Common Humanitarian Fund
Afghanistan
Operational Manual

September 2015

Contents

Abbreviations

CHF   Common Humanitarian Fund
BOA   Board of Auditors
CBPF   Country-based Pooled Fund
CERF   Central Emergency Response Fund
ERC   Emergency Relief Coordinator
FCS   Funding Coordination Section
FTS   Financial Tracking Service
GMS   Grant Management System
HACT   Harmonised Approach for Cash Transfers
HC   Humanitarian Coordinator
HCT   Humanitarian Country Team
HFU   Humanitarian Financing Unit
HQ   Headquarters
HoO   Head of Office
HRP   Humanitarian Response Plan
ICCT   Inter-Cluster Coordination Team
IPs   Implementing Partners
IOM   International Organisation for Migration
M&R   Monitoring and Reporting
MPTF   Multi-Partner Trust Fund
MOU   Memorandum of Understanding
NGO   Non-Governmental Organisation
OCHA   Office for the Coordination of Humanitarian Affairs
OIOS   Office of Internal Oversight Services
PUNO   Participating United Nations Organisation
SOPs   Standard Operating Procedures
SRC   Strategic Review Committee
TRC   Technical Review Committee
UN   United Nations
UNDP   United Nations Development Programme

Introduction

1. The Operational Manual for the Common Humanitarian Fund (CHF) Afghanistan is issued by the Humanitarian Coordinator (HC) and endorsed by the Advisory Board to set the general direction and programmatic focus of the Afghanistan Humanitarian Fund (hereafter "CHF" or "the Fund").

2. The HC and the Advisory Board will revisit this Manual on an annual basis or as needed to adjust the general direction and programmatic focus of the Fund, thereby ensuring its relevance and effectiveness.

Purpose

3. The purpose of the CHF Operational Manual is to describe the governance arrangements, objectives, allocation modalities and accountability mechanisms of the Fund, as well as to detail the roles and responsibilities of the stakeholders involved.

4. Under the direction of the HC, the CHF aims to support the timely disbursement of funds to the most critical humanitarian needs as defined by the Humanitarian Response Plan (HRP). In this regard, this Manual provides guidance to implementing partners (IPs) and facilitates the role of the Office for the Coordination of Humanitarian Affairs (OCHA), members of the respective review teams, and cluster/sectoral experts.

5. The Operational Manual defines the country-specific regulations that govern the CHF. It is designed within the framework provided by the Operational Handbook for Country-Based Pooled Funds (CBPFs), which describes the global set of rules that apply to all CBPFs worldwide, and adapts specific aspects of these global guidelines to the humanitarian context in Afghanistan. Adherence to the guidance provided in the two documents is mandatory so as to ensure standard and transparent processes.

Objectives of the CHF

6. The CHF is primarily aligned to support the delivery of strategic humanitarian response identified under the HRP while retaining the flexibility to allocate funds to unforeseen events or special requirements. The CHF reinforces the leadership and coordination role of the HC by driving funding to needs-based priority sectors and geographic areas. The CHF also aims for a more inclusive approach by working with a variety of IPs in a complex operational environment. The CHF has the following main objectives:

   a. To promote needs-based assistance in accordance with humanitarian principles.

   b. To improve the relevance and coherence of humanitarian response by strategically funding assessed humanitarian action as identified in the HRP process.

   c. To strengthen coordination and leadership, primarily through the cluster system and function of the HC.

   d. To support and strengthen priority clusters and regional priorities in accordance with identified needs.

7. Further, the CHF aims to ensure that humanitarian needs are addressed in a collaborative manner, fostering cooperation and coordination within and between clusters and humanitarian organisations. As such, the CHF contributes to improving needs assessments, enhancing the HRP as the strategic planning document for humanitarian action, strengthening coordination mechanisms, in particular the cluster system, and improving accountability through enhanced monitoring and reporting.

8. Interventions supported by the CHF are to be consistent with the core humanitarian principles of humanity, neutrality, impartiality and independence.

Governance and Management Structure

9. The activities of the CHF are carried out under the overall stewardship of the HC, with support from an Advisory Board and an OCHA-led Humanitarian Financing Unit (HFU) fulfilling the CHF's secretariat functions. The CHF Advisory Board are chaired by the HC and welcome the senior-level participation of donors, United Nations (UN) organisations (in their capacity as cluster lead agencies), observers and representatives of Non-

Governmental Organisations (NGOs). All members are represented equally. Cluster coordinators play a key role in prioritisation, as well as project review at both a strategic and technical level.

Humanitarian Coordinator (HC)

10. The overall management of the Fund on behalf of the Emergency Relief Coordinator (ERC) rests with the HC, supported by an OCHA-led HFU and advised by the CHF Advisory Board. The key responsibilities of the HC are:

- Approves the CHF 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;

- Chairs the Advisory Board and provides strategic direction for the Fund;

- Leads country-level resource mobilisation for the Fund supported by the Humanitarian Country Team (HCT), OCHA Country Office and in coordination with relevant OCHA entities at headquarters;

- Approves the use of and defines the strategic focus and amounts of fund allocations;

- Ensures that the Advisory Board and the review teams are functioning as per agreed terms of reference;

- Approves projects and initiates disbursement; 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 Advisory Board, for circumstances which require an immediate response. In addition, the HC has the authority to overrule recommendations from the review teams;

- Ensures complementary use of CHF funding with other funding sources, including the Central Emergency Response Fund (CERF);

- Leads the process of closing the CHF.

CHF Advisory Board

11. The CHF Advisory Board supports the HC in developing an overall strategy and overseeing the performance of the Fund. It advises the HC on strategic and policy issues and ensure the views of donors, PUNOs, and the NGO community are represented. The Advisory Board is consulted in the development of allocation strategies and serves as a forum to share information on funding coverage to strengthen donor coordination. The Advisory Board also provides a forum for representatives and the HC to discuss funding priorities in line with the HRP, as well as unforeseen needs. The key functions of Advisory Board are:

- *Strategic focus and fund allocation:* The Advisory Board supports the HC in ensuring that the main objectives of the Fund are met. The Advisory Board reviews and advises the HC on strategic elements of the Fund such as the allocation strategies and the Operational Manual. The Advisory Board also advises on fund allocation to appropriate clusters and priorities. The Advisory Board shall advise the HC in setting funding targets and support resource mobilisation efforts.

- *Risk management:* The Advisory Board supports the HC and the OCHA Country Office in undertaking periodic risk analyses and reviewing a risk management plan of the Fund in accordance with the CHF Accountability Framework.

- *Eligibility and risk rating of NGOs*: The Advisory Board consults on the modalities of the eligibility process to be carried out by OCHA HFU. Following the assessment, the Advisory Board consults on the threshold for eligibility, as well as the risk rating of eligible NGOs in accordance with the CHF Accountability Framework.

- *Transparency:* The Advisory Board monitors CHF 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 Advisory Board monitors the operational performance of the Fund, providing advice to the HC.

12. Terms of Reference for the CHF Advisory Board, outlining membership requirements and rotational arrangements are available on the CHF website[1].

OCHA Head of Office (HoO)

13. The OCHA Head of Office (HoO) is responsible for the effective management of the Fund in accordance with the Operational Handbook for CBPFs. The responsibilities of the HoO with respect to the CHF are to:

- Support and advise the HC on strategic issues and resource mobilisation;
- Supervise the OCHA 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 CHF processes and ensure that the Fund scope and objectives as outlined in the Operational Manual and/or allocation strategy papers are aligned with the HRP;
- Approve project no-cost extensions within the scope of the delegation of authority granted by the HC;
- Interface with headquarters on policy issues related to the CHF;
- Act as a permanent member of the AB.

OCHA Headquarters (HQ)

14. The OCHA Funding Coordination Section (FCS) in New York provides substantive support to OCHA Country Offices in managing pooled funds, ensuring harmonisation and standardisation of practices and procedures. FCS has four dedicated units that, while covering different responsibilities, work in concert to ensure that OCHA delivers on its core function of humanitarian financing:

- *Programmes and Operations*: Provides operational support to field offices managing pooled funds; ensures harmonisation and standardisation of procedures; monitors performance and reports on global performance of CBPFs.
- *Policy and Partnerships*: Engages in policy-related and cross-cutting issues in humanitarian financing; supports partnership with donors and other stakeholders; supports communication/information.
- *Oversight and Compliance*: Supports development of accountability and risk management frameworks at the UN system-wide level; works closely with fund managers in handling cases of fraud and misuse.
- *Finance*: Provides administrative and financial support functions; reviews grant agreements and financial aspects of partner proposals; signs grant agreement.

OCHA Humanitarian Financing Unit (HFU)

15. The HFU under the overall supervision of the OCHA HoO ensures adequate and efficient management of the CHF. OCHA also acts as the Managing Agent for NGO-implemented projects. In support of the HC and CHF Advisory Board, and with the assistance of relevant units at OCHA headquarters, the HFU undertakes the following tasks:

16. *Management of CHF operations and policy advice to the HC:*

- Advise the HC and OCHA HoO on fund strategies and any other policy matters related to CHF;
- Facilitate the development of the CHF scope and objectives and/or allocation strategy paper;

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[1]https://docs.unocha.org/sites/dms/Afghanistan/CHF%20Afghanistan%20-%20ToR%20Advisory%20Board%20Membership.pdf

- Ensure timely communication to partners on CHF standard allocation calendar of activities;

- Engage with CHF donors and coordinate with other humanitarian donors in the country;

- Draft the resource mobilisation strategy and support its implementation in coordination with headquarters resource mobilisation efforts;

- Support HC and HoO efforts to link the Fund with the Humanitarian Programme Cycle by promoting allocations in alignment with the HRPs;

- Provide technical advice to the HC and CHF Advisory Board on the allocation process, project implementation and monitoring;

- Support resource mobilisation for the CHF;

- Produce reports, analysis and other documents as necessary to support decision-making, coordination, communication and resource mobilisation activities;

- Promote the complementary use of the CHF with funding from other sources, in particular the CERF;

- Perform secretariat functions for the CHF Advisory Board;

- Facilitate public information sharing with all stakeholders.

17. *Project Cycle Management:*

- Facilitate and train stakeholders on the use of the Grant Management System (GMS);

- Ensure compliance with processes, systems, templates and tools as defined in the Operational Handbook for CBPFs as well as CHF procedures;

- Provide support to all CHF recipients throughout the allocation process and promote a feedback system for continuous learning;

- Coordinate and facilitate all activities associated with the strategic review (project prioritisation);

- Coordinate and facilitate all activities associated with the technical review;

- Oversee project review and approval processes including administrative aspects of selected projects;

- Ensure follow up of fund disbursement and refunding;

- Ensure narrative and financial reporting compliance;

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

- Provide oversight to the entire funding cycle from the opening of an allocation to closure of projects;

- Ensure Financial Tracking Service (FTS) reporting as required.

18. *Implementation of the CHF Accountability Framework:*

- Support and advise the HC and OCHA HoO in the development and implementation of the Accountability Framework;

- Coordinate and develop systems for capacity and performance assessments, risk management, monitoring, and reporting on behalf of the HC;

- Ensure compliance with the minimum requirements described in the operational modalities of the Operational Handbook for CBPFs;

- 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 CBPFs;

- Compile the consolidated annual report of CHF operations.

Cluster Leads and Co-Leads

19. Cluster leads and co-leads support CHF processes at two levels: (i) at a *strategic level,* cluster leads ensure that there are linkages between the Fund, the HRP and cluster strategies; and (ii) at an *operational level,* cluster leads provide technical expertise to the process of project prioritisation and to the technical review of projects.

20. The Cluster leads and co-leads undertake the following activities in relation to the CHF:

- Facilitate all CHF related processes in consultation with cluster partners;

- Establish needs-based priorities for CHF funding in consultation with cluster partners;

- Facilitate inter-cluster coordination;

- Lead a process to transparently identify, review and recommend priority humanitarian projects for funding based on agreed overall cluster priorities and strategies and document these processes;

- Defend cluster strategies and proposal during CHF allocation rounds;

- Ensure quality and timely submissions of all related cluster materials;

- Promote the systematic use of relevant Standard Indicators for projects;

- Participate in field monitoring visits to support technical assessment of implemented projects according to the provisions of the accountability framework endorsed by the HC;

- Review and recommend revision requests when technical or strategic input is required;

- Train and build capacity of cluster partners (national and international) on CHF procedures.

Review Committees (Strategic and Technical)

21. CHF allocations include two types of project review: 1) a *strategic review* of project proposals in relation to the allocation strategy paper determined by the HC and the Advisory Board, and 2) a *technical review* which assesses the technical soundness and quality of project proposals. Both reviews are discharged by respective review teams operating separately by sector/cluster.

22. Strategic Review Committees (SRCs) and Technical Review Committees (TRCs) are established by the Cluster Leads and Co-Leads on behalf of the HC, for each cluster to prioritize and review projects submitted for funding by NGOs and PUNOs to the CHF. Key functions of the Review Committees include:

- Review teams are established through a consultative process with a limited number of cluster members. The review teams, to the extent possible, have different compositions for each of their functions.

- When delivering the strategic function, the respective review team equitably represents the members of the cluster and be knowledgeable of humanitarian operations. The strategic review team assesses projects based on a criteria determined at the time of allocation development.

- When delivering the technical function, the respective review team is composed of a small group of technical experts to review project proposals. The technical review team provides in-depth technical comments to strengthen the proposal.

- Members of the review team involved in the technical review is selected based on demonstrated technical knowledge of the specific sector/cluster. A small group of experts allows for detailed deliberation on technical aspects of project proposals. Specialised advisors provide support and inputs to the technical review process.

- Members of the respective review teams are nominated from the active members of the relevant sectors/clusters. The teams ensure an equitable representation of UN and NGOs. OCHA supports review teams in discharging their functions.

Strategic Review Committee (SRC)

23. For Standard Allocations, Strategic Review Committees are called by each cluster to review concept notes submitted by NGOs and PUNOs to the CHF. Cluster coordinators support the HFU in the process by identifying members and ensuring pertinent cluster information is available in a timely fashion to allow the SRC to deliver on its functions, including developing Score Cards and cluster specific criteria which are used to assess strategic relevance of concept notes.

24. For each cluster, the SRC shall consist of the following six (6) members:
- Cluster Coordinator (chair)
- One HFU representative (as process owner)
- One OCHA Cluster Coordination Unit representative
- One Cluster Lead Agency representative
- Two NGO representatives
- Observers (no inputs) or technical support personnel may attend the SRC upon coordination between the cluster and HFU.

Technical Review Committee (TRC)

25. For Standard and Reserve Allocations, a Technical Review Committee is called by each cluster to review project proposals submitted to the CHF. Cluster Coordinators support the HFU in the process by identifying members and ensuring pertinent cluster information is available in a timely fashion to allow the TRC to fulfil its function. The TRC provides the technical advice on proposals, and analyses the feasibility and relevance of proposed project activities within the context of relevant cluster criteria and the HRP. The HFU representatives within the TRC also ensure that comments on the budget are given as part of the TRC feedback.

26. For each cluster, the TRC shall consist of the following six (6) members:
- Cluster Coordinator (chair)
- Two HFU representatives for Program and Finance (as process owners)
- One Cluster Lead Agency representative
- Two NGO representatives
- UN and NGO representatives are experts in the thematic areas covered by the project proposals and they differ from the members who have attended the SRCs.

Administrative Agent

27. The Multi-Partner Trust Fund (MPTF) Office of the United Nations Development Programme (UNDP), in its capacity as the Administrative Agent of the CHF, undertakes the following functions:
- Organise signature of the Memorandum of Understanding (MoU) with the Participating United Nations Organisation (PUNOs), and the Standard Administrative Arrangements with donors;
- Receive, administrate and manage contributions received from Donors;
- Disburse funds to the PUNOs and International Organisation for Migration (IOM) in accordance with the decisions of the HC;
- Provide periodic (annual and final) financial reports on the CHF Account to the HC, contributing donors, CHF Advisory Board and PUNOs;
- Provide the HC, the Advisory Board and donors with the statements of donor commitments, deposits and transfers and other financial information related to the CHF, available directly from the publicly accessible MPTF Office GATEWAY (http://mptf.undp.org);
- Assist the HFU on CHF fund administration issues.

Funding Mechanisms
Eligibility Criteria

28. Donor contributions to the CHF are utilised to fund projects carried out by PUNOs and the IOM, National and International NGOs and organisations of the Red Cross/Red Crescent movement.

29. In order to become eligible as partners, NGOs interested in applying for funding under the CHF have to participate in an eligibility process as outlined in the Accountability Framework, and PUNOs and IOM must sign the MoU.

Allocation Windows

30. The allocation of funds under the CHF is determined by the HC. There are two allocation modalities:

- *Standard Allocation*: process through which most of the funds are allocated to ensure funding for priority projects is disbursed in line with the HRP. Twice a year, the standard allocation process is facilitated based on allocation strategy papers formulated under the leadership of the HC.

- *Reserve Allocation*: (also referred to as the CHF Reserve) - process used for the rapid and flexible allocation of funds in the event of unforeseen emergencies or to address strategic humanitarian needs. It accommodates so-called 'special allocations' which are responses to specific humanitarian situations or strategic needs necessitating a coordinated response, albeit outside the Standard Allocations.

31. Key requirements for funds allocated through the Reserve in case of emergencies are:
    a. The project constitutes an emergency humanitarian response to an unforeseen disaster.
    b. The project will remedy, mitigate or avert direct loss of life, physical and psychological harm or threats to a population or group and/or protect their dignity. This may include common humanitarian services that are necessary to enable life-saving activities and inter-agency assessments in case of sudden onset disasters.

The project cycle management process for the CHF is done through an online platform allowing for better management and institutional memory: https://chfafghanistan.unocha.org

Standard Allocation Process

32. The Standard Allocation process involves close consultation with the Inter-Cluster Coordination Team (ICCT), HCT, cluster members and other relevant partners. The final allocation decision is made by the HC after consultations with the CHF Advisory Board. Prior to each standard allocation round, the HFU prepares an allocation strategy paper together with a timeline. The allocation strategy paper includes information on: (i) total amount to be allocated by sector; (ii) humanitarian priorities; (iii) criteria for project prioritisation; (iv) timeline.

33. Two Standard Allocation Strategies are expected annually. The timing of allocation rounds throughout the Standard Allocation process is aligned with the HRP cycles (annual and mid-year review) and other in-country humanitarian assistance delivery mechanisms taking into consideration seasonal factors (winter, fighting and/or flooding seasons).

Table 1 - Standard Allocations 5 Step Process

Step 1 Allocation Strategy	1.1 The consultation process at regional and national levels with OCHA and cluster members identifies the priorities to be considered by the CHF Advisory Board and the HC.	*HCT *ICCT *HFU	
	1.2 The Allocation Strategy documents are reviewed and endorsed by the HC and CHF Advisory Board. Includes: (i) total amount to be allocated by sector; (ii) humanitarian priorities; (iii) criteria for project prioritisation; (iv) timeline	*HC *AB	
	1.3 After the final allocation strategy is approved by the HC, the HFU prepares an allocation strategy paper together with a timeline for official release.	*HFU	1 Working Day
Step 2 Submissions of Concept	2.1 Eligible partner organisations submit concept notes using the CHF GMS.	*Eligible partners	10 Working Days

Notes and Strategic Reviews			(+ 11 Working Days)
	2.2 Cluster Coordinators prepare and equip the SRCs by establishing review criteria, finalising the strategic score cards and nominating representatives.	*HFU *Cluster coordinators	5 Days (+ 16 Working Days)
	2.3 HFU and Cluster Coordinators schedule SRC meetings to review, rank and recommend concept notes in line with the Allocation Strategy.	*HFU *Cluster coordinators	
	2.4 Cluster Coordinators present their Cluster Allocation Proposal, consisting of the list of concept notes to the Advisory Board chaired by HC. The presentation summarises the expected outcomes/results of the recommended projects and their link to the priorities outlined in the Allocation Strategy.	*AB *Cluster coordinators *HFU	2 Working Days (+ 18 Working Days)
	2.5 HFU communicates to partners the HC's decision on recommended concept notes through the GMS.	*HFU	
Step 3 Technical and Financial Reviews	3.1 Eligible partner organisations submit project proposals through the GMS.	*Eligible partners	7 Working Days (+ 25 Working Days)
	3.2 HFU and Cluster Coordinators schedule TRC meetings to review project proposals.	*HFU *Cluster coordinators	10 Working Days (+ 35 Working Days)
	3.3 OCHA FCS Finance Unit conducts a financial review of project proposals (as part of the technical review).	*OCHA FCS Finance	
	3.4 Partners address comments to both technical and financial reviews.	*HFU *Partners	
Step 4 Final Approval	4.1 The HC decides whether or not to approve finalised project proposals.	*HFU *HC	5 Working Days (+ 40 Working Days)
	4.2 HFU prepares the CHF Allocation Letter(s), Grant Agreement(s) (for NGOs only) and the Fund Transfer Request(s) for HC's signature formalising the project approval process.	*HFU *HC	
	4.3 OCHA FCS Finance signs Grant Agreements.	*OCHA FCS Finance	
Step 5 Disbursement	5.1 Following signatures, funds are disbursed to partners from the MPTF and OCHA (in tranches to NGOs).	*MPTF *OCHA FCS Finance	10 Working Days (+ 50 Working Days)
50 Working Days			

Reserve Allocation Process

34. The Reserve Allocation is primarily intended on supporting rapid response projects which are developed during the first phase of a new emergency and before mainstream responses come on line. The Reserve shall also be used on a case by case basis, to enable the HC to respond to critical funding gaps or non-emergency related projects considered to be of strategic importance for the humanitarian response in country.

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

Table 2 - Reserve Allocations 4 Step Process

Step 1 Allocation Strategy	1.1 Following notification of an emergency or specific gap/needs for humanitarian action and confirmation of available funding, the HC launches a Reserve Allocation Strategy.	*HC *HFU *ICCT	
	1.2 The Allocation Strategy, together with timeline and annexes is officially released.	*HFU	1 Working Day
Step 2 Technical and Financial Reviews	2.1 Eligible partner organisations submit project proposals through the GMS.	*Eligible partners	5 Working Days (+ 6 Working Days)
	2.2 HFU and Cluster Coordinators schedule TRC meetings to review Project Proposals.	*HFU *Cluster coordinators	10 Working Days (+ 16 Working Days)
	2.3 OCHA FCS Finance Unit conducts a financial review of project proposals (as part of the technical review).	*OCHA FCS Finance	
	2.4 Partners address comments to both technical and financial reviews.	*HFU *Partners	
Step 3 Final Approval	3.1 The HC decides whether or not to approve finalised Project Proposals.	*HFU *HC	4 Working Days (+ 20 Working Days)
	3.2 HFU prepares the CHF Allocation Letter(s), Grant Agreement(s) (for NGOs only) and the Fund Transfer Request(s) for HC's signature formalising the project approval process.	*HFU *HC	
	3.3 OCHA FCS Finance signs Grant Agreements.	*OCHA FCS Finance	
Step 4 Disbursement	4.1 Following signatures, funds are disbursed to partners from the MPTF and OCHA (in tranches to NGOs).	*MPTF *OCHA FCS Finance	10 Working Days (+ 30 Working Days)
30 Working Days			

Allocation Criteria

36. The review and approval of project proposals is made in accordance with the programmatic framework and focus described above and on the basis of the following criteria:

- *Partner eligibility and capacity*: verified through due diligence and capacity assessment processes;

- *Access*: accessibility and/or physical presence in areas of operation;

- *Strategic relevance*: clear linkage to HRP strategic and cluster objectives, compliance with the terms of the call for proposals as described in the allocation strategy paper, and alignment of activities with areas of special focus of the Fund (projects outside of HRP can be considered under the Reserve allocation);

- *Needs-based*: the needs are explained and documented, and beneficiaries are clearly described;

- *Appropriateness*: the activities are adequate to respond to the identified needs;

- *Technical soundness and cost effectiveness*: the proposal meets technical requirements to implement the planned activities; the budget is fair, proportionate in relation to the context, and adequate to achieve the stated objectives;

- *Risk management*: assumptions and risks are comprehensively and clearly spelled out, along with risk management strategies;

- *Monitoring and reporting*: a realistic monitoring and reporting strategy is developed in the proposal.

Accountability Framework

37. Accountability of the CHF is articulated on two levels: (i) the ability of the Fund to achieve its objectives as a humanitarian financing mechanism; and (ii) the ability of individual IPs to achieve expected project outputs and outcomes. 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. This is captured in a logical framework of the application template that enables the HC to assess the results of the CHF in the short, medium and long term. Following project approval IPs are then ultimately responsible for project activities, project outputs and for reporting accurately on results.

38. As the level of operational, financial and reputational risks are considered to be substantial in Afghanistan; the CHF Accountability Framework is based on a comprehensive risk management model which aims to link principles of due diligence, capacity assessment and performance monitoring throughout the project cycle. The Accountability Framework is endorsed by the HC in consultation with the Advisory Board.

Fund-level Risk Management

39. A number of strategic, programmatic, financial and management risks are inherent as part of the administration of any funding mechanism. It is therefore essential to have in place a risk management framework to assist the HC in making strategic decisions that maximise the ability of the CHF to achieve its objectives. This ensures that priority risks are mitigated, initially at the fund level, but also at the global level in the context of OCHA's corporate risk registry.

40. Risks in the context of the CHF are not limited to agencies that receive funding and implement projects. Risk management is closely related to strategy and covers the full range of risks that may affect the achievement of fund's objectives. OCHA has therefore developed a detailed *Risk Management Framework* that broadens the definition of risk beyond programmatic and financial risks associated with implementing partners, and identifies the key factors of risks faced by the Fund in the national context.

41. Based on the likelihood and potential impact of the risks identified, a heat map is developed that allows to classify risks and to highlight the most pressing ones. Based on the heat map, an action plan is developed to outline strategies to mitigate or prevent the risks faced by the Fund. The fund-level risk analysis clearly spells out residual risks to enable informed decision-making based on full knowledge of the potential consequences.

42. The fund-level risk analysis will be periodically reviewed depending on the changing circumstances. OCHA will periodically update the Advisory Board on the implementation progress of the risk treatment actions that

have been taken. The Advisory Board will advise the HC accordingly on assessment of the critical risks and outstanding action plans.

Table 3 - CHF Risk Analysis and Mitigation Matrix

Risk (From most to least critical)	Likelihood	Impact	Mitigation Strategy	Timeframe	Action Owners
Risk category: Coordination & Partnerships					
Risk (1) Limited number of national NGOs who can meet eligibility process requirements	Almost certain	Moderate	Reduce/Accept a) Review Due Diligence tool process and scoring to better reflect capacity of local actors b) Draft an NGO Participation Paper focusing on national NGOs working in priority sectors/locations outlining opportunities and challenges with recommendations c) Advocate with donors/agencies to support capacity development initiatives d) Support ACBAR in NGO twinning programme e) Support small scale capacity building activities linked to CHF project development (PCM) f) Sub-contracting through eligible NGOs and PUNOs is possible and encourages	Q2 2015 - onwards	• OCHA • HC • AB • ACBAR
Risk category: Strategic & Programmatic					
Risk (2) Lack of sustainability of CHF funded operations and long-term outcomes as a result of the poor linkages with development programming/exit strategy	Likely	Major	Reduce/Accept a) Consider multi-year funding of CHF projects, implications and impact b) Inclusion of sustainability and exit strategies as part of project review process c) Clusters to present LRRD as part of the allocation strategies d) Clusters to work with CHF partners in building linkages with development programmes or exit strategies	Allocation Strategies	• OCHA • AB • HCT • Clusters
Risk category: Financial & Accountability					
Risk (3) Limited OCHA capacity in monitoring NGO partner organisations due to access constraints, limited technical expertise and human resources	Likely	Major	Reduce/Transfer a) OCHA staff to take part in comprehensive training programme on M&R b) Develop alternative monitoring tools or modalities c) Evaluate options for 3rd party monitoring d) Develop access strategy based on monitoring criticality e) Recruit technical experts within HFU as needed f) Advocate for participation of cluster agencies in monitoring	Ongoing in 2015	• OCHA • AB • Clusters
Risk Category: Coordination & Partnerships					
Risk (4) Lack of clear tools, information, capacity and time allocated to ensure an effective and efficient review of proposals leading to poor quality programming	Likely	Major	Reduce/Avoid a) Develop tools and share best practices and lessons learned b) Provide clear guidelines and tools for the vetting process of proposals c) Work with clusters on addressing deficiencies in review process d) Support partners through development of standard log frames and indicators	Allocation Timelines	• OCHA • Cluster • Review Committees
Risk category: Governance & Fund Management					
Risk (5) Lack of sufficient human and financial resources within OCHA to discharge the Managing Agent function at country and HQ levels	Possible	Almost certain	Reduce/Avoid a) OCHA HFU proposal & budget developed and approved b) Recruitment process for key positions to be prioritised c) OCHA HQ to review internal capacity to support (finance) d) OCHA to support capacity building initiatives for national staff members of the HFU	Jan-March 2015	• HC • AB • OCHA

Risk Category: Governance & Fund Management					
Risk (6) Limited donor base and interest results in a lower capacity of the CHF to act as a strategic tool, strengthen HC leadership and support the SRP priorities	Unlikely	Catastrophic	Reduce a) Develop a resource mobilization strategy focusing on CHF requirements b) Strong engagement with donors and communication in HCT and with AB c) Support to resource mobilisation strategy with development of key messages and information products, and OCHA HQ support with donor capitals	Q1-Q3 2015	• OCHA • HC • AB
Risk Category: Hazards					
Risk (7) Threats to safety and security and lack of access of humanitarian workers impacting partner organisations and their ability to deliver on programme objectives	Possible	Catastrophic	Avoid/Reduce a) Promotion of the Saving Lives Together mechanism b) Inclusion of security/safety section in proposal highlighting mitigation measures c) Ensure best practices are reported on and shared d) Support development of an access strategy within HCT	Ongoing	• OCHA • HC • HCT • AB
Risk Category: Strategic & Programmatic					
Risk (9) Lack of clear funding priorities as a result of the limited availability of sector assessments, information management and analysis, and poor consultation	Possible	Major	Reduce/Avoid a) Use CHF to reinforce information management in support of stronger HNO/SRP b) Advocacy & support for comprehensive needs assessments c) Develop a complementary consultation process in preparation of allocations d) Ensure allocations are based on documented strategies, strong coordination process and available resources	Ongoing	• OCHA • Clusters • HCT • AB
Risk Category: Financial & Accountability					
Risk (10) Limited ability for OCHA to make use of the results and analysis of narrative and financial reports, audits and other assurance mechanisms	Likely	Major	Reduce/Avoid a) Development of a performance system ensuring review and use of reported results and audit recommendations b) Systematic follow up of audit recommendations with partners and against Capacity Assessment results c) Inclusion of M&R officer as part of HFU structure d) Develop standard indicators in each allocation strategy to support results based monitoring e) Allocations strategies to be based on review and approval of previous results in each sector by AB	Ongoing	• OCHA • AB • Clusters
Risk category: Financial & Accountability					
Risk (11) Limited capacity to investigate and address claims of corruption/fraud	Possible	Major	Reduce/Accept a) Support implementation of strong accountability framework to reduce risk b) Develop SOPs on investigation of fraud/corruption including steps to be taken by IP & OCHA and guidance on fund recovery c) HFU to build internal capacity to receive/follow up on claims of corruption/fraud	Q2 2015	• OCHA • AB
Risk category: Coordination & Partnerships					
Risk (12) Lack of ownership by clusters and cluster lead agencies and continuity/capacity to effectively support the CHF	Possible	Major	Reduce a) HC to ensure sufficient resources are allocated towards cluster coordination b) The cluster to establish an internal system that enable transfer of CHF knowledge, thus ensure CHF business continuity within the cluster. c) Sensitisation workshops to be carried out on regular basis to cluster members	Ongoing	• HC • OCHA • Clusters • Cluster agencies

			d) Strong engagement by HC/OCHA/HCT with clusters to address weaknesses, if any		
Risk category: Strategic & Programmatic					
Risk (13) Independence of humanitarian financing mechanism is challenged by the new Afghan government	Unlikely	Major	Reduce/Avoid a) Clear advocacy with all stakeholders on need for humanitarian financing to remain independent b) Ensure tools are in place to limit interference in governance and proposal review process	Ongoing	• OCHA • HC • AB • HCT
Risk category: Coordination & Partnerships					
Risk (14) Limited number of partner organisations in some areas/provinces and in some technical sectors	Unlikely	Major	Reduce/Accept a) Quarterly review of 3Ws to check presence vs needs b) Advocacy at HCT on needs to cover specific areas/provinces c) Lobbying with specific organisations to consider operations in some areas d) Carry out a range of workshops for partners and clusters as necessary, as well as CHF sensitisation sessions at cluster meetings.	Quarterly	• OCHA • HCT • ACBAR • AB
Risk Category: Governance & Fund Management					
Risk (8) Limited participation and contributions by members in the Advisory Board weakening the governance of the CHF	Possible	Moderate	Reduce a) Strong engagement by HC & OCHA HoO with Advisory Board members b) Members of Advisory Board briefed by OCHA on roles & responsibilities c) Action taken in case of poor participation of Advisory Board member	Ongoing	• OCHA • HC • ACBAR

Eligibility Processes

41. In order to become partners, NGOs interested in applying for funding under the CHF Afghanistan have to participate in an eligibility process comprised of two inter-linked steps, each with its own review and feedback system to ensure transparency. This is one of the main pillars of the CHF Accountability Framework. The main objective is to ensure that the HFU is equipped with the necessary information about the capacities of non-governmental partners that have access to CHF funding. The capacity review takes into account existing assessments such as Harmonised Approach to Cash Transfers (HACT).

42. There are two main reasons for assessing partners:

   a. Capacity Development: to review the strengths and weaknesses of an organisation's internal management systems. The assessment include recommendations to strengthen less robust areas. This information is then fed into the overall risk management plan.

   b. Risk Management: to consider all the information in order to weigh the final risks and potential benefits and make a decision about the most appropriate assurance methods to be applied to the partnership.

Due Diligence and Capacity Assessment

Step One – Due Diligence Process

43. To become eligible for funding under the CHF, prospective IPs initiate the capacity assessment process by filling out the *Initial Application Form* and the *Initial Application Checklist* and returning their completed application, together with the required documentation outlined in the Checklist, to the HFU.

44. The HFU then conducts a preliminary review of the application and documents submitted, and provides feedback to the organisation as to whether their application will proceed to the next step of the process. The review is meant to ensure that only organisations that are thought to be able to meet the minimum requirements under the Capacity Assessment process are recommended for Step Two; as it is a time-consuming and costly process for both the partner and CHF.

Step Two – Capacity Assessment

45. Following completion of Step One, the HFU shares the application documents of organisations that have been recommended with a selected independent contractor who conducts a comprehensive Capacity Assessment. The assessment methodology is comprised of a desk-based review of the documentation received from the organisation, interviews with key informants and visits to the organisation's main office and sub-offices where interviews are conducted with staff members, systems checked and additional documents requested.

46. The Capacity Assessment Tool used by the contracted company to carry out the assessment is structured around six technical areas, each with a set number of questions. The objective is for a selected independent contractor to systematically review the institutional, technical, management and financial capacities of partners. Using a scoring and weighting system, an overall 'score' is given to the organisation. Upon completion of the capacity assessment, both the partner and the HFU receive a comprehensive report from the independent contractor outlining its findings and recommendations.

47. Eligible partners, based on the individual score obtained during the assessment, are categorised in three risk-level categories. The score also determines the appropriate operational modalities and control mechanisms that will be applicable to them as defined under the CHF Accountability Framework.

Risk Levels and Operational Modalities
Defining Risk Levels

48. Partners that are deemed eligible are assigned a level of risk (low, medium or high) which determines the control mechanisms that will apply to them in their management of CHF project(s). The definition of the eligibility thresholds and the score bands for the high, medium and low risk categories of IPs are developed by OCHA-HFU, based on the national context.

49. The risk level of each implementing partner is a dynamic rating that can change over time through the interactions between the partner and OCHA. Performance in the implementation of CHF projects can trigger changes in the risk level: timeliness of reporting, achievement of project objectives and targets, findings of audits, financial spot-checks and field monitoring visits, are all elements that influence the risk rating of partners (see section B, sub-section d). In addition to these dynamic elements, partners that have been assessed but have not implemented CHF projects and have no performance history will be re-assessed after three years since completion of the previous assessment.

Control Mechanisms

50. The identification of the level of risk presented by the implementing partner determines the control mechanisms that apply to the management of the partner's CHF project. Assurances such as disbursement modalities, frequency of narrative and financial reporting, monitoring visits, and audits are modulated in accordance with the various risk level, as well as with the duration and budget amount of the project. Table 4 below provides an overview of the modulation of the control mechanisms based on three elements: (i) partner's risk level, (ii) budget amount, and (iii) project duration.

Table 4 - CHF Operational Modalities

Risk level	Project duration (months)	Project value (thousand USD)	Maximum amount per project (thousand USD)	Disbursements (in % of total)	Financial Reporting			Narrative Reporting		Monitoring		Audit
					For disbursements	31 January	Final	Progress	Final	Field Visit	Remote Call	
H	Less than 7	≤ 250		60-40	Yes	Yes	Yes	Yes (1 mid)	Yes	1	Depending on access to project sites	Yes
		> 250	500	50-50	Yes	Yes	Yes	Yes (1 mid)	Yes	1		Yes
	Between 7-12	≤ 250		40-40-20	Yes	Yes	Yes	Yes (2)	Yes	1		Yes
		> 250	800	40-30-30	Yes	Yes	Yes	Yes (2-3*)	Yes	2**		Yes
M	Less than 7	≤ 250		100	-	Yes	Yes	Yes (1 mid)	Yes	1		Yes
		> 250	700	80-20	Yes	Yes	Yes	Yes (1 mid)	Yes	1		Yes
	Between 7-12	≤ 250		80-20	Yes	Yes	Yes	Yes (1 mid)	Yes	1		Yes
		> 250	1,200	60-40	Yes	Yes	Yes	Yes (1 mid)	Yes	1**		Yes
L	Less than 7	≤ 400		100	-	Yes	Yes	No	Yes	1		Yes
		> 400		80-20	Yes	Yes	Yes	No	Yes	1		Yes
	Between 7-12	≤ 400		100	-	Yes	Yes	Yes (1 mid)	Yes	1		Yes
		> 400		80-20	Yes	Yes	Yes	Yes (1 mid)	Yes	1		Yes

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

** Additional field visits are only required for projects of 10 months or more.

Monitoring

51. CHF IPs are expected to have adequate internal mechanisms for project management, reporting and monitoring. The capacity of each organisation is verified during the eligibility process, the project approval process, as well as during the monitoring and reporting phase. Project performance information is effectively generated through internal mechanisms developed by IPs.

52. The HC is responsible for ensuring that projects funded by the CHF are effectively monitored through appropriate monitoring modalities. The HFU is further responsible for coordinating monitoring efforts and ensuring that context-appropriate monitoring of projects is carried out. To this end, the HFU will develop a detailed Monitoring and Reporting Plan defining appropriate monitoring methodologies, calendar and templates following each allocation considering the nature of the projects, risk level of partners and locations. The plan will also look into the roles and responsibilities of different stakeholders such as sub-offices and clusters based on this Manual.

53. Key components of CHF monitoring and reporting include:

- Ensure adequate verification of results at project level (through monitoring and review of submitted reports) thereby contributing to increased accountability;

- Provide evidence on how the CHF has contributed to broader outcomes set forth in the HRP, and reinforce evidence based decision making by HC, CHF Advisory Board and Cluster Coordinators;

- Ensure that resources are used efficiently and according to what was agreed upon in project documents;

- Support IPs during their implementation of CHF-funded activities;

- Review and analyse narrative and financial reports collected from implementing partners;

- Ensure implementations of actions points from monitoring findings;

- Collect lessons learned and promote best practices from monitoring and submitted reports;

- Ensure transparency through CHF Annual Report and periodic updates (e.g. dashboards).

Field Site Monitoring

54. Field site monitoring, implemented by OCHA and supported by clusters, is a critical component of the overall framework in order to verify that CHF-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.

55. 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. A field monitoring visit, at a minimum, includes the collection of information that i) makes an assessment of the timeliness of overall project implementation; ii) verifies reported results; iii) assesses progress on key project activities; iv) assesses the monitoring and reporting set up of the implementing partner.

Remote Call Monitoring

56. Remote call monitoring can be a cost-effective means of collecting statistics and recording observations from key informants and beneficiaries on progress made on project outputs and satisfaction. Call centres can be established in safe locations with the sole purpose of conducting telephone interviews with key informants using structured multiple choice questionnaires. All information collected can be captured directly in a web-based platform hosted by the call centre operator using validation logic, thereby providing real-time progress information on projects monitored that would then be shared with the HFU.

www.unocha.org

The mission of the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) is to mobilise and coordinate effective and principled humanitarian action in partnership with national and international actors.

Coordination Saves Lives

57. Remote monitoring occurs in instances when it is not feasible to conduct physical project visits. This is not uncommon, as other OCHA managed CBPFs tend to operate in insecure and highly volatile environments with restricted access. Remote monitoring should 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. The risks involved in such a decision should be communicated to the Advisory Board.

Reporting
CHF Annual Reports and Periodic Updates

58. The HC, supported by OCHA HFU and in close consultation with the Cluster Coordinators, prepares a narrative Annual Report of the CHF activities based on information provided through the HFU by each participating UN organisation and NGO partner. The Annual Report features trends, best practices, lessons learned and challenges, and showcases success stories and achievements. The CHF Annual Report is issued by the end of May each year covering the previous calendar year and posted online. In addition, OCHA HFU generates periodic dashboards, funding updates, human interest stories and related documents on CHF activities in Afghanistan.

Narrative and Financial Reporting by Implementing Partner

59. Narrative and financial reporting requirements for NGOs are determined according to the operational modalities described in table 4 above.

60. The projects funded through the CHF often involve purchase of assets in support of delivering the project objectives. NGO partners must adhere to Asset Management Guidelines in Annex I to ensure proper reporting and management of assets purchased under an CHF project.

61. PUNOs submit an interim financial statement to reflect expenditure incurred for project activities up to 31 December of each year by the 31 January of the following year. Interim financial statements are submitted every calendar year until the submission of the final financial statement. Upon completion of the project, a final financial statement covering the period between inception and completion of the project is due no later than 30 June of the following year.

62. PUNOs submit a final narrative report within two months of completion of the project. If the duration of the project is between 7-12 months, PUNOs also submits a narrative progress report to reflect achievements at midpoint of the project implementation.

63. Narrative reports and financial statements for PUNOs, IOM and NGOs are submitted through the GMS.

64. Reporting results, timeliness and quality feed into the Performance Index of an implementing partner, impacting the risk level of NGO partners and future funding decisions of UN partners.

Audits

65. OCHA operations audit: Internal UN oversight bodies (OIOS - Office of Internal Oversight Services and the BOA - Board of Auditors) regularly audit OCHA operations. 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 (advisory boards, allocations, risk management, etc.) and look at compliance with rules and guidelines.

66. Audit of UN Organisations / IOM: PUNOs and IOM are audited in accordance with their own financial rules and regulations and the framework for auditing multi-donor trust funds (agreed to by the Internal Audit Services of PUNOs and endorsed by the UN Development Group (UNDG) in September 2007).

67. Audits for NGOs: NGO implemented projects are audited in compliance with applicable financial regulations, rules and directives as per the OCHA CBPF Grant Agreements. The costs of such an exercise are borne by

OCHA. One or several external auditing companies will be contacted by OCHA to deliver on the audit requirements of NGO partners.

68. The HFU keeps a log of all audit findings to ensure that partners address previous findings on management weaknesses before applying for new CHF funding. The audit performance feeds into the Performance Index of an implementing partner which will impact the risk level of NGO partners.

Evaluations

69. External evaluations: An external evaluation of the CHF are undertaken every three years in accordance with the OCHA global agreement with donors to country-based pooled funds. Evaluations shall be commissioned by OCHA New York in consultation with the HC and OCHA Afghanistan, and with Donors, PUNOs/IOM and NGOs at the global level through the Pooled Fund Working Group. The evaluations shall focus on how the CHF has ensured a needs-driven humanitarian response, as well as how it has performed as a funding mechanism and delivered against key CHF objectives, including strengthening HC leadership, improving cluster coordination and promoting NGO partnership.

70. Donor visits, ad hoc reviews, studies and surveys: Donor visits as well as ad hoc reviews on how the CHF is performing can also be considered beyond the mandatory three year evaluation. Such reviews are conducted in close consultation between the HC, the Advisory Board and OCHA at country level and HQ. The HFU conducts surveys of CHF stakeholders to gauge user satisfaction and to identify areas that need improvement.

Performance Review

71. Once a partner has received a grant, the HFU begins reviewing partner performance throughout project implementation. In particular, the HFU tracks and scores partner performance in relation to 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.

72. The scores assigned to the partner for each of these factors are summarised in a partner Performance Index as described in table 5, below. A partner also receives an annual average Performance Index score taking into consideration all projects implemented over the course of a year. The Performance Index impacts on the risk level determined through the initial capacity review, and result in a change of the risk level in the operational modality.

73. PUNOs are also subject to performance management, with Performance Index scores used to assess future funding decisions. The criteria and scoring system can be tailored to the type of project to be implemented such as stakeholder satisfaction survey for pipeline projects.

Table 5 – Performance Index

Performance Index	Description	Action
4	Outstanding Performance	To be considered favourably when more than one application is received for a similar intervention. HFU will improve the risk rating in order to decrease the control measures that apply to the partner.
3	Good Performance	To be considered favourably during the review process.
2	Satisfactory Performance	Allocation possible. HFU to review risk rating and control measures that apply to the partner.
1	Performance needs improvement	Allocation possible if accepted by the HC. HFU will decrease the risk rating in order to increase control measures that apply to the partner.
0	Poor Performance	No further funding allocation.

74. When a partner with high risk rating scores poor performance (0) in the Performance Index, it will not be considered eligible for funding for the next allocation or for a 6-12 month period. To be considered eligible again, it will have to demonstrate improvements in the areas of weakness. In addition to these dynamic elements, partners that have been assessed but have not implemented CHF projects within three years will undergo a re-assessment prior to being considered for grants.

Non-Compliance Measures

75. During the project implementation and reporting, the HC through the HFU, can take progressive actions to address non-compliance with the contractual agreements and any obligations described in the Operational Handbook for CBPFs. The measures enable the HC to address non-compliance with the legal terms agreed between the Fund and the recipient organisation, 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).

- Critical findings from monitoring and financial spot checks.

- Violation of humanitarian principles and code of conduct[2].

- Indication of possible fraud, corruption or misuse of funds.

Additional Information

Contact Information

Humanitarian Financing Unit (HFU)
United Nations Office for the Coordination of Humanitarian Affairs (OCHA)
CHF Helpline: +93 79 300 11 39
E-Mail: chfafg@un.org
http://www.unocha.org/afghanistan/about-fund
http://afg.humanitarianresponse.info/funding/common-humanitarian-fund

Feedback and Complaints Mechanism

76. General feedback from partners or stakeholders regarding the CHF can be sent to chfafg@un.org, and will be answered by the pertinent focal point within the HFU, in order to fully address or answer the issue raised by the sender.

77. CHF stakeholders with concerns or complaints regarding the Afghanistan CBPF processes or decisions that they feel have not been properly or insufficiently addressed through normal communication channels, can at any point in time contact the OCHA Head of Office or write to chfafgcomplaints@un.org with these concerns. Complaints are compiled, reviewed and raised to the HC, who then takes a decision on necessary action(s). The HC shares with the Advisory Board any such concerns or complaints and actions taken thereof.

Additional relevant OCHA policies and guidelines on CPBFs

http://www.unocha.org/what-we-do/humanitarian-financing/country-based-pooled-funds
http://www.unocha.org/what-we-do/humanitarian-financing/cbpf-global-guidelines

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[2] GA Res 46/182 and https://cdu.unlb.org/UNStandardsofConduct/CodeofConduct.aspx

ANNEX I - Asset Management Guidelines

**Afghanistan Humanitarian Fund
Asset Management Guidelines**

Common
Humanitarian
Fund

The projects funded through the CHF often involve purchase of assets in support of delivering the project objectives. NGO partners must adhere to the following guidelines to ensure proper reporting and managing of assets purchased under an CHF project:

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

2. **Ownership and Management**
   a. Any asset purchased under an CHF project is considered property of the implementing partner and will remain with the partner.
   b. The partner is responsible to manage the asset and fulfil any obligations arising from the ownership of the asset e.g. taxes, insurance and any registrations required by the laws of the local government.
   c. The partner is expected to apply its own asset management rules and regulations towards depreciation, donation or write-off of an asset.
   d. The OCHA HFU must be notified on the end use or disposal of the asset through the asset register, provided by the HFU for CHF partners to list and report on the assets.
   e. Use of the asset is solely limited to humanitarian work, and cannot be used or donated for profit-making purposes. If an implementing partner sells an asset and thereby fund an ongoing project, this must be clearly documented and captured in the asset register.

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

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