 1 then 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 and 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**

95. 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 and a visit to one or more of the organization’s offices by the HFU’s finance and programmatic staff.

96. 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.

97. 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.

98. Capacity Assessment Scoring with threshold and risk levels.

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3 [https://www.unocha.org/south-sudan/about-ss-hf](https://www.unocha.org/south-sudan/about-ss-hf)

South Sudan Humanitarian Fund (SSHF)
<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>

5.1.2 Performance Index (PI)

99. The Performance Index (PI) tool is a key part of the SSHF Accountability Framework and it allows the Humanitarian Financing Unit (HFU) to have an up to date rating of partner’s performance. The rating of the partner’s performance of fund projects will be used alongside the original capacity assessment and contextual factors to determine and adjust the partner risk levels.

100. The PI tool has been developed to support the 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 PI.

101. 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.

102. Eligibility of partners that have not implemented SSHF funded projects for more than three consecutive years will be revoked. A new capacity assessment will have to be conducted. OCHA HFU will communicate on eligibility suspension and date of partner capacity assessment, according to HFU operational criteria.

103. 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.

104. 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.
## 5.1.3 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><strong>NGOs</strong></td>
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<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></td>
<td>&gt; 250</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></td>
<td>&gt; 250</td>
<td>40-30-30</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></td>
<td>&gt; 250</td>
<td>700</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>1 mid</td>
<td>Yes</td>
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<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>
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<tr>
<td></td>
<td></td>
<td>&gt; 250</td>
<td>1,200</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></td>
<td>&gt; 400</td>
<td>2,000</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>80-20</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>1 mid</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; 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></td>
<td>≥ 2,000</td>
<td>60-40</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></td>
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<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>Yes</td>
<td>1***</td>
</tr>
<tr>
<td></td>
<td>Over 6 and up to 12</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>-</td>
<td>Yes</td>
<td>Yes</td>
<td>1***</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. A monitoring visit will be systematic if the UN agency has a grant equal to or over US$2 million.
5.1.4 Compliance Measures

105. Through the aforementioned accountability mechanisms, the HC safeguards programmatic and financial management of SSHF. 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 conduct4.
- Indication of possible fraud, corruption or misuse of funds.

106. 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.), assesses compliance with rules and guidelines and are publicly available.

107. When a partner does not comply with the requirements described in this Operational Manual 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.

108. 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.

5.1.5 Common Performance Framework (CPF)

109. The Common Performance Framework (CPF) is a management tool that provides a set of indicators to assess how well SSHF performs in relation to the policy objectives and operational standards set out in this manual. The CPF will enable management and stakeholders involved in the governance of SSHF to identify, analyze and address challenges in reaching and maintaining a well-performing fund.

110. The CPF includes a set of 20 performance indicators to assess the funds’ overall ability to deliver their overarching objectives in line with five principles (areas): Inclusiveness, Flexibility, Timeliness, Efficiency and Accountability and Risk management).

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The CPF includes a set of 20 performance indicators to assess the funds’ overall ability to deliver their overarching objectives in line with five principles (areas): Inclusiveness, Flexibility, Timeliness, Efficiency and Accountability and Risk management.

The SSHF will present the indicators, set targets and follow up actions to the AB in the first quarter of the year for discussion and approval. The annual results will be shared with the AB and qualify the indicator results. The results will then be published in the SSHF Annual Report.

5.2 Monitoring

SSHF implementing partners (UN agencies, Red Cross and Red Crescent Movement 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.

To achieve the objective of project monitoring as define in the manual, 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.

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.

5.2.1 Monitoring objectives

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.

5.2.2 Roles and Responsibilities

The HC is responsible for ensuring that a representative sample of SSHF-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.

118. OCHA HFU will 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.

119. 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:

120. 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 SSHF.

- 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.

121. According to the 2017 CBPF Operational Handbook, 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. For UN agencies a monitoring visit will be required if the agency has received a grant equal or over $2 million. The HFU can decide to monitor a project in cases when submitted reporting does not provide enough reassurance on the project implementation.

5.2.3 SSHF Monitoring Tools and Monitoring Process

122. Taking into consideration that partners’ project management systems is the backbone of monitoring, one of the objectives of SSHF 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.

123. 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 SSHF.

124. Field site monitoring: implemented by OCHA and supported by clusters, field site monitoring is a critical component of the overall framework to verify that SSHF-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.

125. 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.

126. Third Party Monitoring (TPM): TPM is considered as an appropriate monitoring approach 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 SSHF 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.

127. Remote monitoring occurs in instances when it is not feasible to conduct physical project visits. This is not uncommon as SSHF 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.

128. 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.

5.3 Reporting

5.3.1 Partner reporting

129. Narrative and financial reporting requirements for NGOs, Red Cross and Red Crescent Movement and UN Agencies are determined according to the Operational Modalities (OM) described above, 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 and in the MOU for PUNOs.

130. Each Participating UN Organization will provide to MPTFO, the Administrative Agent, and through the Administrative Agent the Humanitarian Coordinator with the following financial statements and reports prepared in accordance with the accounting and reporting procedures applicable to the Participating UN Organization concerned, as set forth in the Manual. The Participating UN Organizations will endeavour to harmonize their reporting formats to the extent possible.
131. Annual financial report as of 31 December with respect to the funds disbursed to it from the Fund Account, to be provided no later than four (4) months (30 April) after the end of the calendar year. Certified final financial statements and final financial reports after the completion of the activities in the approved programmatic document, including the final year of the activities in the approved programmatic document, to be provided no later than five (5) months (31 May) after the end of the calendar year in which the financial closure of the activities in the approved programmatic document occurs, or according to the time period specified in the financial regulations and rules of the Participating UN Organization, whichever is earlier.

132. Each Participating UN Organization will provide the Humanitarian Coordinator supported by OCHA with narrative reports prepared in accordance with the reporting procedures as set forth in the Manual. The Participating UN Organizations of the will endeavour to harmonize their reporting formats to the extent possible.

<table>
<thead>
<tr>
<th>Substantive Reporting (Quantitative, Narrative)</th>
<th>Final financial report</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN and NGOs (through GMS)</td>
<td>NGOs (through GMS)</td>
</tr>
<tr>
<td><strong>Quantitative (against standard indicators):</strong></td>
<td></td>
</tr>
<tr>
<td>- Interim report at project midterm.</td>
<td></td>
</tr>
<tr>
<td>- Final report two months after project end-date.</td>
<td></td>
</tr>
<tr>
<td><strong>Narrative (GMS template):</strong></td>
<td></td>
</tr>
<tr>
<td>- Interim report at project midterm.</td>
<td></td>
</tr>
<tr>
<td>- Final report two months after project end-date.</td>
<td></td>
</tr>
<tr>
<td><strong>Note:</strong> For projects shorter than six months, narrative reporting is only submitted once, after the completion of the project.</td>
<td><strong>Interim financial report:</strong> Reporting to be undertaken upon utilization of 70% of disbursed funds and prior to application of the subsequent tranche, where applicable.</td>
</tr>
<tr>
<td></td>
<td>Final financial report: To be submitted no later than 60 calendar days after project end-date.</td>
</tr>
<tr>
<td></td>
<td>Ad hoc extraordinary financial report – submitted when additional reporting is required on an ad hoc basis.</td>
</tr>
<tr>
<td></td>
<td><strong>End-of-year extraordinary financial report (IPSAS):</strong> To be submitted by 31 January covering expenditure up to 31 December of the previous year (unless waived, in accordance with the article X, paragraph 3 of the GA).</td>
</tr>
</tbody>
</table>

| UN (Reporting through MPTFO and GMS)          |                         |
|                                               | Certified final financial statements and final financial reports after the completion of the activities in the approved programmatic document, including the final year of the activities in the approved programmatic document, to be provided no later than five (5) months (31 May) after the end of the calendar year in which the financial closure of the activities in the approved programmatic document occurs, or according to the time period specified in the financial regulations and rules of the Participating UN Organization, whichever is earlier. |

### 5.3.2 SSHF Annual Reports and Periodic Updates

South Sudan Humanitarian Fund (SSHF)
133. 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.

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

5.4 Audit

135. The audit process for NGOs will be conducted according to global Operational Handbook for CBPF. For these partners the Audit will be conducted by the approved audit service provider. On the contrary for UN Agencies (PUNOS) audit process will follow as per the signed MOU - including audit of MPTF as the AA.

5.4.1 OCHA Operations Audit

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

5.4.2 Project Audits

137. Audit of UN Organizations: Participating UN Organizations 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).

138. 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:

139. 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.

South Sudan Humanitarian Fund (SSHF)
• 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.

140. 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.

141. OCHA/HFU may also recommend the HC to trigger a specific audit during project implementation, if there are reasonable concerns about the implementation or management of a project.

5.5 Accountability to Affected Populations

142. 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.

143. 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.

5.6 Complaint mechanism and Appeals Process

144. 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.

145. 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. 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. All SSHF partners to ensure they have in place a complaint feedback mechanism.

6. Administration of CBPFs

6.1 Budget preparation principles
6.2 Guidelines on requesting project changes

Changes in a project maybe required due to various reasons and may have different consequences to the project’s scope, duration and budget. Variations of all forms must be brought to the Fund Managers attention with clear and strong justification. The Fund Manager in consultation with cluster 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.

Revision 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.

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.

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 30 days 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.

Steps of processing a revision request is provided in Annex 12.

6.3 Project closure

For NGOs or Organisations of the Red Cross/Crescent movement 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 7 months following project’s end date.
- 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.
• Partner are asked to proceed to all preparations needed for the financial audit to be conducted at any time after final financial and final narrative report have been approved. Pulling/shipping of all and original project related documents to partners’ HQ, ensuring also that accounting records are made available immediately upon demand of auditors.

153. For UN Agencies (PUNOS) or Organisations of the Red Cross/Crescent movement a project will be considered closed – according to the signed MOU - when:
• Each Participating UN Organization has ensured the Administrative Agent in writing when all activities for which it is responsible under the approved programmatic document have been operationally completed (Section III, paragraph 8).
• For PUNOS financial closure must be completed within eighteen (18) months after operational closure or according to the time period specified in the financial regulations and rules of the Participating UN Organization, whichever one comes first. Any balance remaining in the individual Participating UN Organizations’ separate ledger accounts after operational completion of the activities for which they are responsible under the approved programmatic document will be returned to the Fund Account as soon as administratively feasible and before financial closure of those activities in line with Section III, paragraph 8.

7. Fraud and other incidents involving loss

154. 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 SSHF 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 22a5, 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.

155. OCHA Standard Operating Procedure (SOP) on Suspected Fraud and Misuse of Funds (Annex 11) which describes the successive steps that OCHA will take in the event of an investigation into an implementing partner contracted under a SSHF. Information sharing and communication should be handled on a confidential basis.

156. 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 12). 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. Contact information

157. Communication with SSHF:
- SSHF enquiries: ochasshf@un.org
- SSHF complaints: southsudanhpfcomplaints@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

9. Review date

This manual has been reviewed and discussed with the AB, endorsed in 28 July 2021 by the HC and SSHF AB.

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6 The SSHF 1st Standard Allocation will follow the rules and regulations of the 2021 SSHF Operational Manual.
10. List of Annexes

Annex 1 – Advisory Board Terms of Reference (ToRs)
Annex 2 – Financial and Budget Guidelines
Annex 3 – Asset Management Guidelines
Annex 4 – SSHF Eligibility Process
Annex 5 – Financial Reporting Guidelines
Annex 6 – Due Diligence Guidance
Annex 7 – Capacity Assessment Questions and Answers
Annex 8 – Declaration for members of Strategic Review Committee
Annex 9 – Sanctions Imposed on Implementing Partners for non-compliance
Annex 10 – Fraud reporting: Suspected fraudulent acts by partners [CBPF Form 22.a]
Annex 11 – Incident report: theft, diversion, looting [SSHF/CBPF Form 22.d]
Annex 12 – Project Revisions Guidelines
Annex 13 – SSHF Visibility Guidelines