

## **Sudan Humanitarian Fund**

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# **Operational Manual**

**February 2017<sup>1</sup>**

**FINAL VERSION**

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<sup>1</sup> This version replaces the SHF Operational Manual dated February 2016.

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## Acronyms

AB	Advisory Board
CBPF	Country-based Pooled Fund
CERF	Central Emergency Response Fund
CN	Concept Note
ERC	Emergency Response Coordinator
GMS	Grant Management System
FCS	Funding Coordination Section
FMU	Fund Management Unit –UNDP
FTS	Financial Tracking Service
HC	Humanitarian Coordinator
HCT	Humanitarian Country Team
HF	Humanitarian Fund
HFRMS	Humanitarian Financing and Resource Mobilization Section
HPC	Humanitarian Program Cycle
HQ	Headquarters
HRP	Humanitarian Response Plan
IASC	Inter-Agency Standing Committee
IPs	Implementing partners
ISCG	Inter-Sector Coordination Group
IOM	International Organization for Migration
MA	Managing Agent
M&E	Monitoring and Evaluation
M&R	Monitoring and Reporting
MoU	Memorandum of Understanding
NCE	No-Cost Extension
NIM	National Implementation
NGO	Non-Governmental Organization
OCHA	Office for the Coordination of Humanitarian Affairs
PP	Project Proposal
RPA	Responsible Partnership Agreement
PSC	Programme support costs
PUNO	Participating United Nations Organization
RC	Review Committee
RMS	Refugee Multi Sector
SAA	Standard Administrative Arrangement
SHF	Sudan Humanitarian Fund
SHF TU	Sudan Humanitarian Fund Technical Unit (OCHA and UNDP)
SRC	Strategic Review Committee
TOR	Terms of Reference

## 1. Introduction

### 1.1 Purpose

1. The purpose of the Operational Manual for Sudan Humanitarian Fund (SHF) is to describe the governance arrangements, objectives, allocation modalities, and accountability mechanisms of fund, as well as, to detail the roles and responsibilities of the stakeholders involved.
2. Under the direction of the Humanitarian Coordinator (HC), the Sudan Humanitarian Fund (SHF) aims to support the timely allocation and disbursement of donor resources to the most critical humanitarian needs as defined by the Humanitarian Response Plan (HRP) or any agreed upon strategy by the HC. In order to meet this goal, this manual is issued by the HC and endorsed by the Advisory Board (AB) to:
  - (i) provide clarification and instructions for all stakeholders involved in the management of the SHF on effective management and governance practices;
  - (ii) describe the steps and requirements of the allocation processes with the aim of enhancing timely and strategic allocation decisions;
3. In this regard, this manual will provide guidance to Inter-Agency Standing Committee (IASC) sector coordinators, implementing partners and facilitate the role of OCHA as well as the members of the Strategic and Technical Review Committees.

### 1.2 Scope

4. The Operational Manual defines the country-specific regulations that govern the SHF. It is designed within the framework provided by the Operational Handbook for Country-Based Pooled Funds <sup>2</sup>(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 Sudan.
5. Adherence to the guidance provided in the two documents is mandatory so as to ensure a standard and transparent process.

## 2 Objectives of the SHF

6. The SHF has three main objectives:
  - To improve humanitarian response by increasing the extent to which funding is allocated to priority humanitarian needs through an inclusive and coordinated process at the field level.
  - To strengthen the leadership of the HC.
  - To contribute to the delivery of the Humanitarian Response Plan (HRP) within the context of the Humanitarian Program Cycle (HPC) or any agreed upon strategy by the HC.
7. Further, the SHF aims to ensure that humanitarian needs are addressed in a collaborative manner, fostering cooperation and coordination within and between the IASC (and UNHCR) sectors<sup>3</sup> present in Sudan and humanitarian organizations. As such, the SHF contributes to improving needs assessments, enhancing the HRP as the strategic planning document for humanitarian action, strengthening coordination mechanisms, in particular the IASC sector system, and improving accountability through an enhanced monitoring and reporting framework.

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<sup>2</sup> Referred to as CBPF Global Handbook from hereafter

<sup>3</sup> A number of sectors deduced from the international IASC sectors and UNHCR sectors, further called 'IASC sectors' have been set-up in Sudan as the primary mechanism for inter-agency coordination.

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

### 3 Governance and management

#### 3.1 The Humanitarian Coordinator (HC)

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9. The HC leads the overall management and oversight of the SHF as detailed in the Operational Handbook for CBPFs, supported by the OCHA Head of Office and the OCHA SHF Technical Unit (TU), and advised by the Advisory Board (AB). The HC is specifically responsible for:
  - a. Approving the SHF Operational Manual, which outlines the SHF scope and objectives; governance structures and membership; allocation modalities and processes; accountability mechanisms; and operational modalities;
  - b. Chairing the AB and providing strategic direction for the SHF;
  - c. Leading resource mobilisation for the SHF;
  - d. Approving the use of and defining the strategic focus and amounts of fund allocations;
  - e. Ensuring that the AB and review committees are functioning in accordance with the guidelines outlined in this manual;
  - f. Making final decisions on projects recommended for funding. This responsibility is exclusive to the HC and cannot be delegated. Funding decisions can be made at the discretion of the HC, without a recommendation from the AB, for circumstances which require an immediate response. In addition, the HC has the authority to overrule recommendations from both review committee(s);
  - g. Approving and cancelling projects and initiating disbursement;
  - h. Ensuring complementary use of the SHF with other funding sources, including the Central Emergency Response Fund (CERF);
  - i. Leading the process of closing of the SHF.

#### 3.2 Advisory Board

10. The AB is a governance body with an advisory function that supports the HC to steer the strategy and oversees the performance of the SHF. The final decision-making authority rests entirely with the HC, who is the chair of the AB.
11. The AB has responsibilities in four key areas:
  - a. *Strategic focus and fund allocation:* The AB should support the HC in ensuring that the main objectives of the SHF are met. The AB should review and advise the HC on strategic elements of the SHF such as the allocation strategies and the operational manual. The AB also advises on fund allocation to appropriate IASC sectors and priorities. The AB shall advise the HC in setting funding targets;
  - b. *Risk management:* The AB supports the HC and the SHF TU in undertaking periodic risk analyses and reviewing a risk management plan of the SHF in accordance with the Accountability Framework contained in this Operational Manual;
  - c. *Transparency of overall process:* The AB should monitor SHF processes with the objective of ensuring that all stakeholders are treated fairly and that the management of the SHF abides by established policies;
  - d. *Review of operational activities:* The AB monitors the operational performance of the SHF, providing advice to the HC.
12. The membership of the AB is constituted of
  - a. HC (Chairperson);

- b. Office of the Coordination of Humanitarian Affairs (OCHA) head of office and United Nations Development Programme (UNDP) country director;
- c. Donor representatives (all contributing donors);
- d. Non-contributing donors as observers;
- e. Three heads of UN Agencies/IOM;
- f. Three NGO representatives (2 international NGOs (INGOs) and 1 from national NGOs (NNGOs));
- g. The AB secretariat: the SHF TU

The Chairperson may invite other stakeholders deemed necessary to improve discussions and recommendations. [Annex 7.1](#) constitutes the current members of the SHF AB.

13. United Nations agencies will replace one board member each year in January through an election at the Humanitarian Country Team. NGOs will replace one board member every year in July through discussion at respective INGO or NNGO coordination fora.
14. Representation should be at the country representative or head of country office level.
15. Advisory Board members are expected to contribute their views to the best outcomes for the humanitarian community and should, when commenting on topics on which their entity has a direct interest or involvement, clarify the importance for the wider humanitarian community.
16. The AB meets at least twice a year to review operational activities. A higher frequency and/or ad hoc meetings may be requested by the HC as s/he deems necessary.

### 3.3 OCHA Head of Office (HoO)

17. The HoO is responsible for the effective management of the SHF in accordance to CBPF Policy Instruction and the CBPF Global Handbook. The responsibilities of the HoO with respect to SHF are to;
  - a. Support and advise the HC on strategic issues and resource mobilization;
  - b. Supervise the SHF TU and ensure proper coordination with other units of the OCHA Country Office and sub-offices;
  - c. Ensure that OCHA has the capacity to fulfil its accountability requirements, including risk management and minimum operational modalities;
  - d. Promote active involvement of existing coordination structures in SHF processes and ensure that the SHF scope and objectives as well as the allocation strategy papers are aligned with the HRP;
  - e. Approve project revisions including no-cost extensions within the scope of the delegation of authority granted by the HC;
  - f. Interface with headquarters on policy issues related to SHF;
  - g. Act as a permanent member of the SHF AB.

### 3.4 SHF Technical Unit (SHF TU)

18. The SHF TU: consists of the Humanitarian Financing and Resource Mobilization Section of OCHA Sudan (the OCHA unit that supports the HC in managing the SHF), and the UNDP Fund Management Unit (FMU) which is the section of UNDP that deals with the SHF NGO allocations as the Managing Agent.
19. The SHF TU, under the overall supervision of the OCHA HoO, will ensure adequate and efficient management of the SHF.
20. The SHF TU engages in a constructive relationship with IASC sector coordinators and will communicate differences in opinion, recommendations and decisions in a transparent way.
21. In support of the HC and SHF AB, and with the assistance of relevant units at OCHA headquarters, the SHF TU will undertake the following tasks;

#### *Management of the SGPF operations and policy advice to the HC*

- a. Advise the HC and OCHA HoO on fund strategies and any other policy matters related to the SHF;
- b. Facilitate the development of the SHF scope and objectives and/or allocation strategy papers;

- c. Engage in coordination with SHF donors and with other humanitarian donors in the country;
- d. Draft the resource mobilization strategy for the SHF and for the HRP and support its implementation in coordination with headquarters resource mobilization efforts;
- e. Support HC and HoO efforts to link the fund with the Humanitarian Programme Cycle (HPC) by promoting allocations in alignment with the HRPs;
- f. Produce reports, analyses and other documents as necessary to support decision-making, coordination, communication and resource mobilization activities;
- g. Promote the complementary use of SHF funds with funding from other sources, in particular CERF;
- h. Perform secretariat functions for the SHF AB;
- i. Bring issues related to conflict of interest to the attention of the HC for consideration and decision if needed.

#### *Project Cycle Management*

- a. Ensure compliance with processes, systems, templates and tools as defined in the Manual for SHFs as well as in Allocation Strategy Paper;
- b. Facilitate and train stakeholders on the use of the Grant Management System (GMS);
- c. Provide support to all SHF recipients throughout the allocation process and promote a feedback system for continuous learning;
- d. Ensure that allocations are based on prioritised needs and are in line with agreed allocation criteria and strategies;
- e. Manage and coordinate all activities associated with the submission, the strategic and technical review of project proposals;
- f. Manage and coordinate all activities associated with the technical review of the full project proposals, including the technical revisions of the budget;
- g. Oversee approval processes including administrative aspects of selected projects;
- h. Disburse funds to partners in accordance with the decisions of the HC and ensure follow up of fund disbursement and refunding;
- i. Ensure narrative and financial reporting compliance;
- j. Manage and organize project monitoring;
- k. Manage project revision requests (e.g. follow-up and support on budget revision, reprogramming, no-cost extension, etc.);
- l. Ensure Financial Tracking Service (FTS) reporting as required;
- m. Provide oversight to the entire funding cycle from the opening of an allocation to closure of projects.

#### *Implementation of the Sudan SHF Accountability Framework*

- a. Support and advise the HC and OCHA HoO in the development and implementation of the Accountability Framework (see section 6);
- b. Coordinate and develop systems for capacity and performance assessments, risk management, monitoring, and reporting on behalf of the HC;
- c. Ensure compliance with the minimum requirements described in the operational modalities of the CBPF Global Handbook;
- d. Ensure compliance with audit requirements and follow up recommendations stemming from audits and monitoring findings;
- e. Establish eligibility criteria for NGOs and maintains an NGO eligibility list;
- f. Facilitate periodic external evaluations in line with the global agreements on evaluation requirements for CBPFs;

- g. Compile the consolidated annual report of SHF operations.

### 3.5 Administrative Agent

- 22. The Multi-Partner Trust Fund (UNDP) receives, administers and manages contributions from donors and ensures disbursements to UN agencies in accordance with the Memorandum of Understanding (MoU) between participating UN Organizations and the UNDP regarding the operational aspects of the SHF dated October 2010. 8

### 3.6 IASC Sector Coordinators and IASC Co-coordinators

- 23. Throughout the process of the SHF allocation, IASC sector coordinators will exercise their responsibilities in an independent, fair and transparent manner as foreseen by the IASC and the Refugee Coordination model.
- 24. IASC sector coordinators support the SHF at two levels: (i) at a strategic level, IASC sector coordinators should support the SHF TU to ensure that there are linkages between the fund, the HRP and sector strategies; and (ii) at an operational level, IASC sectors coordinators should provide technical expertise to the process of project prioritization and to the technical review of projects.
- 25. The IASC sector coordinators will undertake the following activities in relation to the SHF:
  - a. Facilitate and moderate, where requested, all SHF related processes in consultation with IASC sector partners;
  - b. Inform needs-based priorities for SHF funding in consultation with IASC sector partners;
  - c. Advise on identifying, reviewing and recommending priority humanitarian projects (strategic and technical review process) -and recommend partners when requested- for SHF funding based on agreed overall IASC sector priorities and strategies and document these processes;
  - d. Facilitate the selection of representative SRC and convene their meetings as may be necessary;
  - e. Defend IASC sector strategies and proposals during funding allocation rounds when requested;
  - f. Propose, upon request, partners with the required programmatic capacity and track record to implement SHF projects;
  - g. Ensure quality and timely submissions of all SHF related IASC sector materials (i.e. prioritisation information, reporting inputs, IASC sector strategies etc.);
  - h. Promote the systematic use of relevant standard indicators for projects;
  - i. Participate in field monitoring visits to support technical assessment of implemented projects according to the provisions of the accountability framework (section 6);
  - j. Advise the revision and no cost extension requests;
  - k. Review partner narrative reports and provide input to the SHF's (interim and) annual HC reports.

### 3.7 Review Committees (Strategic and Technical)

- 26. The SHF allocations can include two types of project review committees;
- 27. The Strategic Review Committee (SRC) reviews project concept notes in relation to the Allocation Strategy Paper including IASC sector specific strategies and the fund scope and objectives as outlined in this Operational Manual.

#### *Composition:*

- i. The SRC is composed of the IASC sector coordinator, two UN agency partners, two INGO partners, two NNGO partners, OCHA SHF TU representative and possibly a government technical department and donor representative.
- ii. Changes to the composition must be validated by the SHF TU before the start of the review.
- iii. The SRC is selected in an open and transparent manner on a consensual basis through the

- IASC sector coordination mechanism (normally in an IASC sector meeting), where members of the respective review committees should be nominated from the active members of the relevant IASC sectors. Meeting minutes are to be shared with the SHF Technical Unit.
- iv. Preference has to be given to members that have not submitted projects to the on-going allocation.
  - v. SRC scoring members should possess the necessary technical expertise and are allowed to participate in only one SRC per allocation.
  - vi. IASC sector coordinators must consult with the INGO Steering Committee in selecting the INGO members (to ensure fair and balanced representation of INGOs across the sectors).

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### *Function*

- i. The SRC is responsible for the strategic review of project concept notes which includes the review of eligibility of projects, scoring, ranking and recommendation of projects funding.
- ii. After an initial eligibility review by the SHF TU, the SRC first reviews eligibility of projects in accordance with the eligibility criteria defined in the allocation paper (scoring card).
- iii. All SRCs then score all the eligible projects using the same scoring card defined for the allocation. No new criteria for eligibility or prioritization can be invoked by the SRC.
- iv. The IASC sector coordinator ensures that scoring is done in a consistent manner for all projects during one strategic review.
- v. The SRC scores concept notes based on the information available in the concept notes and the information available to them. Clarification or verification with the partners is not allowed at this stage.
- vi. Projects on which all members have a score below a cut-off point defined at the start of the SRC meeting are rejected. The IASC sector coordinator inserts the scoring of one of the members in the GMS.
- vii. Members of the SRC are encouraged to reach consensus on scoring but upon disagreement an average score can be taken into account – however such cases are expected to be few and extraordinary.
- viii. Overall score results per project cannot be disclosed before all projects have been scored.
- ix. For multi-sectorial projects, the IASC sector with the highest percentage of project activities does the scoring while the other IASC sectors involved should review the project and give their comments to the lead IASC sector. In case of equal percentage between IASC sectors, a decision on the lead IASC sector will be taken in consultation between the sectors and SHF TU. Every SRC considers the respective budget portion of multi-sector projects within their envelope.
- x. The concept notes are then numerically ranked and a cut off threshold below which projects cannot be recommended can be established.
- xi. Based on this ranking, the SRC discusses which concept notes to recommend to the SHF TU and this has to be based on criteria defined in the allocation paper.
- xii. When discussing the recommendations of projects, projects are considered on an as-is basis. Exceptionally, changes to budgets, activities and locations can be recommended when well-founded arguments are given. Shaving off multiple budgets to fit an envelope or include many partners as well as increasing budget envelopes for additional priorities is not allowed.
- xiii. Using the template in as provided in [Annex 7.2](#), IASC sector coordinators provides the SHF TU with a record of the SRC outcomes.
- xiv. IASC sector coordinators provide during the next IASC sector meeting, feedback to partners regarding the review and recommendation of concept notes. The feedback should include the total number and monetary amount of concept notes submitted, recommended, rejected and the final scores for each concept note as registered in the GMS.

### *Roles*

- i. SRC members involved in scoring and recommending of projects are the two UN agency partners, two INGO partners and two NNGO partners. The IASC sector coordinator, the IASC

- sector M&R officer and other IASC sector resource people, government representative, donor representative and OCHA SHF TU representative are observers and resource persons.
- ii. Observers to the process cannot score or recommend projects or be part of the decision making process.
  - iii. The IASC sector coordinator facilitates and moderates the process and is responsible for transmitting the results to SHF TU.
  - iv. The SHF TU member takes part in the SRC to ensure quality, transparency and fairness. If not properly organized, transparent or fair, the OCHA representative may cancel the review and decide on changes.
  - v. Each SRC member should review each concept note using the agreed scorecard. This should be done off-line and prior to the SRC meeting. The SRC scoring member has to present his scoring to the SHF TU member at the start of the SRC meeting. Failure to do so will result in exclusion from the SRC by the SHF TU member.
  - vi. Members of the SRC (including the IASC sector coordinator) cannot be physically present when the project from their organisation is discussed.
28. Technical Review Committee (TRC) assesses the technical soundness and quality of project proposals and request changes to the project in that respect.
- i. The TRC is composed of the IASC sector coordinator and/or the IASC sector Monitoring and Reporting officers, and members from the SHF TU. The sector coordinator can request the support of a technical expert or advisor if deemed necessary.
  - ii. The TRC undertakes the review and quality control of all SHF project proposals (including budgets, work plan and log-frame) under the SHF TU's supervision.
  - iii. Preferably, a meeting is held between the TRC members before the comments are transmitted through the GMS to the implementing partner for revision within the number of days specified but comments can also be entered in the GMS by each of the TRC participants in parallel.
  - iv. TRC members then review if the comments have been addressed and can review the project a second time, if needed.
  - v. Upon agreement of the TRC, the project can be submitted to the HC for final approval.
  - vi. If after a second revision of the projects, comments from the members of the TRC have not been addressed, the SHF TU can recommend not proceeding to the final approval of the project. This recommendation will be presented to the HC for final decision.
  - vii. After the second revision of the project proposal by the implementing partner, IASC sector coordinators are requested to score the quality of the submission (4 - Little or no revision required, 3 - Revisions were required but timely and satisfactorily addressed, 2 - Revisions were required and addressed satisfactorily but late, 0 - Revisions were not addressed satisfactorily) and transmit to the SHF TU to feed into the Performance Index.

### 3.8 Implementing partners

29. In relation to SHF, implementing partners have the following responsibilities;
- a. Application: Implementing partners must familiarize themselves with SHF processes and seek advice from the IASC sector coordinator and/or the SHF TU before applying for funding. In close collaboration with the IASC sectors, the applicant partner develops and submits a project proposal and budget to the SHF (through the GMS) providing all necessary supporting documents, within the given deadlines, and in a responsive manner.
  - b. Implementation: After the approval process, the implementing partner signs a Responsible Partnership Agreement (RPA) and related annexes which specify the terms and conditions applicable to the approved project. As such they become legally accountable for the proper use of funds according to the terms of the project description and all contractual arrangements. Implementing partners commit to comply with all the requirements defined in the RPA and annexes. RPAs may be modified to accommodate necessary changes in projects through project revisions, budget revisions and no cost extensions (see section 6 for details on revision requests).

- c. **Monitoring:** Implementing partners must have robust internal monitoring and reporting procedures in place. Implementing partners shall facilitate the monitoring of the projects in collaboration with the SHF TU, IASC sector coordinators and other relevant parties. The SHF TU and headquarters reserve the right to organize visits with partners, external experts or donors to review completed or on-going project activities.
- d. **Reporting:** The partner shall provide narrative and financial reports in line with the reporting requirements stipulated in the RPA or annexes. In addition, any constraints (e.g. financial, logistical, security) that may lead to significant changes to the project or the partner's capacity must be communicated to the SHF TU immediately.

## 4 Allocation criteria, parameters and modalities

### 4.1 Allocation criteria

30. 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:
  - a. Partner eligibility and capacity;
  - b. Strategic relevance: clear linkage to HRP strategic and IASC sectors' objectives, including geographical focus, compliance with the terms of the call for proposals as described in the allocation paper, and alignment of activities with areas of special focus of the SHF and impact;
  - c. Access: accessibility and/or physical presence in areas of operation; the location of the project is clearly identified;
  - d. Needs-based: the needs are explained and documented, 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 has a clear logical framework and meets technical requirements to implement the planned activities; the budget is reasonable, proportionate in relation to the context, and adequate to achieve the stated objectives;
  - g. Risk management: assumptions and risks are comprehensively and clearly spelled out, along with risk management strategies;
  - h. Monitoring: a clear monitoring and reporting plan is developed in the proposal.

### 4.2 Allocation parameters

31. Standard SHF allocation parameters are defined based on the CBPF Global Handbook. They can be overridden in Allocation Papers. They are as follows:
  - a. Project duration: maximum 12 months for standard allocations and 8 months for reserve allocations;
  - b. Grant amount: the maximum allowable amount will be disbursed in tranches on the basis of project duration, partner capacity and risk levels, and in line with the Operational Modalities of the SHF.

### 4.3 Allocation modalities

32. The Fund will have two windows in terms of fund allocation modalities.
33. The **standard allocation** is an allocation process that consists of 6 steps: 1) Submission of projects after a call for proposals, 2) Strategic review, 3) Preliminary approval, 4) Technical and financial review, 5) Final approval by HC, 6) Disbursement.
34. A standard allocation is based on the priorities in the HRP or any agreed upon strategy by the HC but its scope and envisaged impact are defined in an allocation paper.
35. Upon availability of sufficient funding, a standard allocation will be launched at the beginning of every year. Other standard allocations may take place throughout the year.
36. The **reserve allocation** is an allocation that consists of 4 steps: 1) Submission of projects and review of strategic relevance, 2) Technical and financial review, 3) Final approval by HC, 4) Disbursement.

37. The SHF reserve allocation mechanism provides a rapid, timely and flexible allocation mechanism and is used for the following purposes:
- To provide funding to new emergencies through what is called the **Reserve for Emergencies**.
  - To provide funding for which a rapid, timely and flexible allocation mechanism has been decided by the HC (e.g. procurement of common pipeline items).
38. The Reserve for Emergencies will constitute minimum 20 per cent of the fund's annual contributions.
39. Criteria for Reserve for Emergencies projects can be found under [Annex 7.3](#). The HC can make an exception and fund projects outside of the criteria for the Reserve for Emergencies.

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#### 4.4 Standard allocation workflow

**Table 1: Standard allocation workflow (with indicative number of days)**

	Steps/Activities	Stakeholders involved	Indicative duration (working days)
<b>Step 1</b> Submission of proposals	<b>1.1</b> Formulation and launch of Allocation Strategy, including scorecard for SRC	ISCG, OCHA AB, HC	
	<b>1.2</b> Submission of concept notes through the GMS	Implementing partners	9
	<b>1.3</b> General check (eligibility of partner in case of suspension, compliance with template, duplication of proposal, etc.)	SHF TU	1
<b>Step 2</b> Strategic review	<b>2.1</b> SRC using scorecards for reviewing the concept notes in the respective IASC sectors. The SRC finalizes shortlist of projects for recommendation to the HC. IASC sector coordinators submit the list to the SHF TU within the allotted time.	SRC	7
	<b>2.2</b> Optional ISCG meeting to discuss multi-sector approach. The SHF-TU analyses the recommendations from the IASC sector coordinators and makes a proposition of selected projects with the information received within the foreseen time schedule.	SHF TU , (IASC sector coordinators)	3
<b>Step 3</b> Preliminary approval	<b>3.1</b> The project selection is submitted to the AB to comment/object.	AB	2
	<b>3.2</b> HC pre-approves the list of recommended concept notes for further development.	HC	2
<b>Step 4</b> Technical and financial	<b>4.1</b> Partners are asked to prepare full proposals	Implementing partner	3-5

review	<b>4.2</b> Financial and technical review (TRC) The TRC ensures the quality control of the full project proposals.	TRC, SHF TU, Gender and Environment Advisor	10 - 15
	<b>4.3</b> Consolidation of financial and technical comments and submission to implementing partners by the SHF TU (or IASC sector coordinator) with the inputs received within the allotted time.	SHF TU	
	<b>4.4</b> Initial submission of project proposal and max 2 revisions after which, if the project still does not meet quality standards, it is rejected.	Implementing Partners (IPs)	
<b>Step 5</b> Final approval by HC	<b>5.1</b> Final approval of the projects by HC (Allocation Letters). Approved Allocation Letters are sent to the respective Participating United Nations Organization (PUNOs) for acceptance. The UNDP CD receives the Allocation Letter for allocations to NGOs.	HC CHF TU	3
	<b>5.2</b> Signed Allocation Letters are returned to the HC's office with email copy to the SHF TU. The hard copy is returned by the HC's office to the delegated Administrative Agent (UNDP), with copies to the SHF TU.	PUNOs	2
	<b>5.3</b> FMU prepares draft Project Partnership Agreement (RPA) for NGOs. The start date is determined by the approval date of the HC. The partner may choose a later start date upon approval of the SHF TU. The RPA includes as annexes the final received project documents, budget and operational modalities.	SHF TU	3
	<b>5.4</b> The RPAs are submitted to the UNDP Country Director for review and approval.	UNDP	1
	<b>5.5</b> The UNDP signed RPAs are delivered to the Implementing Partners for counter-signature. The cover letter indicates instructions for the return of RPA and request for payment. Any special conditions required to be met prior to disbursement of funds are also specified.	IPs	2
<b>Step 6</b> Disbursement	<b>6.1</b> In the case of UN Agencies, following receipt of the signed Acceptance Letter from the relevant UN Agency, MPTF as the delegated Administrative Agent disburses	MPTF	3

	the full allocated amount of the project to the UN Agency.		
	<b>6.1</b> In the case of NGOs, upon receipt of the signed certified RPA and Payment Request, the first tranche of funding is disbursed to the partner (NGO).	SHF TU	5

40. Additional comments on the standard allocation workflow:

*Step 1: Submission of projects*

41. The HC, supported by the SHF TU, should utilize existing coordination mechanisms to establish a process that produces credible and unbiased information to develop the allocation strategy. As a minimum, the process should include the following:
- The IASC Inter-Sector Coordination Group (ISCG) is consulted in the identification of humanitarian needs and priorities and the SHF TU will provide to the ISCG feedback on the result of this consultation.
  - The development of the allocation paper is supported by OCHA (SHF TU in consultation with the OCHA Coordination Section).
  - The HC presents the strategy to the AB for inputs.
42. The allocation paper should include IASC sector strategies.
43. The allocation paper can define envelopes per IASC sector, indicative sector envelopes or no sector envelope at all.
44. All concept notes are submitted through the on-line GMS ([www.chfsudan.org](http://www.chfsudan.org)).
45. A scorecard for project scoring is developed by SHF TU and preferably in consultation with the ISCG, and is annexed to the allocation paper.

*Step 2: Strategic review*

46. See section 3.7.

*Step 3: Preliminary approval*

47. The list of projects pre-selected is sent to AB members to comment/object within 2 working days or a meeting is convened in which the project selection is presented.

*Step 4: Technical and financial review*

48. See section 3.7.

*Step 5: Technical and financial review*

49. If implementing partners do not sign the Project Partnership Agreement within 5 working days, the RPA becomes invalid and the project may be cancelled by the HC.

## 4.5 Reserve allocation workflow

Table 2: Reserve allocation workflow (with indicative number of days)

	Steps/Activities	Stakeholders involved	Indicative duration (working days)
<b>Step 1</b> Submission of concepts for funding/projects and review of strategic relevance	<p><b>1.1</b> IASC sector coordinator, OCHA Coordination section (including OCHA field offices) submits a concept (max 2 pages) for funding to the SHF TU or the HC makes a case for funding to SHF TU.</p> <p>Reserve strategies can also be included in an allocation paper.</p>	IASC sector coordinator OCHA Coordination section SHF TU	
	<p><b>1.2</b> The SHF TU reviews the concept for funding on its strategic relevance (incl. criteria of the Reserve for Emergencies if applicable).</p> <p>If not sufficiently relevant, the SHF TU rejects the concept. After a second rejection of the same concept, the HC and AB are informed of the rejection.</p> <p>If the concept note is deemed relevant, the ISCG is informed of the concept of funding. The SHF proposes a partner or to organize a competitive process and forwards the concept to the HC.</p>	SHF TU	5
	<p><b>1.3</b> The HC initially reviews the concept. If the HC approves subject to consultation of the concept with the AB, the SHF TU shares the concept note with the AB for comments.</p>	AB	2
	<p><b>1.4</b> The HC approves or rejects the concept for funding.</p>	HC	1
<b>Step 2</b> Technical and financial review	<p><b>2.1</b> The IP is informed to develop the full proposal or the competitive process is opened for the eligible IASC sector IPs through the GMS.</p>	SHF TU/IP	5
	<p><b>2.2</b> Financial and technical review check by IASC sector coordinator and SHFTU.</p> <p>In the case of a competitive process, a joint SRC- TRC will be convened to select one project and proceed with the financial and technical review. AB consultation is optional.</p> <p>Revision and submission of project proposals - max 2 times - after which, if the project still does not meet quality standards, it is rejected</p>		5

<b>Step 3</b> Final approval by HC	<b>3.1</b> Final approval of the projects by HC (Allocation Letters). Approved Allocation Letters are sent to the respective PUNOs for acceptance. The UNDP Country Director receives the Allocation Letter for allocations to NGOs.	HC CHF TU	3
	<b>3.2</b> Signed Acceptance Letters are returned to the HC's office with email copy to the SHF TU. The hard copy is returned by the HC's office to the delegated Administrative Agent, with copies to the SHF TU.	PUNOs	2 <sup>16</sup>
	<b>3.3</b> FMU prepares draft RPA in for NGOs. The start date is determined by the approval date of the HC. The partner may choose a later start date upon approval of the SHF TU. The RPA includes as annexes the final received project documents, budget and operational modalities.	SHF TU	3
	<b>3.4</b> The RPAs are submitted to the UNDP Country Director for review and approval.	UNDP	1
	<b>3.5</b> The UNDP signed RPAs are delivered to the Implementing partners for counter-signature. The cover letter indicates instructions for the return of RPA and request for payment. Any special conditions required to be met prior to disbursement of funds are also specified.	IPs	2
<b>Step 4</b> Disbursement	<b>4.1</b> In the case of UN Agencies, following receipt of the signed Acceptance Letter from the relevant UN Agency, MPTF delegated Administrative Agent disburses the full allocated amount of the project to the UN Agency.	MPTF	3
	<b>4.1</b> In the case of NGOs, upon receipt of the signed certified RPA and Payment Request, the first tranche of funding is disbursed to the partner (NGO).	SHF TU	5

50. Additional comments on the reserve allocation workflow;

*Step 1: Submission of concepts for funding and review of strategic relevance*

51. The SHF TU will regularly update the ISCG on the amount of funds that are available in the Reserve for Emergencies.
52. IASC sector coordinators can submit concepts for funding on a rolling basis (partners cannot submit projects on a rolling basis). The IASC sector submissions should be based on an analysis of needs and priorities and not only based on requests for funding from partners. The concept for funding should be shared with the IASC sector members of the concerned IASC sectors before the time of submission to the SHF TU.
53. Submission of concepts for funding takes place by email.
54. On step 1.2, the SHF TU also verifies with IASC sector coordinators or OCHA field offices, and OCHA Coordination Section on the assessments, figures provided, nature of the emergency and priorities. In case of Darfur, the Deputy HC and OCHA Darfur Coordination Unit will be consulted.

55. The HC, under exceptional circumstances, can approve concepts for reserve allocations and notify the AB post factum.

## 5 Administration

### 5.1 Revision request

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56. Significant deviations from the original project objectives and outputs, including changes in the geographic location of the project, the target population/beneficiaries, the scope of project activities, or sub-granting agreements must be brought to the fund manager's attention with clear justification. The fund manager will assess on case-by-case basis whether an amendment to the initial RPA is necessary or whether the breath of the proposed changes is such that the project needs to be terminated.
57. Revision requests include no-cost extensions and budget revisions within the original approved budget by the HC.
58. Revision requests should remain exceptional events.
59. All revision requests must be submitted at least 2 months before the end of the project for projects with a duration of more than 6 months and at least 1 month for projects with a duration of 6 months or less.
60. To initiate a revision request the partner sends an email to [chfsudan@un.org](mailto:chfsudan@un.org) with the title "Revision request for project [GMS project code]".
61. If received within the allowed time frame, the SHF TU will create a revision request in the GMS.
62. The partner then specifies the details of the request and it is then forwarded to the IASC sector coordinator.
63. The IASC sector coordinator is to state his approval or objection for every revision request within one week, before the SHF TU makes its recommendation to the HC.
64. Revision requests can be approved by Head of OCHA if delegated by the HC.
65. Revision request will not be accepted if:
  - a. The reasons given are not clearly justified or justifiable;
  - b. The reasons for the need for a revision lie with the implementing partner;
  - c. Over 30 per cent of the project activities have not been carried out without there being a valid reason;
  - d. Part of the SHF project is funded by another donor;
  - e. Narrative or financial reports are outstanding or have been unsatisfactory;
  - f. Other unresolved issues remain within the project;
  - g. It constitutes the 3<sup>rd</sup> revision request for the same project;
  - h. The project is part of the SHF for Emergencies allocations. Only a very exceptional change in the operating environment can make these acceptable.
  - i. The revision request is not submitted within the stipulated period (par 59).
66. Implementing partners are authorized to make budget variations not exceeding twenty (20) per cent on budget categories of the approved project budget.
67. Under no circumstances should budget revisions increase the total budget originally approved by the HC.

### 5.2 Budget principles

68. The budget should include sufficient details to justify the budget estimates and notes to explain assumptions, approach and calculations are required. Guidance on detailed sections is provided in [chapter 11 of the Programme Manual](#).
69. The budget should be submitted in US dollars.

70. Sharing costs between different donors and projects under a country programme of an implementing partner is an acceptable practice for CBPFs.
- i. All shared cost must be directly linked to the project implementation and allocated to the SHF project in direct proportion to the benefit or time input the project derives from that shared costs.
  - ii. All shared costs shall be itemized in the budget notes, and should follow standard accounting practice and based on a well-justified, reasonable and fair allocation system.
  - iii. The implementing partner should at any time be able to demonstrate how the costs were derived and explain in the project proposal/logical framework and the interim/final financial report how the calculation has been made (e.g. pro-rata, averages).
  - iv. For staff-related costs, if a position is cost-shared, the percentage of the monthly cost corresponding to the time that the person will dedicate to the project shall be budgeted.
  - v. Non-staff shared costs should be shared on the basis of an equitable cost allocation system. Accordingly the percentages in the budget are to be assessed and approved by the SHF TU.
71. PSC are allowable to a maximum 7 per cent of other direct costs.
72. PSC of sub-implementing partners associated to the implementation of a specific project should be covered by the overall maximum 7 per cent of the actual project expenditures, unless not allowed by the internal procedures of the implementing organisation.
73. One per cent for audit costs will be added to the administrative costs of all NGO implementing partner project budgets.
74. Implementing partners are required to declare all levels of sub-granting (see modality under chapter 11 of the SHF Programme Manual). The implementing partner should be able to present documentation on the qualification of sub-grantees, and the vetting or selection process of sub-grantees.

*Eligible Expenditures:*

75. The budget must contain costs that are necessary and reasonable for the delivery of the objectives of the project.

*Ineligible Expenditures:*

76. Ineligible expenditures will be automatically removed and deducted from the budget. They include:
- i. Debts and provisions for possible future losses or debts.
  - ii. Interest owed by the implementing partner to any third party.
  - iii. Items already financed from other sources.
  - iv. Incentives in the form of hardware to government entities.
  - v. International travel unless directly linked to the delivery of the project objectives. In any case international travel will have to be approved on a case-by-case basis when requested to support project activities.
  - vi. Purchases of land or buildings.
  - vii. Currency exchange losses.
  - viii. Costs related to establishing reserves – such as severance reserves or cessation benefits accrued by the implementing partner, contractors or staff.
  - ix. Government staff salaries – except for those cases where government staff has been fully seconded to a SHF funded project.
  - x. Hospitality expenses, provision of food/refreshments for project staff (potable water is allowed).
  - xi. Incentives, mark-ups, gifts to staff.
  - xii. Fines and penalties.
  - xiii. Duties, charges and taxes when these are recoverable by the implementing partner.
  - xiv. Global evaluation of programmes.
  - xv. Vehicles purchases

## 6 Accountability Framework

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

69. The Accountability Framework aims to provide an overview of the four pillars of accountability under the Fund; which include risk management, capacity assessment and performance monitoring of implementing partners, monitoring and reporting, and project and partner auditing.



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70. There are two types of accountability that articulate what the main stakeholders involved in SHF processes are responsible for and for which they should be held accountable. The accountability of the SHF management relates to the ability of SHFs to achieve their objectives as humanitarian financing mechanisms. First, the HC, supported by the SPFH TU, 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 matches those of approved project agreements. Second, Implementing Partners' accountability relates to the requirement of individual organizations receiving SHF funding to achieve expected project results. This means that implementing partners are ultimately responsible for project activities, project outputs and for reporting accurately on results.

### 6.1 Risk Management and risk-based grant management

71. The management of the SHF takes place through a risk-based approach. A thorough analysis of risks is undertaken each year and adequate assurance modalities are identified to mitigate these risks. Risks are analysed at SHF level as well as at the partner level.
72. A detailed Risk Management Framework (see [Annex 7.4](#)) has been developed in consultation with stakeholders and identifies the key factors of risks faced by the fund in the Sudanese context. The fund-level risk analysis clearly spells out residual risks to enable informed decision-making based on full knowledge of the potential consequences.
73. The Risk Management Framework is an active document, regularly updated depending on the changing circumstances. OCHA reports to the HC through the AB on the implementation progress of the risk treatment actions. The AB advises the HC accordingly on the critical risks, assessment of the critical risks and outstanding action plans.
74. Partner risk management aims at adapting the grant management cycle on the basis of each partner's capacity and performance. The mention of risks and assumptions for every project is mandatory. Funding decisions take into account risk analysis suggesting the appropriate assurance mechanisms.
75. NGO capacity assessments and operational modalities (except for narrative reporting and monitoring) do not apply to UN agencies and IOM as they have different legal status than NGOs and have their own governance and control framework which applies to the management of CBPF grants.

## 6.2 NGO Capacity Assessment

76. Potential Partners are subject to capacity assessments to determine their risk level and to confirm/ensure their ability to meet the requirements of the SHF.
77. Existing NGO partners are subject to capacity assessments periodically as required based on risk level. Additionally, eligibility criteria of existing partners are established to ensure that following the initial capacity assessment, partners continue to meet the capacity and performance requirements of the SHF.
78. The Capacity Assessment process is comprised of three stages, 1) Nomination of Potential Partners, 2) Pre-screening/Desk Review, and 3) Capacity Assessment. The nomination assessment process is launched two months prior to the commencement of the first standard allocation to allow sufficient time for completion of the entire process and finalization of the Eligible Partner List prior to the start of the allocation process.
79. **Nomination of Potential Partners.** IASC sector coordinators are invited to nominate potential NGO partners annually. In completing the nomination form, the IASC sector coordinator indicates the basis for nominating the NGO, including history of implementing projects through IASC sector partners, participation in coordination meetings.
80. The IASC sector coordinator must confirm that the NGO has the technical capacity and expertise to deliver the required programmatic services. The IASC sector coordinator should provide an assessment of the technical capacity of the potential partner, using the tools or benchmarks the IASC sector has developed for this purpose.
81. The number of potential new partners nominated by each IASC sector coordinator may be limited based on several factors, including the existing number of eligible partners for each IASC sector, the estimated funds available to the SHF, and the overall current risk profile of the fund.
82. **Pre-Capacity Assessment Screening.** Following nomination of an NGO partner by an IASC sector coordinator, the SHF TU (UNDP FMU) commences the pre-capacity assessment screening of the NGO. This is preliminary desk review to determine if the NGO meets the minimum criteria required to receive direct funding from the SHF, and to perform the full capacity assessment on those partners.
83. The screening is based on a Pre-Capacity Assessment Questionnaire completed by the partner, which incorporates the signed due diligence documents required of all partners ([Annex 5](#)).
84. Written feedback is provided to the organization indicating whether the minimum capacity criteria have been met, in which case the NGO will proceed to the stage of a full capacity assessment. If the NGO has not met the minimum criteria, the feedback will specify the areas where the NGO has a capacity gap relative to the minimum requirements. The IASC sector coordinator is at the same time notified of the results of the nominated partner's pre-capacity assessment screening.
85. **Capacity Assessment.** The capacity assessment is risk-based and developed from established and transparent criteria incorporating the requirements of HACT (Harmonized Approach to Cash Transfers).
86. NGOs pass the capacity assessment if they achieve a score that demonstrates sufficient capacity in terms of institutional, managerial, financial and technical expertise. Partners that pass the capacity assessment are rated as either: (i) Low Risk, (ii) Medium Risk or (iii) High Risk.
87. Effective as of January 2016, an assessment, also referred to as a micro-assessment, will be performed by an external consultant or company contracted by UNDP Sudan. The corresponding HACT micro-assessment risk ratings are: ((i) Low Risk, (ii) Medium Risk, (iii) High Risk, and (iv) Significant Risk. As significant risk partners will not have demonstrated sufficient capacity as referenced in paragraph 88 above, they do not meet the minimum capacity criteria.
88. The assessment builds upon the initial desk-based review of the documents provided by the implementing partner expanded in scope to include interviews with the organization's staff members; visits to the implementing partner's Country Office (and one or more field offices). Interviews with key

parties such as previous/existing donors and partners, IASC sector coordinators and members, and beneficiaries of the NGO are conducted as part of the assessment.

89. NGOs that have not implemented projects funded for two consecutive years will be required to undergo a full capacity assessment. Existing NGO Partners remain eligible based for direct SHF funding by continuing to meet the established eligibility standards and requirements as indicated below.

### 6.3 Risk-based Performance Monitoring and Management

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90. The SHF utilizes an Internal Performance Index to update the risk level of a partner throughout project implementation ([Annex 7.6](#)).
91. The Performance Index tracks the partner's performance in a number of areas, including 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; based on a scoring system.
92. If an implementing partner is consistently found to have a poor performance record, no further funding allocation will be made until the partner can demonstrate internal changes/improvements have been made, as per the eligibility criteria indicated above.
93. The NGO performance contributes to the assessment of its risk level and correspondingly determines which operational modality will apply.

### 6.4 Eligibility

94. An Eligible NGO List is regularly maintained.
95. Criteria for partners to remain eligible to receive direct SHF funding are as follows:
  - a. The NGO has been an active SHF implementing partner for three consecutive years.
  - b. The NGO continues to meet the technical performance requirements of the SHF.
  - c. All reporting requirements are met, including project narrative and financial reports.
  - d. Project monitoring has revealed no significant, un-remedied project performance issues.
  - e. Field-based financial spot-checks have revealed no significant, un-remedied financial issues.
  - f. There exists no qualified audit opinion for any of the NGO's projects.
  - g. There are no significant audit findings from the annual project audit.
  - h. There are no outstanding payables due to the SHF.
  - i. The NGO has adhered to the SHF's fraud management, mitigation, and reporting requirements.
  - j. The NGO, nor any of its principles, is the subject of on-going investigations or investigation alerts in Sudan or other countries related to financial mismanagement.
  - k. Additional eligibility criteria for partners may be established as required.

### 6.5 Operational Modalities

98. Eligible partners are categorized according to a specific risk rating which determines the minimum standard of operational modalities applicable to the partner. The principle is that the higher the risk the more stringent assurance mechanisms will apply. The system encourages improvements in performance and capacity providing partners the opportunity to migrate to lower risk levels through strong and consistent performance and by addressing capacity weaknesses.
99. The relevant risk levels determine: (i) maximum transferrable amount, (ii) number of disbursements, (iii) frequency of programmatic and financial reporting, (iv) monitoring arrangements, and (v) audit requirements.
100. Based on the overall risk context of the country, more stringent requirements may be applied.

101. The current NGO Engagement Modality under the financial rules of the Managing Agent mandates that NGOs are engaged using a Project Partnership Agreement, with funds disbursed to NGO Partners in quarterly tranches, liquidated based on quarterly financial reporting, regardless of risk rating. A new engagement modality using a Responsible Party Agreement is being introduced which will allow for risk-based disbursements and reporting. The Operations Modality Schedule will be revised when the new engagement modality is operationally effective.
102. Field-based financial monitoring (spot checks) is currently risk-based.

**Table 3: Operational modalities**

Risk level	Project duration (months)	Project value (thousand USD)	Funding ceiling (thousand USD)	Disbursements (in % of total)	Financial reporting		Narrative reporting		Monitoring		Audit
					For disbursements	Final	Progress	Final	Field visit	Financial spot check	
H	Less than 7	< 250	-	30%	Yes	Yes	1	Yes	1	1	As per plan
		> 250	500	30%	Yes	Yes	1	Yes	1	1	
	Between 7-12	< 250	-		Yes	Yes	2	Yes	1	1	
		> 250	800	25%	Yes	Yes	3	Yes	2	1	
M	Less than 7	< 250	-		Yes	Yes	1	Yes	-	-	
		> 250	700	25%	Yes	Yes	1	Yes	1	-	
	Between 7-12	< 250	-	30%	Yes	Yes	1	Yes	-	1	
		> 250	1.200	30%	Yes	Yes	2	Yes	1	-	
L	Less than 7	< 400	-	25%	Yes	Yes	1	Yes	-	-	
		> 400	-	25%	Yes	Yes	1	Yes	-	1	
	Between 7-12	< 400	-	30%	Yes	Yes	1	Yes	-	-	
		> 400	-	30%	Yes	Yes	1	Yes	1	1	

## 6.6 Monitoring and Reporting (financial and programmatic)

### *Objectives*

103. The Sudan HF Monitoring and Reporting (M&R) is designed to attain the following objectives:
- Ensure adequate verification of reported results at project level thereby contributing to increased accountability;
  - Ensure that resources are used efficiently and according to what was agreed upon in project documents and allocation papers.
  - Support implementing partners during implementation of CBPF funded activities.
  - To provide evidence to the HC and IASC sectors on how the SHF has contributed to the broader outcomes set forth in the HRP;
  - To inform SHF decision makers (HC, IASC sector coordinators, AB) in their decision making process;
104. Additionally, considerations and criteria related to economy, efficiency and effectiveness of project design and implementation are incorporated in the M&R principles and in the monitoring and reporting tools, to ensure value for money of selected interventions.

### *Monitoring | Roles and Responsibilities*

105. The HC is responsible for ensuring that projects funded by the Sudan HF are effectively monitored, regardless of the implementing entity, and the SHF contributes to the overall humanitarian response as articulated in the Humanitarian Response Plan (HRP). Therefore, all recipient organizations, UN Agencies and NGOs, are subject to monitoring activities.
106. To ensure the above, monitoring and reporting requirements are embedded in the project document template. Implementing partners are required to provide specific and detailed information on M&R arrangements. Detailed log frames containing planned activities, inputs, outputs and the link with HRP outcome indicators are also incorporated in the project document.
107. IASC sectors participate, often through their dedicated M&R officers, in the monitoring of IASC sector projects as they have the technical expertise and strategic overview of the projects. They define IASC sector outcomes and standard indicators and are therefore expected to put in place an IASC sector-wide system for monitoring and reporting which is linked, and shows evidence of contribution, to the overall HRP.
108. The SHF recipient organizations remain the key responsible party in ensuring proper delivery and monitoring of project activities. They are expected to maintain robust internal monitoring and reporting mechanisms that can produce accurate and relevant information for SHF reporting purposes. They are also expected to engage and facilitate field-monitoring visits with OCHA, UNDP/FMU and IASC sector coordinators. They are legally and financially responsible for the proper implementation of the projects.
109. The SHF TU is responsible for monitoring. An M&R team plan is developed annually by the M&R team followed by specific monitoring mission plans based on the agreed priorities by IASC sector, expected results, number and geographical distribution of projects once allocation decisions have been made. The technical unit then facilitates and participates in field monitoring visits, working closely with IASC sectors to gather information that satisfies the objectives listed above.
110. Monitoring arrangements for projects implemented by NGOs are tailored on the risk level and monitoring priority assigned to the partner and its project, the duration of project activities and the size of the project budget.

### Monitoring Tools

111. Partners are asked to outline the tools they intend to use for project monitoring during submission of their concept note, which will then be elaborated on in the project proposal. Taking into consideration that monitoring systems internal to SHF partner organisations form the backbone of monitoring, the following tools only serve to ensure an additional level of monitoring of project is conducted by the SHF Technical Unit and IASC sectors:

- a. Field monitoring, enabling the gathering and analysis of collective findings and the development of lessons learned and best practices over time ([Annex 7.7](#)). The Standard Operating Procedure for field monitoring and follow-up mechanism to guide stakeholders involved in field monitoring missions can be found under [Annex 7.8](#);
- b. Verification of partner reported progress (financial spot checks);
- c. Programme spot checks by OCHA focal points in field offices;
- d. Progress and final reports from partners.

### Reporting

112. Narrative and Financial Project Reporting:

- a. The role of SHF management (the CHF TU and the sectors) is to collect, organize and provide quality control of the reported information that has been generated.
- b. As a minimum requirement, all narrative reports collect information on (i) number of beneficiaries targeted and reached, (ii) progress on project outputs against standard HRP IASC sector indicators as selected in project proposals, (iii) use of funds (un-certified financial expenditures), and (iv) details of sub-granting.
- c. Narrative and financial reporting requirements for NGOs and UN agencies (all considered as Low risk) are determined according to the operational modalities described in table 3 above and are submitted through the GMS.
- d. Financial reporting requirements differ between UN agencies and NGOs.
- e. For UN agencies, reporting requirements are determined by the MPTF Office and indicated in the MoU signed by each Participating UN Organization. The UNDP MPTF Office will produce Annual financial statements and reports as of 31 December with respect to the funds disbursed to them from the fund account, to be provided no later than four months (30 April) after the end of the calendar year.
- f. Financial reporting requirements for NGOs are quarterly, as indicated in the Project Partnership Agreement signed between each NGO partner and UNDP as managing agent. All implementing partners will submit a final financial report, certified by the designated authority, after the end of the project.

113. SHF Annual Reports

- a. The HC, supported by OCHA and in close consultation with the IASC sectors, prepares a narrative Annual Report of the Sudan HPF activities based on information provided by each participating UN organization and NGO partner through the GMS. The Annual Report features key facts and figures, best practices, lessons learned and challenges, and showcases success stories and achievements. The Administrative Agent (AA) is responsible for compiling the Annual Consolidated Financial Report of the Sudan HPF as well as the Final Consolidated Financial Report.

114. Transparency

- a. Annual Reports, Financial Reports and related documents on SHF activities in Sudan are posted on the Administrative Agent's website (the MPTF Office GATEWAY at <http://mptf.undp.org/>) and Sudan OCHA website: [unocha.org/sudan/CHF](http://unocha.org/sudan/CHF).
- b. Periodic updates and annual report: To ensure continuous and sufficient information sharing to stakeholders, SHF TU will generate periodic dashboards and one annual report on the achievements, challenges and funding trends of SHF, which are also available on Sudan SHF website. Note, these reports will not disclose information that may put implementing partners or affected populations at risk.

### *Fraud Mitigation and Reporting*

#### 115. Fraud Mitigation:

- a. The SHF has zero tolerance for fraud and corruption. The SHF zero tolerance extends to sub-grantees of implementing partners, consultants, contractors, vendors, and all associated parties receiving funds from or providing goods, or services to the SHF.
- b. Immediate reporting of fraud or suspected fraud is mandatory.
- c. All NGO implementing partners are required to confirm acceptance and compliance with the UNDP anti-fraud policy. The UNDP Anti-Fraud Policy extends to any SHF funded project implemented by an NGO partner.
- d. NGO partners are required to have in place an anti-fraud policy.
- e. Fraud reporting on a quarterly basis is required by all NGO partners.
- f. Any fraud identified and not reported will result in immediate sanctioning from receiving additional SHF funds.

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#### 116. Mechanism for Reporting Fraud:

- a. Fraud or suspected fraud should be reported to UNDP through one of the following channels; Online: [www.undp.org/hotline](http://www.undp.org/hotline), by phone: +1-770-776-5678 (reversed charges); Interpreters available 24 hours/day, Fax at +1-770-409-5008, worldwide; By email: [hotline@undp.org](mailto:hotline@undp.org).
- b. Fraud or suspected fraud may also be reported locally in Sudan ([Annex 7.8](#) for contact information).
- c. The Managing Agent has the requirement to report all fraud to UNDP Office of Audit and Investigation (OAI), the Fund Manager and the donors.

#### 117. Investigations

- a. The UNDP Office of Audit and Investigation (OAI) has the mandate to investigate all reports of alleged wrongdoing and allegations of fraud and corruption related to NGO Partner implemented SHF projects.
- b. OAI conducts fact-finding investigations in an ethical, professional and impartial manner, in accordance with the UNDP Legal Framework for Addressing Non-Compliance with UN Standards of Conduct (PDF) and with the OAI Investigations Guidelines.
- c. OAI will acknowledge the receipt of all allegations. OAI will accept anonymous allegations except for those regarding workplace harassment or abuse of authority. Not all allegations will result in an investigation. OAI will review the allegations and conduct a preliminary assessment to determine whether there are sufficient indications to warrant a formal investigation.
- d. During a formal investigation, OAI will establish the facts and substantiate the findings with evidence. OAI submits its investigation reports to the Legal Support Office (LSO) for consideration of disciplinary proceedings or administrative action, as appropriate. Where the investigation does not substantiate the alleged wrongdoing, OAI will close the case and inform the concerned individual accordingly.

#### 118. Sanctions as a result of fraud

- a. Not all occurrences of fraud will result in sanctioning of the organization. The main criteria for sanctioning include consideration of: reasons fraud occurred; at what level the fraud occurred; whether the fraud was immediately reported; history of fraud within the NGO.

## 6.7 Evaluations

119. Evaluation is an important component of the SHF accountability framework, enabling an independent assessment of the SHF. External evaluations are undertaken every three years, focusing on how the SHF has performed as humanitarian funding mechanism as assessed against its objectives. Evaluation questions and methodologies are developed as part of the process of conducting each specific evaluation.

120. External evaluations of the SHF are considered internal OCHA evaluations that are managed by OCHA in agreement with the SHF donors. Ad hoc reviews of specific aspects of how the SHF is performing are considered on a case-by-case basis, beyond the mandatory three-year evaluation. Such reviews should

be planned and carried out in close consultation between the HC, the A SHF and OCHA in Sudan and be subject to clearance from OCHA headquarters (i.e. Funding Coordination Section).

## 6.8 Audits

121. UNDP FMU utilizes independent audits for NGO projects to enhance the transparency and sound financial management of allocated resources.
122. External audits allow the HC to obtain evidence-based assurances on the use of funds transferred to NGOs. In particular, external audits help to mitigate financial risks; including misuse of resources and fraud; identify weaknesses in financial and operational management and recommend critical improvements; identify ineligible expenditures.
123. External audit findings provide essential feedback to the partner and the system both, incentivizing the continuous improvement of NGO financial and operational management and performance, and enabling the HC to make better informed funding decisions.

### *Audits for UN Agencies and IOM*

124. Participating UN Organizations are audited in accordance with their own Financial Regulations and Rules and in accordance with the MPTF Framework for auditing multi-donor trust funds which has been agreed to by the Internal Audit Services of Participating UN Organisations and endorsed by the UNDG in September 2007.

### *Audits for NGOs*

125. NGO implemented projects are audited in compliance with financial regulations, rules and directives applicable to UNDP, the Managing Agent. The cost of such exercises is added to the project proposals of the NGOs.
126. The Audit is an integral element of sound financial and administrative management, and part of UNDP accountability system. The premise of the NGO implementation modality is that UNDP is entrusting a non-governmental organization with the management of UNDP financial resources.
127. The overarching objective of the audit exercise therefore is to provide UNDP, donor and implementing partners with assurance as to the proper use of resources. By extension, the NGO audit serves as an element of the project monitoring tools used by the SHF.
128. UNDP financial statements are audited annually by the United Nations Board of Auditors and the findings are reported to the UNDP Executive Board and the General Assembly annually. In expressing its opinion on UNDP Financial Statement, the Board of Auditors refers to the outcome of the Audits of NIM and NGO implemented projects.
129. A risk-based model for selecting NGO projects to be audited is based on an NGO/NIM (National Implementation) audit risk rank as determined by OAI and assigned to each country.
130. The NGO/NIM risk rank is based on four quantitative factors and five qualitative factors which are weighted as follows:

Risk Factors	Percentages
<b>Quantitative</b>	
I Assessment of Net Financial Impact (per cent)	10%
II Assessment of Net Financial Impact (amount)	10%
III Assessment of Audit Observations	15%
IV Assessment of NEX Advances Outstanding for more than 180 days	15%
<b>Sub-total</b>	<b>50%</b>
<b>Qualitative</b>	
V Assessment of Audit Scope	10%
VI Timely follow up of audit observations	5%
VII COs in Special Development or Political Situation	10%
VIII Special Interests and Concerns of Stakeholders	10%

Risk Factors	Percentages
IX Transparency International Corruption Perceptions Index	15%
<b>Sub-total</b>	<b>50%</b>
<b>Total</b>	<b>100%</b>

131. Regardless of the risk rating, UNDP Policy requires that an NGO project be audited once in its lifecycle.
132. The Audit Firm delivers an Audit Report that includes a long form management letter that covers the internal control weaknesses identified and the audit recommendations to address them.
133. The NGO must respond in the written audit report of plans to address the audit finding. UNDP FMU follows-up with the NGO to ensure the plan is followed.
134. The Audit Firm evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the statement, and renders an audit opinion.
135. A qualified audit opinion for any project audit results in the ineligibility of the NGO to receive funding from the SHF for a period of one year. At the end of the one year period, a full capacity assessment must be performed on the NGO. If all required criteria of the assessment are met, including the financial accounting or control issues that resulted in the qualified audit opinion, the NGO may be reinstated as an eligible NGO partner.
136. In the case of eligibility re-instatements following a qualified audit opinion, the standard nomination process must be followed.
137. The UNDP Managing Agent Guidelines for Engagement with NGOs under Pooled Funds - Guidance Note for Country Offices, provides full details of the audit process. (To be included as Annex following review and approval by all parties).

#### *Audits of SHF*

138. SHF Audits are triggered and performed by the main oversight bodies of the United Nations: the UN Board of Auditors, the Office for Internal Oversight Services and the Joint Inspection Unit Findings are made available to appropriate stakeholders.
139. As required by the UNDP Office of Audit and Investigation, the Sudan FMU keeps a log of all audit findings, to ensure that organizations address previous findings on management weaknesses. An NGO with any outstanding audit issues is not eligible for funding until those issues have been fully addressed.

### 6.9 Sanction Measures

140. Through the aforementioned accountability mechanisms, the HC aims to safeguard programmatic and financial management of the SHF. Sanction measures of increasing severity enable the HC to address different levels of non-compliance with the legal terms agreed between the fund and the recipient organization.
141. NGO performance is monitored continuously and rated as indicated in section 6.3. An NGO with consistently low performance will no longer be eligible for SHF funding (see [Annex 7.7](#)). Any suspension also prohibits the NGO to engage as a sub-grantee in a SHF project.
142. Separately from performance monitoring and rating, all implementing partners will be sanctioned if any of the following apply:
- Violation of humanitarian principles and breaking codes of conduct (wider than SHF).
  - Indication or confirmation of fraud, corruption or misuse of funds in Sudan or any other country.
  - Critical (high risk) audit findings/qualified audit opinion.
  - Non refund of unspent and/or ineligible funds.
  - Overdue financial or narrative reports.
  - Non-compliance with agreed programmatic focus and implementation.

143. Sanction measure include non-exhaustively the closure of projects, suspension of projects, suspension of disbursement, changed operational modalities, change in the partner risk level and are at the discretion of the HC.
144. The general principle underpinning the application of sanction measures is that they reflect serious breaches which extend beyond the performance related criteria being rated and monitored.

#### 6.10 Complaint mechanism

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145. Stakeholders with insufficiently addressed concerns or complaints regarding the SHF processes or decisions should first contact the OCHA Pooled Fund Manager on [chfsudan@un.org](mailto:chfsudan@un.org).
146. If after discussion the concerns remain, stakeholders can at any point in time contact the Special Assistant to the HC with these concerns (see email in [Annex 7.11](#)) through an email with the subject line "SHF complaint".
147. The Special Assistant to the HC will verify if sufficient dialogue has been engaged in with the SHF TU.
148. If so, the assistant will formally ask SHF TU, for a response copying the OCHA Head of Office, and if concerned the UNDP Country Director.
149. The OCHA TU will formally respond to the HC, who will then decide on the outcome or on follow up actions.
150. Substantial complaints will be reported to the Advisory Board during regular meetings.

#### 6.11 Additional information

151. Relevant OCHA policies and guidelines on CPBFs can be found on OCHA website (<http://www.unocha.org/what-we-do/humanitarian-financing/country-based-pooled-funds>)
152. Contacts: [CHFSudan@un.org](mailto:CHFSudan@un.org)

## 7. Annexes

### Annex 7.1 List of Advisory Board members as of February 2016

- Donors: DFID, SIDA, Norway, Germany, Switzerland, The Netherlands, Ireland, Denmark
- Three heads of UN Agencies/IOM: UNICEF, UNHCR, WHO
- Three NGO representatives: 2 INGO Steering Committee members, Friends of Peace and Development Organization (FPDO)
- Non-contributing donors as observers: ECHO and USAID/OFDA

### SHF – Strategic Review Committee Meeting Report

Please submit this report to the SHF Technical Unit at OCHA Sudan (Khartoum: [chfsudan@un.org](mailto:chfsudan@un.org), sector focal point).

For further SHF information please visit: <http://www.unocha.org/sudan/common-humanitarian-fund/allocations> or contact the SHF Technical Unit.

<b>Sector Name</b>					
<b>Sector Coordinator Details</b>					
<b>Date Of Meeting(s)</b>					
<b>Attendance List</b> (please list the names of reviewers in the strategic review groups)					
<b>#</b>	<b>Name</b>	<b>Title</b>	<b>Organization</b>	<b>Email</b>	<b>Telephone</b>
1					
2					
3					
4					
5					
6					
7					
8					

### Meeting Report

#### 1. Scoring outcome and recommendations

List the project concept notes (with partner info) that were scored. Indicate the projects recommended for funding. Specify the reason why projects above the cut-off point or with a high score have not been recommended or mention exceptional changes requested to the project. Mention which projects were not deemed eligible and mention the reason why. State the total number of projects and the total value of recommended concepts notes.

Project code (4digit)	Partner	Project title	Localities	SRC score	Original Budget USD	Recommended Budget USD	Comment

#### 2. Contentious Issues

Describe any contentious issues around the recommendation of proposals.

#### 3. Any Other Issues

List any other issues that the SHF Technical Unit, Advisory Group or Humanitarian Coordinator might need to know and/or take action on, including lessons learned

## Annex 7.4 Risk Management Framework

Risk	Mitigation strategy	Timeframe	Risk owners
<b>Risk 1: Fund positioning and allocation strategies need further prioritization to demonstrate added value</b>	<p><b>Reduce risk</b></p> <p><i>Existing measures</i></p> <ul style="list-style-type: none"> <li>• Prioritization starts at field level</li> <li>• Humanitarian Needs Overview (HNO), Humanitarian Response Plan, 3Ws and donor priorities taken into account during prioritization</li> <li>• Operational Manual, Positioning Paper have been developed in 2016</li> <li>• Cases for funding, common priority localities, multi-sector, consortia and area-based approaches, minimum ceilings by risk level</li> </ul> <p><i>Mitigation measures</i></p> <ul style="list-style-type: none"> <li>• Only accept ranked prioritization at field and sector level for 2017 allocation process</li> <li>• Ensure understanding and follow through of positioning and strategies at ISCG and sector level</li> </ul>	<p>First standard allocation 2017</p> <p>First standard allocation 2017</p>	<p>SHF TU</p> <p>SHF TU</p>
<b>Risk 2: Limited visibility on funding complementarity</b>	<p><b>Reduce risk</b></p> <p><i>Existing measures</i></p> <ul style="list-style-type: none"> <li>• Contacting other donors about funding plans, share selected projects' list with AB members, ask for complementary funding in project proposals, Financial Tracking Service (FTS)</li> </ul> <p><i>Mitigation measures</i></p> <ul style="list-style-type: none"> <li>• Formulating a framework outlining the complementarities between funding modalities</li> </ul>	<p>Q2 2017</p>	<p>Donors</p>
<b>Risk 3: Declining and late contributions do not allow SHF to reach impact &amp; leverage coordination</b>	<p><b>Reduce risk</b></p> <p><i>Existing measures</i></p> <ul style="list-style-type: none"> <li>• Review processes requested by donors carried out</li> </ul> <p><i>Mitigation measures</i></p> <ul style="list-style-type: none"> <li>• Develop SHF Resource mobilization strategy</li> <li>• Discuss mechanisms of launching an allocation with uncertain funding commitments</li> <li>• Discuss the possibilities of other (development) stakeholders engagement to take over projects to ensure sustainability</li> </ul>	<p>Q4 2016</p> <p>Q4 2016</p> <p>2017</p>	<p>OCHA</p> <p>SHF TU</p> <p>OCHA/SHF TU</p>
<b>Risk 4: Projects</b>	<p><b>Reduce risk</b></p>		

<p><b>lack adequate implementation of SHF standards and quality</b></p>	<p><i>Existing measures</i></p> <ul style="list-style-type: none"> <li>In 2016 a GenCap advisor has supported the SHF allocation projects and two consortium projects have piloted gender mainstreaming in all activities and developed practical guidance for gender mainstreaming in all sectors.</li> <li>UNEP involvement in Technical Review Committee (TRC)</li> <li>Performance monitoring of projects as of the second 2015 standard allocation</li> </ul> <p><i>Mitigation measures</i></p> <ul style="list-style-type: none"> <li>Update of SHF M&amp;R framework (e.g. introduction of remote call monitoring)</li> <li>Discuss amendment of the M&amp;R set up</li> <li>Include partner performance score in project scorecard</li> <li>Discussion on capacity building in next HRP process/SHF positioning</li> <li>Discuss conditions maximum ceilings per organization to avoid overstretching partner's capacity</li> </ul>	<p>Q1 2017</p> <p>Q4 2016 Q1 2017</p> <p>Q1 2017</p> <p>First standard allocation 2017</p>	<p>SHF TU</p> <p>SHF TU SHF TU</p> <p>OCHA/SHF TU SHF TU</p>
<p><b>Risk 5: Timelines impeding the allocation objectives</b></p>	<p><b>Reduce risk</b></p> <p><i>Existing measures</i></p> <ul style="list-style-type: none"> <li>Possibility to ask for no cost extensions and project revisions</li> </ul> <p><i>Mitigation measures</i></p> <ul style="list-style-type: none"> <li>Discuss multi-year commitments for 2017 allocation</li> <li>Discuss SHF Reserve for Emergencies process</li> </ul>	<p>First standard allocation 2017 Q1 2017</p>	<p>SHF TU</p> <p>SHF TU</p>
<p><b>Risk 6: Inadequate capacity of fund management unit and leadership</b></p>	<p><b>Transfer/reduce risk</b></p> <p><i>Existing measures</i></p> <ul style="list-style-type: none"> <li>Possibility of Surge capacity to fill in existing HR gaps</li> <li>M&amp;R set up</li> <li>Operational Manual makes procedures more systematic</li> </ul> <p><i>Proposed measures</i></p> <ul style="list-style-type: none"> <li>Transfer risk of staffing gaps to OCHA HQ to discuss this at global level</li> <li>Discuss amendment of M&amp;R set up</li> </ul>	<p>Continuous</p> <p>Q4 2016</p>	<p>OCHA</p> <p>SHF TU</p>
<p><b>Risk 7: Perception of fairness of the fund's processes</b></p>	<p><b>Accept/reduce risk</b></p> <p><i>Existing measures</i></p> <ul style="list-style-type: none"> <li>Operational Manual</li> <li>Strong implication of SHF TU to guarantee fair process in SRCs</li> </ul>		

	<p><i>Proposed measures</i></p> <ul style="list-style-type: none"> <li>Encourage rotation of SRC members and underline role SRC in training to partners</li> <li>Partner performance will be included in the SRC</li> </ul>	<p>First standard allocation 2017</p> <p>First standard allocation 2017</p>	<p>SHF TU</p> <p>SHF TU</p>
<p><b>Risk 8: Risk of fraud/corruption/facilitation payments/financial mismanagement</b></p>	<p><b>Reduce risk</b></p> <p><i>Existing measures</i></p> <ul style="list-style-type: none"> <li>Financial spot checks, audits, mandatory anti-fraud policy for all implementing partners</li> <li>Introduction of risk based grant management</li> <li>Performance monitoring to adapt risk level</li> </ul> <p><i>Mitigation measures</i></p> <ul style="list-style-type: none"> <li>Introduction of forensic audits, comparison partner costs</li> <li><i>Regular quality monitoring, including remote call monitoring</i></li> <li>Putting in place measures for transparently budgeting/declaring external entity payments</li> <li>Advocacy approach with the donor community towards the authorities</li> </ul>	<p>Q4 2016</p> <p>Continuous</p> <p>Q1 2017</p> <p>Continuous</p>	<p>SHF TU</p> <p>SHF TU</p> <p>SHF TU</p> <p>HC/OCHA</p>
<p><b>Risk 9: Project delivery is impacted by inflation/exchange rate/overseas payments</b></p>	<p><b>Reduce risk</b></p> <p><i>Mitigation measures</i></p> <ul style="list-style-type: none"> <li>Develop guidance for partners on allowed inflation in budgets</li> <li>Discuss transfer in US\$ to NGOs</li> </ul>	<p>Q1 2017</p> <p>Q4 2016</p>	<p>SHF TU</p> <p>SHF TU</p>
<p><b>Risk 10: Sub-granting partners may not adhere to SHF standards</b></p>	<p><b>Reduce</b></p> <p><i>Existing measures</i></p> <ul style="list-style-type: none"> <li>SHF partners are accountable towards the fund for implementation of the projects</li> <li>Project subject to SHF M&amp;R monitoring</li> </ul> <p><i>Mitigation measures</i></p> <ul style="list-style-type: none"> <li>Look into practice of sub granting amongst partners and develop guideline if deemed necessary</li> </ul>	<p>Q4 2017</p>	<p>SHF TU</p>
<p><b>Risk 11: Lack of government collaboration impedes SHF objectives</b></p>	<p><b>Reduce risk</b></p> <p><i>Existing measures</i></p> <ul style="list-style-type: none"> <li>Possible to ask for a no cost extension/project revision for unforeseen and unanticipated delays</li> <li>Access negotiations (access dashboard)</li> </ul>		

	<i>Mitigation measures</i> <ul style="list-style-type: none"> <li>• Advocacy of donors and HC to improve humanitarian operating environment</li> </ul>	Continuous	HC/OCHA
<b>Risk 12: Damage of project goods</b>	<b>Accept risk</b>  <i>Existing measures</i> Security protocols of SHF partners	NA	NA

## Annex 7.6 Performance monitoring and risk outcomes

Start of Y1	During Y1		Y2
<b>High risk</b>	Poor performance:	0	Not Eligible*
	Performance needs improvement:	1	Not Eligible*
	Satisfactory performance:	2	High risk
	Good performance:	3	High risk
	Outstanding:	4	Medium risk
	No performance**		High risk
<b>Medium risk</b>	Poor performance:	0	High risk
	Performance needs improvement:	1	Medium risk
	Satisfactory performance:	2	Medium risk
	Good performance:	3	Medium risk
	Outstanding:	4	Low risk
	No performance**		Medium risk
<b>Low risk</b>	Poor performance:	0	Medium risk
	Performance needs improvement:	1	Low risk
	Satisfactory performance:	2	Low risk
	Good performance:	3	Low risk
	Outstanding:	4	Low risk
	No performance**		Medium risk

*Not eligible\** - the partner is considered not eligible for the next allocation or 6-12 month period. To be considered eligible again, it will have to demonstrate improvements in the areas of weakness

*No performance\*\**- after 3 consecutive years of no performance partners will no longer be eligible and will have to undergo another capacity assessment

## Annex 7.7 Field monitoring template

**1. Monitoring Details**

- 1.1. Date of Monitoring: DD.MM.YYYY
- 1.2. Monitoring members (OCHA only, Cluster only, MA only, Joint (specify) – it will be a dropdown menu on GMS with option of other to specify
- 1.3. Monitoring staff:

<b>Name:</b>	
<b>Title:</b>	
<b>Organization:</b>	
<b>Email:</b>	
<b>Cluster Rep (Y/N):</b>	
<b>Phone:</b>	

GMS will have an option to add more names

- 1.4. Project location visited and GPS data if available:

Location name	GPS data

- 1.5. Previous field visits not recorded in GMS

Visit description	Date

**2. Project Information** (pre-filled from GMS)

- 2.1. Organization:
- 2.2. Project number:
- 2.3. Project title:
- 2.4. Total Budget:
- 2.5. Project Location(s):
- 2.6. Allocation type
- 2.7. Cluster/sector:
- 2.8. Sub-Cluster:

2.9. Risk Level<sup>4</sup>:            HIGH                    MEDIUM                    LOW

2.10. Performance Index

2.11. Project monitoring conducted previously: DD.MM.YYYY

2.12. Project Duration: XX months

2.13. Start date: DD.MM.YYYY

2.14. End date as per contract: DD.MM.YYYY

2.15. Non-Cost extension - If yes: xx months, new end date DD.MM.YYYY

2.16. Budget revision - If yes, why was the budget revised and which major revisions were undertaken?

2.17. Disbursement to date: US\$ XXXXXX

2.18. Reported expenditures: US\$ XXXXXX as of DD.MM.YYYY

2.19. Sub-grantees

2.19.1. Sub-grantee A XXXXX; budget amount: US\$ XXXXXX

2.19.2. Sub-grantee B XXXXX; budget amount: US\$ XXXXXX

**3. Timeliness of Project Implementation**

**3.1. Is the implementation of the project on schedule compared to the work plan?**

Timeliness	Score	✓
On schedule or with minor delays currently being addressed	4	
Moderate delays which will require substantial attention)	2	
Significant delays (implementation a concern)	1	

If delays are observed, please list specific reasons: drop down menu from GMS

- a) Unexpected problems with access
- b) Late transfer of funding
- c) Internal administrative issues
- d) Procurement or transportation issues
- e) Staffing/recruitment issues
- f) Delay in securing supplies from pipeline
- g) Other, please list:

**Comments:** (:Please describe how project activities are progressing and if there are any specific concerns about key activities- be specific to actual activities contained in the project logical framework)

**3.2. Appropriateness/relevance of intervention**

\_\_\_\_\_

<sup>4</sup> Risk levels as assigned after capacity assessments are completed. The risk level determines what type of monitoring and assurance activities are necessary.

**Comments:** (Please explain if the project continues to remain relevant and necessary in view of continued humanitarian needs and other contextual factors at the time of monitoring in comparison with situation at the time of the allocation)

#### 4. Project Implementation

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##### 4.1. Output verification (if feasible, please assess delivery of observable outputs at the time of the visit)

Outcome 1 : (prefilled from GMS)				
Description (prefilled from GMS)	Target (prefilled from GMS)	Reported (prefilled from latest report)	Achieved	Comment (if any)
Standard output indicator 1.1 :				
Standard output indicator 1.2 :				
Standard output indicator 1.3 :				
Additional output indicator(s) :				
Activities under outcome 1 (prefilled from GMS)	Status <sup>5</sup>	Comments on the progress		
Activity 1.1 :				
Activity 1.2 :				
Activity 1.3 :				
Outcome 2 : (prefilled from GMS)				
Description (prefilled from GMS)	Target (prefilled from GMS)	Reported (prefilled from latest report)	Achieved	Comment (if any)
Standard output indicator 2.1 :				
Standard output indicator 2.2 :				

<sup>5</sup> 1 = not initiated / cancelled - 0%

2 = initiated, but significantly delayed – 20%

3 = partially completed, modest delays – 50%

4 = near completion- 80%

5 = activity completed- 100%

Standard output indicator 2.3 :				
Additional output indicator(s) :				
<b>Activities under outcome 2</b> (prefilled from GMS)	<b>Status</b>	<b>Comments on the progress</b>		
Activity 2.1 :				
Activity 2.2 :				
Activity 2.3 :				

Drop Down menu with comments option on GMS

#### Assessment of results

		✓
<b>Outstanding:</b> The project is on track/has achieved <u>at least</u> the <u>overall</u> objective/goals of the proposal	4	
<b>Meets Expectations:</b> The project is on track/has achieved the overall objectives/goals of the proposal	3	
<b>Below Expectations:</b> The project is partially on track to achieve the overall objective of the proposal / or has achieved <u>limited</u> objectives	1	
<b>Alarming:</b> The project will not/has not achieve(d) the overall objective of the proposal	0	

#### 4.2. To what extent does the project adhere to international/national cluster/sector standards

International/national standard adhered to: \_\_\_\_\_

		✓
<b>Fully meets standards</b>	4	
<b>Some improvements needed</b>	3	
<b>Does not meet expected standards</b>	2	
<b>Not possible to make credible/valid assessment or not applicable (no standards)</b>	1	

**Comments:** (Please provide a brief analysis which substantiates the rating. Reference key indicators and complete with information about the project which shows whether the standard has been attained or not.)

#### 4.3. To what extent are project beneficiaries appreciative of the project? (please attach document with details about whom interviewed)

		✓
<b>Highly appreciative</b>	4	
<b>Somewhat appreciate</b>	2	
<b>Not at all appreciative</b>	1	
<b>Not aware of project</b>	0	

Summary of key points made during interviews:

- 
- 

**4.4. To what extent is the project implemented in synergy and in coordination with other actors in the area?**

		✓
<b>Strong collaboration and information sharing</b>	<b>4</b>	
<b>Adequate collaboration and information sharing</b>	<b>3</b>	
<b>Insufficient collaboration</b>	<b>2</b>	
<b>No collaboration</b>	<b>1</b>	

Comments: (Please provide a brief analysis which substantiates the rating.)

**4.5. Monitoring and Reporting**

**4.5.1.** Did the project allocate specific funding to monitor activities and evaluate the project output? Yes \_\_\_\_\_  
No \_\_\_\_\_

**4.5.2.** Does the implementing partner conduct self and/or external monitoring of project implementation (reporting, field visit, survey, baseline, focus group etc.)? Yes \_\_\_\_\_ No \_\_\_\_\_

**If yes, please specify:**

Monitoring activities	✘	Availability of report
Project reporting		
Field visit/3rd party monitoring		
Survey (initial-final)		
Assessment (initial-final)		
Focus group discussion		
Individual interview		
Data collection/verification		
Post monitoring distribution		
SMS, call center activities		
Satellite images		
Others (please specify)		

**4.5.3.** Is the M&E plan being applied according to the project proposal?  
Yes \_\_\_\_\_ No \_\_\_\_\_ Partially \_\_\_\_\_

If No or partially, please specify:

**4.5.4.** Are standardized reporting tools/forms used for reporting on disaggregated numbers of beneficiaries reached and standard output indicators? Yes \_\_\_\_\_ No \_\_\_\_\_

**4.5.5.** Are reporting forms used for aggregating or analysis available for auditing purposes at all levels which data is being reported? Yes \_\_\_\_\_ No \_\_\_\_\_

Assessment of the M&R set up		✓
<b>Satisfactory:</b> The M&R setup allows results based project management and data collection	<b>4</b>	
<b>Fair:</b> The M&R setup does not completely support results based project management and/or data collection	<b>2</b>	
<b>Unsatisfactory:</b> The M&R setup does not allow results based project management and/or data collection	<b>0</b>	

Comments: (Please provide a brief analysis which substantiates the rating.)

## 5. Cross-cutting issues

### 5.1. Gender

2. The concerns of men and women or of girls and boys that were identified through needs analysis and project proposal were addressed through specific actions or activities.

Yes	<b>4</b>	
Partially	<b>2</b>	
No	<b>0</b>	

Comments:

3. Project output data, activities and information on beneficiaries are disaggregated by age and sex according to the targets in the project proposal.

Yes	<b>4</b>	
Partially	<b>2</b>	
No	<b>0</b>	

Comments:

### 5.2. Other relevant cross-cutting issues:

Comments:

## 6. Financial performance

To what extent do financial reports correctly reflect implemented project activities?

		✓
Reported expenditures <b>fully</b> match project activities implemented	<b>4</b>	
Reported expenditures <b>partially</b> match project activities implemented	<b>2</b>	
Reported expenditures <b>do not</b> match project activities implemented	<b>0</b>	

## 7. Overall assessment of the project implementation

Overall Assessment	Score (average of the above scores = Performance Index )
<b>OUTSTANDING PERFORMANCE</b>	4

<b>GOOD PERFORMANCE</b>	3
<b>UNDERPERFORMING BUT JUSTIFIED</b>	2
<b>UNDERPERFORMING AND NOT JUSTIFIED</b>	1
<b>NO PERFORMANCE</b>	0

Comments on overall assessment:

## 8. Best practice/Lessons learned

*Please highlight best practice/lessons learned if there are any:*

## 9. Recommendations

<b>Recommendations / Actions and feedback</b>	<b>Responsible actor</b> drop down menu from GMS with option for <i>other</i> to specify	<b>Timeline for implementation</b>
Recommendation 1	Implementing Partner	
Recommendation 2		
Recommendation 3	OCHA/ CBPF management:	
Recommendation 4		
Feedback 1	Cluster Lead	
Feedback 2		
Feedback 1	Multiple Actors	

### Additional information

- List of persons met, function, and relation to the project and contact details
- Additional documentation attached (photos, anecdotes etc.)

## Annex 7.8 Standard Operation Procedures for field monitoring

Timeline	Information/Action	Check
<b>Pre-departure</b>		
2 weeks prior to departure	<ul style="list-style-type: none"> <li>• M&amp;R officer (OCHA, UNDP, IASC sector) updates the joint M&amp;R Plan if needed.</li> <li>• M&amp;R officer contacts other M&amp;R officers to check their availability to participate in the mission and determine roles and responsibilities for the mission planning process.</li> <li>• The mission lead M&amp;R Officer (or OCHA M&amp;R team leader) drafts a joint monitoring mission TOR which includes:               <ul style="list-style-type: none"> <li>○ team composition;</li> <li>○ selection strategy &amp; the list of prioritized projects;</li> <li>○ schedules and locations (where possible selecting the locality with highest percentage of activities as per the project document);</li> </ul> </li> <li>• M&amp;R officer sends monitoring ToR to OCHA head of sub-office and OCHA SHF field office focal point as well as to the sub-office of the mission lead agency and request feedback on:               <ul style="list-style-type: none"> <li>○ Feasibility of the monitoring mission schedule, including distances, need for armed escort, and security situation in the area;</li> <li>○ Their capacity in providing logistical and administrative support in the arrangement of transportation, accommodation, permits and security arrangement for travel to field locations;</li> <li>○ Need for informing and seeking clearance from any relevant state authorities;</li> <li>○ To address any other relevant administrative issue;</li> <li>○ If sub-office has any relevant information regarding the targeted partners.</li> </ul> </li> <li>• M&amp;R officer informs partners (NGOs: Country Director, UN: Programme Manager) about the planned monitoring mission.               <ul style="list-style-type: none"> <li>○ Share the mission TOR and tentative schedule;</li> <li>○ Share the SHF monitoring template and request update on progress;</li> <li>○ Clarify exact locations of where the project is being implemented and request a brief description of the implementation status.</li> </ul> </li> </ul>	44
1 week prior to departure	<ul style="list-style-type: none"> <li>• M&amp;R officer performs a desk review of the projects concerned including review of:               <ul style="list-style-type: none"> <li>○ Project document</li> <li>○ Previous reports (financial quarterly, narrative, sector output indicator)</li> <li>○ Status of previous recommendations' implementation</li> <li>○ No Cost Extensions (NCEs), project revisions</li> <li>○ Feedback on implementing partners from OCHA or sector lead sub-offices</li> </ul> </li> <li>• M&amp;R officer organizes a pre-mission joint team meeting to:               <ul style="list-style-type: none"> <li>○ Discuss the monitoring arrangements and substantive issues;</li> <li>○ Address / follow-up on any pending administrative and logistic issues</li> </ul> </li> <li>• M&amp;R officer contacts OCHA / UNDP/lead agency sub-offices:               <ul style="list-style-type: none"> <li>○ To confirm the admin/logistic arrangements (above);</li> <li>○ To consult about and ensure the escort arrangements;</li> <li>○ To confirm availability of OCHA sub-office SHF focal point and/or agency lead focal points to accompany the mission to the site visits</li> </ul> </li> <li>• Contact partners to get an update on their planning for the visit.</li> </ul>	
<b>During the mission</b>		

Upon arrival During the site visit	<ul style="list-style-type: none"> <li>• The monitoring team visits the local authorities (HAC) to inform them of the schedule and purpose of the mission.</li> <li>• The M&amp;R officer holds an introductory meeting (collective or individual) with the partners: <ul style="list-style-type: none"> <li>○ Objective of the mission;</li> <li>○ Go through the monitoring form;</li> <li>○ Confirmation of the schedule for the visit of project sites;</li> <li>○ Basic project progress queries;</li> <li>○ Update on the security situation in the area to be visited.</li> </ul> </li> <li>• M&amp;R officer interacts with project staff regarding the project progress, best practices and success stories, challenges, cross-cutting issues etc.</li> <li>• M&amp;R officer interacts with beneficiaries and other relevant stakeholders.</li> <li>• M&amp;R officer takes notes and collects visual materials (pictures, videos) during the site visits.</li> <li>• Possible tools include direct observation, (semi-structured) interviews, focus group discussion and use of checklist e.g. on Accountability to Affected Population (AAP).</li> <li>• M&amp;R officer holds a de-brief with each partner visited to discuss (and if possible with the sector coordinator in the concerned locality): <ul style="list-style-type: none"> <li>○ Major findings of the monitoring mission;</li> <li>○ How to improve financial or programmatic aspects of the project (recommendations);</li> <li>○ What they can expect following the mission.</li> </ul> </li> </ul>	
<b>Post-mission</b>		
Within 2 weeks	<ul style="list-style-type: none"> <li>• Mission debrief meeting by the Monitoring team [can be done on the last mission day] on: <ul style="list-style-type: none"> <li>○ Report inputs (discussion, consolidation);</li> <li>○ Lessons learned.</li> </ul> </li> <li>• M&amp;R officer drafts and shares the monitoring report with the sector coordinator and OCHA M&amp;R team leader for review and clearance.</li> </ul>	
Within 4 weeks	<ul style="list-style-type: none"> <li>• Cleared joint monitoring report and recommendations, including follow-up actions, shared with the relevant sector coordinators (Khartoum and field) and partners for action by the OCHA M&amp;R team leader;</li> <li>• Cleared joint monitoring report uploaded in Grant Management System (GMS) by the M&amp;R officer;</li> <li>• Cleared monitoring report and pictures shared in OCHA M&amp;R dropbox folder by the M&amp;R officer;</li> <li>• Recommendations extracted from the monitoring report uploaded in the Recommendations Log by the M&amp;R officer;</li> <li>• The M&amp;R officer updates the implementation performance of the partner as per the performance management tool (Outstanding performance=4; Good performance=3; underperforming but justified=2; underperforming but not justified=1; No performance=0)</li> <li>• Potential human interest stories and other communication material shared with the OCHA M&amp;R team leader.</li> </ul>	
Within 2 months	<ul style="list-style-type: none"> <li>• Progress on recommendations and required actions should be followed-up with partners by M&amp;R officers and/or SHF focal point in the OCHA sub-offices.</li> <li>• Appropriate and justified measures taken for non-compliance/failure to implement</li> </ul>	

	recommendations i.e. suspension of next payment until corrective actions taken.	
Every Quarter	<ul style="list-style-type: none"> <li>Lessons learned/policy recommendations from monitoring missions analysed, consolidated and uploaded in lessons learned log by OCHA M&amp;R team leader to be shared with the Advisory Board during operational review meetings for review and consideration for future policy decisions and allocation strategies.</li> </ul>	

The monitoring recommendation and lessons learned logs have the following format:

**Monitoring Recommendation Log**

#	Cluster	Org	Allocation type	Date of recommendation	Recommendation/s	Source	Implementation timeline	Resp. Party	Follow up by	Implem. Status	Remarks

**M&R Lessons learned log**

Lessons learned	Recommended Policy Action	Logged in by

### Annex 7.10 Contact information for fraud reporting in Sudan

Elizabeth Whitehead, Head of Fund Management Unit, Elizabeth.Whitehead@undp.org, 249-18712-1205

Annex 7.11 Contact information for complaint mechanism

Karem Issa, Special Assistant to the HC, [issa32@un.org](mailto:issa32@un.org)