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## Annex 2: MHF Operating Principles and Strategic Review

### *Operating principles*

The MHF is a critical tool to support the delivery of the OCHA's humanitarian coordination mandate. The MHF is guided by the fundamental humanitarian principles of humanity, impartiality, neutrality and independence. The MHF operates in line with recognized international standards as determined by the Inter-Agency Standing Committee (IASC) as well as humanitarian financing principles as codified under the Good Humanitarian Donorship (GHD) Initiative and in compliance with the Core Humanitarian Standard.<sup>1</sup>

OCHA's approach to the management of the MHF is anchored in the principles of the IASC Transformative Agenda<sup>2</sup> which stresses the importance of providing predictable, timely and consistent resources for principled humanitarian action. This is in line with Country-based Pooled Funds' (CBPF) primary aim of enabling a life-saving response.

In addition to the fundamental humanitarian principles, the MHF is grounded in five specific operating principles:

- i. **Inclusiveness:** A broad range of partner organizations (UN agencies, local, national and international NGOs, the RC/RC) participate in CBPF processes and may receive funding to implement projects addressing identified priority needs.
- ii. **Flexibility:** The programmatic focus and funding priorities of CBPFs are set at the country level and may shift rapidly, especially in volatile humanitarian contexts. CBPFs adapt rapidly to changing priorities and work with partners to identify appropriate solutions to address humanitarian needs in the most effective way.
- iii. **Timeliness:** CBPFs allocate funds to save lives as humanitarian needs emerge or escalate.
- iv. **Efficiency:** Management of CBPFs enables efficient coverage and prioritization of strategic responses to identified humanitarian needs. CBPFs seek to employ cost-efficient and context-appropriate processes, including effective and fast disbursement mechanisms, minimizing transaction costs while operating in a transparent and accountable manner.
- v. **Risk management:** CBPFs manage risks at the global, Fund and partner levels. They use a range of accountability tools and measures to monitor partner capacity and performance.

### *Strategic Review*

All the submitted project proposals will be strategically assessed by Review Committees at the sub-national level. The MHF chairs the Review Committees and takes part in decision-making, supporting the committees in discharging their functions, and ensures a fair and transparent review. The chairing role may be exceptionally assigned by the MHF to another member of the committee, for example, to expedite the work of multiple committees taking place in parallel. The assigned chair remains accountable to the MHF for due process.

<sup>1</sup> For further information refer to: <https://corehumanitarianstandard.org/>.

<sup>2</sup> Building on the Transformative Agenda, the need for and importance of providing predictable, timely and consistent resources towards principled humanitarian action is reiterated in the IASC Guidance on Strengthening Participation, Representation and Leadership of Local and National Actors in IASC Humanitarian Coordination Mechanisms (<https://interagencystandingcommittee.org/operational-response/iasc-guidance-strengthening-participation-representation-and-leadership-local-and-national-actors>).

Review committees will assess project proposals against the mentioned prioritization criteria, particularly looking at four main questions:

1. **Strategic relevance:** This aspect refers to the alignment of the proposal to the priority clusters, activities, target population and geographic areas identified in the allocation strategy paper, the demonstrated operational capacity and physical access to the affected population of the applicant organization, and the promotion of a multi-cluster approach in multi-locations.
2. **Quality programming:** Proposals will be assessed based on the quality of the planned activities and deliverables, and the integration of effective programming areas. As defined by the CBPF Global Guidelines (chapter 3), all projects under standard allocations need to incorporate areas effective programming throughout the project cycle in line with priorities and parameters of the respective allocation strategy. Indicators under this category are subject to change based on the nature and specificities of the Allocation Strategy and local context. Indicators on effective programming such as AAP, GBV, disability inclusion and centrality of protection are mandatory as per the CBPF Global Guidelines.
3. **Monitoring:** Proposals will be assessed by the level of appropriateness and quality of the monitoring plan. The proposals will need to provide a detailed monitoring plan and coherent information on how progress will be monitored and reported on during implementation in line with the operational context. Monitoring plans will also be evaluated.
4. **Cost-effectiveness:** Proposals will be assessed by the cost-effectiveness and accuracy of the proposed budget. Projects funded by CBPFs must demonstrate value for money and be reasonable in relation to the activities planned. This question looks at the proportion of the budget related to direct staffing and other personal cost and start-up costs.

## Annex 3: Effective programming areas

MHF allocation priorities are guided by the Humanitarian Coordinator's (HC) Vision Paper, CBPF Global Guidelines, consultations with key stakeholders and a sub-national area-based prioritization of activities, needs and geographic locations. The MHF has identified strategic priority areas for effective programming to improve the quality and impact of MHF-funded projects. These strategic priority areas are localization; Accountability to Affected Populations (AAP); disability inclusion; Centrality of Protection; inclusion of age, gender, and other diversity factors; Explosive Ordnance Risk Education (EORE); conflict sensitivity; and Cash and Voucher Assistance (CVA). This annex guides MHF partners on how to best align their proposals with the MHF's priority effective programming areas.

### 1. Localization

Enhancing localization and leveraging existing partnerships to improve humanitarian access and the efficient delivery of aid in hard-to-reach areas is a key priority of the MHF. Therefore, the MHF requires that all projects:

- a) **Promote equitable partnerships:** Projects should demonstrate how they advance equitable partnerships between local and international actors, especially partnerships with local organizations that have an operational presence and direct access in prioritized locations (i.e., townships).
- b) **Support local participation, leadership and representation across the different stages of the project cycle.** Partners should explain how affected people and local leadership have been involved in response planning.
- c) **Resourcing:** Advancing equitable partnerships also means a fair distribution of resources between the lead applicant and local partners. Lead partners must ensure fair sharing of costs to guarantee sufficient human and operational resources under sub-partner or consortia budgets, and fairly share project support costs (PSC) between the lead applicant partner and sub-partners.
- d) **Growing capacity:** Partners should explain how local leadership is supported through the project and what technical and institutional support is provided to the local partners.

This can be demonstrated in the following GMS proposal sections: 'Budget', 12 'Localization', and section 17 'Implementation and Coordination Arrangements'.

MHF will give special consideration to the support of national and local partners, such as local and national NGOs, Women-led Organizations (WLO), Women Rights Organizations (WRO), Community-based Organizations (CBO), and Civil Society Organizations (CSO), working in hard-to-reach areas either through direct individual applications or consortia and sub-granting arrangements with eligible MHF partners. For this allocation, US\$3 million with less stringent project selection criteria is set aside for eligible MHF national NGO partners. Partnerships with local WLOs and WROs and those working with different diversities, such as disabilities and LGBTQI+ support, are strongly encouraged.

The MHF advocates decentralizing some processes at the sub-national level, e.g. prioritization process and strategic review, to ensure greater participation of national partners and sub-partners. The availability of information materials in a local language, and interpretation service during meetings and consultations is a catalyst for interactive and informed participation.

## 2. Accountability to Affected Populations (AAP)

AAP is another strategic area of interest for the MHF. In their project proposals, partners must explain how AAP will be realized throughout the project cycle. The projects should reflect an active commitment to use power responsibly by taking account of, giving account to, and being held to account by the affected people that partners assist.

This can be demonstrated, for instance, in the OneGMS proposal sections for the outcome, outcome indicators, outputs, output indicators and activities, as well as in '2.4 Specific Needs Assessment', '13.10 Accountability to Affected Populations (AAP), Participation and Inclusion in Project Planning and Design' and '13.11 AAP Feedback and Complaints Mechanisms'.

### 2.1. Collecting Feedback from Affected Populations

Proposals should demonstrate that affected people across age, gender and disability groups and other diversity factors have been actively listened to and meaningfully participated throughout the program cycle, especially in the needs assessment processes that inform the project design. The partner should explain how they will monitor, report and act on community feedback considering all diversity factors. Best practice is to involve local community-based organizations including WLOs, WROs and CBOs in project implementation, monitoring and reporting activities. Partners should also collect perceptions and feedback from community members who are direct or indirect project beneficiaries and adjust the activities based on community and beneficiary feedback.

### 2.2. Information Sharing with Affected Populations

Accountability involves sharing consistent, timely, relevant and actionable information with project beneficiaries. Partners should be able to provide clear and accessible information about: (a) the organization's background, (b) the humanitarian principles it adheres to, including organizational commitments on the Prevention of Sexual Exploitation and Abuse (PSEA), (c) the project it is implementing and what it intends to deliver, (d) beneficiary rights and entitlements, particularly around feedback and complaints mechanisms, and (e) staff roles and responsibilities, including expectations around behavior.

Effective communication with communities ensures they have access to timely, accurate and relevant information in languages and formats that are culturally appropriate and accessible. The means of communication must be tailored to the specific needs of women, men, girls and boys from diverse backgrounds, with particular consideration given to vulnerable and marginalized groups.

### 2.3. Complaint and Feedback Mechanisms

Complaint and feedback mechanisms (CFMs) support accountability, transparency, empowerment, monitoring and evaluation, and project improvement. They can also identify potential risks and issues. All affected people need to be able to provide feedback or make complaints in ways that are safe, accessible, appropriate and easy to use. CFMs should be modified as needed so that different groups across age, gender, disability and other diverse factors are aware of them, understand how to use these mechanisms and what they can expect from the process (for example, regarding confidentiality and further communication). Any response or action taken by the organization needs to be timely and communicated clearly back to beneficiaries, thus closing the loop. Where CFMs are not utilized, partners should proactively try to understand what the barriers are and then address them accordingly.

## 2.4. AAP Indicators

These two mandatory AAP indicators must be included in all the project proposals submitted by partners:

- Percentage of targeted people who can access safe feedback and complaint channels.
- Percentage of targeted people who feel that the assistance received is appropriate and tailored to their needs.

MHF suggests that the partners use these questions to monitor the two mandatory indicators:

Percentage of targeted people who can access safe feedback and complaint channels.

- ➔ When you received assistance, did you know that you could provide positive and negative feedback and how to do it? Yes/No *(This feedback could be on the information you were provided, the assistance that you received, or the behavior of aid workers)*
- ➔ Was the complaint and feedback mechanism safe, accessible, appropriate, and easy to use? Yes/No

Percentage of targeted people who feel that the assistance received is appropriate and tailored to their needs.

- ➔ When you received assistance, were you satisfied with the quantity, quality, and type of assistance provided? Yes/No

*Other optional indicators can be included:*

Project Design:

- Number of affected people consulted before designing a project
- OR
- Number of community consultation sessions carried out during the needs assessment phase

Project Implementation (Perception/Satisfaction Survey):

- Percentage of people who feel that access to services and assistance is fair and equitable
- Percentage of people who feel they have adequate access to information on issues that concern them

Complaint and Feedback Mechanism:

- Percentage of people who feel that their feedback or complaints have been listened to and acted on

Monitoring and Evaluation:

- Did the evaluation include consultations with the community - Yes/No
- Percentage of affected people who feel that their opinions are considered in humanitarian decision-making.

## 2.5. Prevention of Sexual Exploitation and Abuse

The MHF as a funding mechanism aims to support the prevention and protection from Sexual Exploitation and Abuse (PSEA) in Myanmar. It ensures alignment to the UN system-wide guidance and implementation of the Secretary General's Bulletin on Special Measures for Protection from SEA (ST/SGB/2003/13) and on Special Measures for PSEA contained in the Secretary General's February 2017 Report (A/71/818).

As per UN policy, there is zero tolerance for sexual exploitation and abuse. MHF-funded partners and sub-partners need to comply with mandatory training on PSEA, including all staff and involved personnel funded by MHF and involved in the implementation. Any alleged case must be immediately reported to OCHA or directly through the confidential PSEA Network reporting mechanisms [mmrpsea@unfpa.org](mailto:mmrpsea@unfpa.org) and hotline number 09405149616. This policy applies to sub-partners, contractors, consultants, vendors, etc. The MHF requires partners to have clear provisions and operational mechanisms for the prevention of [sexual exploitation and abuse \(PSEA\)](#), appropriate policies, and mechanisms to prevent and report any allegation or incident of SEA. Partners should have in place effective feedback and complaints-handling mechanism.

MHF recommends that the partners' community information materials include information on how community members can access partner's confidential reporting mechanisms such as a hotline number to report SEA cases and concerns as well as the Myanmar PSEA Network email address and hotlines. It is also expected that MHF grantees participate and actively contribute to the PSEA Network activities and reporting including incidents.

This can be demonstrated for example, but not limited to, in the OneGMS proposal sections for outputs, output indicators, and activities, as well as in '13.12 Prevention of Sexual Exploitation and Abuse (PSEA)'.

## 3. Centrality of Protection

The MHF is committed to mainstreaming protection in all the phases of the project management cycle by incorporating protection principles and promoting meaningful access, safety, and dignity in humanitarian aid. All projects approved for funding must ensure the Centrality of Protection in their proposals and apply 'do no harm' approaches to their activities. Compliance with the HCT-endorsed Joint Operating Standards is also critical to ensuring a principled and conflict-sensitive approach to access remote locations, with strong conflict analysis to support a 'do not harm' approach. In addition, the MHF will contribute to the application of the Myanmar HCT Protection Strategy and other relevant guidance.

This can be demonstrated for example, but not limited to, in the OneGMS proposal sections for outcome, outcome indicators, outputs, output indicators, and activities, as well as in '13.3. Protection mainstreaming and integration'.

### 3.1. Inclusion of Persons with Disabilities

Disability inclusion is one of MHF's focus areas, and projects should demonstrate how the needs of people with disabilities have been considered in the project design phase and how their specific needs will be met during the implementation. Disability considerations should be mainstreamed in activities, especially in view of the additional access constraints faced in conflict and disaster settings by persons with disabilities. The inclusion of persons with disabilities, including community engagement and participation in decision-making and/or improving access of persons with disabilities to assistance and services in the proposals should be included in the project design. Attention should be paid to the specific concerns and access barriers faced by women and girls with disabilities. MHF will closely monitor how partners mainstream disability inclusion in all the activities and projects supported by the MHF.

The MHF also encourages partners to raise awareness on disability inclusion, promoting effective inclusion and participation of persons with disabilities and their representative organizations across the MHF project cycle, including elaboration of the strategy, the selection of project proposals, project revision, implementation, reporting, monitoring, etc. This includes reinforcing disability-disaggregated data collection and analysis and the use of the [Washington Group Questionnaire](#)<sup>3</sup> to identify people with a disability. In line with the 2023 HRP target, the MHF strongly recommends that partners apply a minimum of 13 percent reach of persons with disabilities across all activities.

This can be demonstrated for example, but not limited to, in the OneGMS proposal sections for the outcome, outcome indicators, outputs, output indicators, and activities, as well as in section 15 dedicated to Disability Inclusion including '15.1 Disability marker', '15.2 Considerations for disability inclusion', '15.3 Organizations of Persons with Disabilities (OPDs)' and '15.4 Persons with Disabilities budget value'.

This mandatory indicator on persons with disabilities must be included in all the project proposals submitted by partners:

- # of people with disabilities reached with disability-specific services (this would include, for instance, the number of people reached with mobility and assistive devices and adapted items delivered).

Other optional indicators can be included:

*Accessibility of services:*

- # of people reached with humanitarian assistance by disability status.
- % of all people reach with humanitarian assistance under the HRP that are a person with disability (targeting 13%)

*Specific actions:*

- # of barriers for persons with disabilities to access humanitarian support services removed
- # services directly addressing the needs and priorities of persons with disabilities.

*Advocacy:*

- # of people reached with disability inclusion message (this could be done, for example, by integrating the message in awareness raising activity including celebration of international days, or through service delivery etc.)

*Engagement with OPDs:*

- number of OPDs who participated/ contributed their inputs in the coordination mechanism
- number of OPDs engaged in the community activity or coordinated/ partnered for project
- number of consultations with OPDs organized by MHF partners.

Partners need to regularly monitor each selected indicator, elaborating a clear explanation of progress and final narrative reports on how they have been able (or not) to achieve it, what challenges they faced, what they have achieved, and what the people targeted provided as feedback, particularly in terms of satisfaction.

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<sup>3</sup> <https://hhot.cbm.org/en/card/washington-group-questions> or <https://www.washingtongroup-disability.com/question-sets/>

### Recommendations on disability-inclusive language

- **Ableism:** What it is and how to avoid it. Ableism is defined as discrimination or prejudice against individuals with disabilities. It is based on the belief that persons with typical abilities – or without a disability – are superior. They are not. The reason why the choice of words matters is to fight exactly this: ableism and its entrenched manifestations. At its heart, ableism defines people by their disability and as such, it carries harmful stereotypes, misconceptions, and generalizations of people with disabilities, as if they were 'lacking' something.

*Do not use:*

- To suffer from, to be afflicted by, to be stricken by, to be troubled with
- Retarded, simple, slow, afflicted, brain-damaged, intellectually challenged, subnormal, of unsound mind, feeble-minded, mentally handicapped.

*Instead, please use:*

- To have [a disability/impairment/condition]
- Person with an intellectual disability or impairment
- **Avoiding the stereotype trap.** Impairments – whether physical, mental, intellectual, and sensory - are a part of life and human diversity, not something to be dramatized or sensationalized. Persons with disabilities should therefore not be portrayed as inspirational or “superhuman”. This language implies that it is unusual for persons with disabilities to be successful and productive and to live happy and fulfilling lives.

Similarly, some commonly used expressions - for instance, “special needs”, “differently abled”, or “people of all abilities” - have gained popularity over time; however, they can be perceived as condescending because they euphemistically stigmatize a difference and are a way to avoid talking about disabilities. Such expression, in fact, reflects the misguided idea that disability needs to be softened. The result is that they can be perceived as euphemistic, patronizing, and offensive.

Some examples: "Persons with disabilities" is a more neutral term than "differently abled" (in fact, as some advocates note, we are all differently-abled). Consider using "tailored assistance" instead of "special needs".

Ensuring our communications products are respectful of persons with disability. [The United Nations Disability Inclusion Strategy \(UNDIS\)](#) launched in 2019, which also guides OCHA's work, aims to remove barriers and engage persons with disabilities in all spheres of work and life to achieve sustainable and transformative progress on disability inclusion. Its indicator 15 on communication in particular requires that internal and external communications should be respectful of persons with disabilities. Prepared by the United Nations Office in Geneva in consultation with a diverse range of experts, including persons with disabilities, [the Disability Inclusive Language Guidelines](#) (English), available also in Myanmar language, contain general principles and recommendations that you can use whenever you communicate, orally or in writing, about this topic.

### 3.2. Age, Gender, and Diversity

The proposals should be sensitive to age, gender, and diversity-specific needs and considerations, especially given the additional protection risks and access constraints faced in conflict and disaster settings by vulnerable groups. This includes a particular focus on the analysis of needs, experiences, and perspectives of women and girls, as well as men and boys of different ages, abilities, gender identities, sexual orientations, ethnicities, religions, and other diversities and that their needs are identified and integrated into the project proposals. Developing activities that are sensitive to age, gender, and diversity is a requirement for partners applying for MHF funding. The partners are encouraged to use available resources such as IASC's 'Gender in Humanitarian Action Guidance'.<sup>4</sup>

The use of the new [Gender with Age Marker](#)<sup>5</sup> (GAM) is required for partners applying for funds. The GAM is a tool that supports humanitarian programming and should be used during the proposal design stage before the finalization of the project proposals to ensure the logical framework alignment to effective targeting that is informed by sex, age, and disability disaggregated data. The use of the GAM should be reflected in the monitoring, reporting, and programming stages of the project.

Partners need to demonstrate that in the process of proposal development, they have collected age, gender, and disability disaggregated data, analyze it, and used the results to tailor the activities to the different needs of the people living in the affected communities. Projects need to show that gender, age, and diversity-specific needs and challenges are addressed in the activities and are tailored to meet the needs of people of different ages, genders, and diversities while considering e.g. household composition, who is the head of household (women, child, elderly, people with disabilities, etc.), access to and use of resources, access to basic social services, participation in the decision-making in the household and community among others. Partners should use indicators that monitor safe access to assistance and services for the people with the most constraints in the affected communities.

This can be demonstrated for example, but not limited to, in the OneGMS proposal sections for the outcome, outcome indicators, outputs, output indicators, and activities, as well as in '14.1. Gender and Age Marker (GAM) code'.

### 3.3. Mitigating the Risk of Gender-Based Violence and Support to Survivors

Gender-Based Violence (GBV) risks and appropriate mitigation measures should be considered across all activities, especially because of the additional protection risks faced by the community in conflict and disaster settings. In the needs assessment phase, partners should collect data relating to the GBV risks for people of different ages, gender, and diversity factors. The MHF-funded projects should demonstrate attention to the prevention and mitigation of the needs associated with GBV based.

In addition, taking action on preventing GBV and supporting the survivors of GBV can entail e.g. partnerships and networking with existing women's supporting groups or women community volunteers that support GBV or protection initiatives through community-based protection mechanisms.

This can be demonstrated for example, but not limited to, in the OneGMS proposal sections for outcome, outcome indicators, outputs, output indicators, and activities, as well as in '13.4. Gender-based violence programming marker', '13.5. Considerations for Protection from Gender-Based Violence', and '11. Budget Value References – GBV'.

<sup>4</sup> <https://www.gihahandbook.org/>

<sup>5</sup> <https://www.iascgenderwithagemarker.com/en/home/>

### 3.4. Advancing Gender Equality

In line with the commitment of the Humanitarian Country Team, the MHF is guided by the IASC Policy for Gender Equality and Empowerment of Women and Girls in Humanitarian Action,<sup>6</sup> as well as the overall IASC Gender in Humanitarian Action Guidance.<sup>7</sup> During the technical review of the proposal by thematic experts, MHF will ensure that the selected project proposals are gender responsive and include targeted actions for gender equality and empowerment of women and girls in preparedness, response, recovery, and resilience building.

MHF recommends engagement with women's CSOs and other proven effective mechanisms, such as women's groups, adolescent youth, women with disabilities, elderly's groups, and other key partners to promote gender equality and women's empowerment. Also, strengthening engagement with and support for women's organizations that aim to protect the rights of persons with diverse sexual orientations and gender identities is the key to ensuring an accountable, transformative, and rights-based approach based on the priorities and informed choices of affected communities, including women and girls.

All MHF-funded projects should advance the participation and empowerment of the affected communities. Partners should support the development of self-protection capacities and assist people to claim their rights, including – not exclusively – the rights to shelter, food, water and sanitation, health, and education. Partners can promote women's leadership, meaningful participation, and equal representation in humanitarian planning and response, as well as in longer-term peace and development processes, including through gender transformative approaches. Transformative approaches are also encouraged for other marginalized groups identified in the target areas.

This can be demonstrated for example, but not limited to, in the OneGMS proposal sections for the outcome, outcome indicators, outputs, output indicators, and activities, as well as in section 14 dedicated to 'Gender Equality' including '14.2 Gender equality programme focus', and '14.3 Considerations for gender equality' as well as in '11. Budget Value References – Gender Equality.

### 3.5. Explosive Ordnance Risk Education (EORE)

Given the increasing prevalence of unexploded ordnance across the country and the ongoing conflict in the target areas, MHF encourages partners to include explosive ordnance risk education in their project design in line with the HRP strategy and ICCG guidance. A decision was made by the ICCG to do so in 2022 based on the expansion of conflict which has seen increased use of landmines and contamination with Explosive Remnants of War (ERW). With the large number of displaced people on the move, the risk of exposure to landmines and ERW is elevated for IDPs. Similarly, the expansion of the conflict into civilian agricultural and livestock areas means that farmers and herders are at risk when moving around their land.

All proposals should articulate how both staff and recipients of assistance will be informed of the risks and mitigation measures, contributing to the prevention of harm approach. All proposals should include language on how they plan to incorporate awareness-raising on explosive ordnance risk among those receiving their assistance, wherever it is safe to do so. EORE materials (posters, leaflets) in multiple languages are available through the Mine Risk Area of Responsibility (AOR) under the Protection Cluster. Trainings for program staff are also available through the AoR and advice on how staff can be kept safe during activities given that they are also facing increased risks.

<sup>6</sup> <https://www.humanitarianresponse.info/en/node/275534>

<sup>7</sup> <https://www.gihahandbook.org/>

This can be demonstrated for example, but not limited to, in the OneGMS proposal sections for outputs, output indicators, and activities.

These two mandatory indicators on EORE must be included in all the project proposals submitted by partners:

- # of EORE sessions delivered
- # people reached through EORE (disaggregated, and inclusive of persons with disabilities)

Other optional indicators that can be included:

- # of material (posters, leaflets) distributed
- % of knowledge increase (of EORE recipients)

### **3.6. Conflict Sensitivity (Do No Harm) and Social Cohesion**

All proposals should include a conflict-sensitivity analysis to ensure that any harm or aggravation of the current situation between or within communities and households. All MHF-funded projects must prioritize the safety and dignity of affected people and cause no harm. The projects should prevent and minimize as much as possible any unintended negative effects of the intervention which can increase people's vulnerability to both physical and psychosocial risks. Therefore, MHF requires partners to mainstream conflict sensitivity (do no harm) and social cohesion in the funded projects to minimize negative impact, and actively support social cohesion for sustainable peace. This involves assessing the situation using a social cohesion lens and promoting/strengthening social cohesion through specific actions. All initiatives must have a conflict-sensitive approach from start to finish. Proposals should also refer to how they will apply the HCT-endorsed Joint Operating Standards which outline principled access strategies when planning responses and engaging with parties to the conflict in support of a conflict-sensitive and do no harm approach.

This can be demonstrated for example, but not limited to, in the OneGMS proposal sections for the outcome, outcome indicators, outputs, output indicators, and activities, as well as in section 17 dedicated to 'Implementation and Coordination Arrangements'.

## **4. Cash and Voucher Assistance (CVA)**

MHF encourages the use of Cash and Voucher Assistance (CVA) when feasible and where market conditions allow for such interventions.

CVA programs specific to a particular sector should align with the relevant Cluster guidance and standards, if available, and transfer values should be harmonized with other organizations implementing similar programs. If unrestricted cash is being used as part of a program to meet sectoral objectives, it should be clear from the proposal why unrestricted cash is the most appropriate modality.

Multi-Purpose Cash Assistance can be an appropriate modality for meeting multi-sectoral basic needs. While MPCA can contribute to meeting sectoral needs, it should be noted that it differs from sectoral unrestricted cash assistance and has a different programmatic objective. Partners interested in implementing MPCA are requested to align with the latest guidance provided by the Myanmar Cash Working Group.

Projects that can provide the following evidence-based analysis of the feasibility and appropriateness of their cash-based program will receive positive scoring:

- Clearly outlining how Cash and Voucher Assistance (CVA) will be utilized to achieve program objectives.

- Providing documented evidence of the preference and acceptance of CVA by the intended beneficiaries and the community, including the perspectives of women and vulnerable groups.
- Conducting an analysis to identify potential delivery mechanisms, such as financial or transfer service providers, and explaining why the proposed delivery mechanism is well-suited for the program.
- Offering detailed information on the functionality and accessibility of markets that the beneficiaries will be utilizing.
- Conducting a comprehensive CVA risk analysis including institutional, programmatic, and contextual factors including any concerns related to the security and protection of beneficiaries.
- Demonstrating documented past experience and organizational and implementing partner's capacity to implement CVA.
- Providing a detailed explanation of the planned monitoring process to ensure cash reaches the intended beneficiaries, including post-distribution monitoring and mechanisms for feedback and accountability.

Furthermore, considering the current financial and security conditions, partners should take into account the following considerations:

- Despite challenges in the banking sector, CVA continues to be utilized successfully by partners to deliver humanitarian assistance, even in conflict-affected areas. However, the MHF will apply additional scrutiny and due diligence to CVA programs to ensure that partners can successfully receive cash in a compliant manner and implement within the grant period.
- Partner proposals need to clearly articulate the proposed CVA modality (mobile money, cash in envelope, e-vouchers, etc.) and financial service provider(s) will be used and why.
- Given the unique contextual nature of the banking and cash liquidity challenges, partners must explicitly identify the challenges specific to their programs and outline their strategies for overcoming them. It is advisable to refer to past successful experiences in securing cash or conducting transfers.
- If there are any additional service fees associated with sourcing cash or making transfer payments, the estimated costs should be clearly stated and appropriately budgeted within the proposal.
- The escalation of conflicts, increased checkpoints, and disrupted supply chains in certain areas have made it challenging and unsafe for affected persons to access markets. Proposals with CVA should provide evidence-based documentation on which markets the targeted population will have access to, whether essential items are adequately supplied in those markets, and if all targeted individuals can safely reach them.

This can be demonstrated for example, but not limited to, in the OneGMS proposal sections for outcome, outcome indicators, outputs, output indicators, and activities, as well as in section 16. Dedicated to 'Cash and Voucher Assistance (CVA)'

These two mandatory indicators on cash and/or voucher assistance must be included in all the project proposals submitted by partners:

- (Cash) Number of people who receive cash assistance.
- (Voucher) Number of people who receive voucher assistance.

Optional indicators:

- (Cash) Total value of cash (in MMK) transferred to beneficiaries.

- (Value Voucher) Total value of vouchers (in MMK) redeemed by beneficiaries.

#### Annex 4: Mandatory and Standard Indicators

| Mandatory - MHF Specific  |                                                                                                                                                                                                            |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sector                    | Indicator                                                                                                                                                                                                  |
| AAP                       | Percentage of targeted people who can access safe feedback and complaint channels.                                                                                                                         |
| AAP                       | Percentage of targeted people who feel that the assistance received is appropriate and tailored to their needs.                                                                                            |
| CVA                       | Number of people who receive cash assistance.                                                                                                                                                              |
|                           | Number of people who receive voucher assistance.                                                                                                                                                           |
| Persons with disabilities | Number of people with disabilities reached with disability-specific services (this would include, for instance, number of people reached with mobility and assistive devices and adapted items delivered). |

| 2023 Myanmar HRP |                                                                                                                                            |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Cluster          | Indicator                                                                                                                                  |
| Education        | # of temporary learning spaces established/rehabilitated                                                                                   |
|                  | # of education spaces with improved WASH facilities                                                                                        |
|                  | # of children/adolescents/youth enrolled in/benefitting from non-formal education opportunities provided                                   |
|                  | # of individuals receiving learning materials (learners' kits + teachers' kits)                                                            |
|                  | # of learning spaces with improved learning environment                                                                                    |
|                  | # of school age children receiving education-related cash and voucher assistance                                                           |
|                  | # of adolescent school age girls receiving menstrual management information sessions                                                       |
|                  | # of educators supported with incentive payments or other financial support                                                                |
|                  | # of teachers/educators trained                                                                                                            |
|                  | # of people (learners and educators) receiving supplementary/open learning materials/resources for basic education (formal and non-formal) |
|                  | # of teachers/ educators and or parents/caregivers receiving capacity building in use of supplementary learning materials                  |
|                  | # of Cluster partner staff receiving capacity building (EiE, inclusion, PSEA, and/or AAP, etc.)                                            |
|                  | # of education committees/PTAs established and/or trained                                                                                  |

|                      |                                                                                                                                                                                                                                                   |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Food Security</b> | % of the target population (IDPs) with acceptable Food Consumption Score (FCS) at end of implementation (Target: 75%)                                                                                                                             |
|                      | % of the target population (non IDPs) with acceptable Food Consumption Score (FCS) at end of implementation (Target: 75%)                                                                                                                         |
|                      | % of the target population with acceptable Food Consumption Score (FCS) through Agriculture and livelihoods MPCA at end of implementation (Target: 75%)                                                                                           |
| <b>Health</b>        | % of communicable disease outbreaks notifications verified and responded timely for IDP and non-IDP population                                                                                                                                    |
|                      | % of targeted IDP and non-IDP population that has access to primary health care services.                                                                                                                                                         |
|                      | # of targeted IDP and non-IDP population that has access to COVID-19 prevention and response                                                                                                                                                      |
|                      | # of targeted IDP and non-IDP PwDU5 children who received vaccination-related support                                                                                                                                                             |
|                      | # of targeted IDP and non-IDP population that has access to primary health care services (Complementary Package for rehabilitation services and provision of assistive devices for persons with disabilities and different forms of impairments). |
|                      | # of targeted IDP and non-IDP population that has access to primary health care services (Complementary Package for surgery and trauma).                                                                                                          |
|                      | # of targeted IDP and non-IDP population that has access to primary health care services (Complementary Package for TB).                                                                                                                          |
|                      | # of targeted IDP and non-IDP population that has access to primary health care services.                                                                                                                                                         |
| <b>Nutrition</b>     | # of children 6-59 months screened for wasting                                                                                                                                                                                                    |
|                      | # of PLW screened for malnutrition                                                                                                                                                                                                                |
|                      | # of children aged 6-59 months with SAM admitted for treatment                                                                                                                                                                                    |
|                      | # of children aged 6-59 months with MAM admitted for treatment                                                                                                                                                                                    |
|                      | # of PLW with MAM admitted for treatment                                                                                                                                                                                                          |
|                      | # of boys and girls aged 6-59 months at risk of acute malnutrition in priority locations who received blanket supplementary feeding support programme                                                                                             |
|                      | # of PLWs at risk of acute malnutrition in priority locations who received blanket supplementary feeding programme                                                                                                                                |
|                      | # of primary caregivers of children 0-23 months receiving IYCF counselling                                                                                                                                                                        |
|                      | # of children 6-59 months receiving multiple micronutrient powders                                                                                                                                                                                |
|                      | # of pregnant women receiving preventative Multiple Micro-nutrient tablet or iron-folic acid supplementation                                                                                                                                      |
| <b>Protection</b>    | # of people (disaggregated by age, sex, disability, and population group) benefiting from the individually targeted protection support                                                                                                            |
|                      | # of children (disaggregated by age, sex, disability, and population group) receiving CP kits                                                                                                                                                     |

|                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| # of people (disaggregated by age, disability, and population group) benefited by victim assistance services                                                                                                                    |
| # of women/adolescent girls (disaggregated by age, disability, and population group) received dignity kits as part of addressing differential needs and GBV risk mitigation measure                                             |
| # of children (disaggregated by age, sex, disability, and population group) benefited from the inter-agency case management system                                                                                              |
| # of people referred/received for MHPSS services                                                                                                                                                                                |
| # of people (disaggregated by age, sex, disability, and population group) benefiting from legal aid/counseling support                                                                                                          |
| # of people (disaggregated by age, sex, disability, and population group) benefiting from legal awareness support                                                                                                               |
| # of women, and girls receiving services in safe houses/shelters                                                                                                                                                                |
| # of people (disaggregated by age, sex, and disability, and population group) benefiting from the protection awareness raising activities                                                                                       |
| # of people (disaggregated by age, sex, disability, and population group) received information on CP principles and access to services on child protection aspects                                                              |
| # of people (disaggregated by age, sex, and disability, and population group) who received explosive ordnance risk education                                                                                                    |
| # of people (disaggregated by age, sex, disability, and population group) reached with messages on GBV prevention and services                                                                                                  |
| # of communities (camp/displacement/solutions site/township) reached with protection monitoring                                                                                                                                 |
| # of village where contamination survey has been conducted                                                                                                                                                                      |
| # of humanitarian staff (disaggregated by sex and organization type) trained on protection topics                                                                                                                               |
| # of technical support provided to non-protection partners in mainstreaming protection by protection partners                                                                                                                   |
| # of staff/frontline workers (disaggregated by sex and organization type) trained on Child Protection principles, risks and case management                                                                                     |
| # of staff/frontline workers (disaggregated by sex and organization type) trained on Mine Action principles, risks and case management                                                                                          |
| # of staff/frontline workers (disaggregated by sex and organization type) trained on GBV guiding principles and relevant response services (Case mgt, PSS, CMR, GBV minimum Standards etc.)                                     |
| # of persons trained (disaggregated by sex and organization type) in MHPSS                                                                                                                                                      |
| # of people reached with humanitarian assistance by disability status                                                                                                                                                           |
| % of all people reach with humanitarian assistance under the HRP that are a person with disability (targeting 13%)                                                                                                              |
| # of barriers for persons with disabilities to access humanitarian support services removed                                                                                                                                     |
| # of services directly addressing the needs and priorities of persons with disabilities.                                                                                                                                        |
| # of people reached with disability inclusion message (this could be done, for example, by integrating the message in awareness raising activity including celebration of international days, or through service delivery etc.) |
| # of OPDs who participated/ contributed their inputs in the coordination mechanism                                                                                                                                              |
| # of OPDs engaged in the community activity or coordinated/ partnered for project                                                                                                                                               |
| # of consultations with OPDs organized by MHF partners.                                                                                                                                                                         |

|                               |                                                                                                                                                                         |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Shelter/NFIs/<br/>CCCM</b> | # of people reached through shelter provision of Emergency shelter support (construction)                                                                               |
|                               | # of people reached through Provision of Emergency shelter support (kits and materials/ cash assistance)                                                                |
|                               | # of people reached through Shelter construction or reconstruction (IDP Camps and Sites)                                                                                |
|                               | # of people reached through distribution of NFIs full kit/items to returnees/ resettled and stateless people                                                            |
|                               | # of people reached through distribution of NFIs full kit/items to IDPs.                                                                                                |
|                               | # of people reached through distribution of NFIs full kit/items to IDPs in camps/ sites.                                                                                |
|                               | # of people reached through (Transitional shelter and reconstruction (Returnees)                                                                                        |
|                               | # of IDPs living in IDP sites provided with humanitarian life-saving, multi-sectoral assistance (indicator)                                                             |
|                               | # of coordination meetings held at site level                                                                                                                           |
|                               | # of site monitoring held                                                                                                                                               |
|                               | # of Camp Infrastructure improvements to prevent protection risks                                                                                                       |
|                               | # of people reached through the provision of camp management support                                                                                                    |
|                               | # of camp actors trained, # of IDPs trained                                                                                                                             |
|                               | # of ToTs implemented                                                                                                                                                   |
|                               | # of people reached through Community participation activities                                                                                                          |
|                               | # of people accessed the complaint/feedback response mechanism                                                                                                          |
| <b>WASH</b>                   | # of Crisis-affected people have equitable, inclusive and safe access to safe/improved drinking water meeting demand for domestic purposes, at minimum/agreed standards |
|                               | # of Crisis-affected people have equitable, inclusive and safe access to functional excreta disposal systems.                                                           |
|                               | # of Crisis-affected people have equitable, inclusive and safe access to hygiene items and community-tailored messages, enabling health seeking behavior.               |
|                               | # of children accessing appropriate WASH facilities and hygiene services in learning facilities and safe spaces                                                         |
|                               | # of women, men, girls and boys accessing WASH services in the health facilities which received support from the WASH Cluster.                                          |
|                               | # of vulnerable people that are consulted, and their concerns are addressed, through dignified and inclusive WASH services.                                             |

## Annex 5: MHF Budget Guidance

This guide has been developed to provide partners, OCHA Country Office, HFU and OCHA headquarters with a common framework to facilitate the appropriate preparation, review and clearance of project budgets and to enhance the understanding of the main budget related issues encountered during previous allocations. In particular, this guidance applies equally to all partners and provides a common framework for the appropriate administration of financial resources provided for the implementation of approved projects. It defines eligible and ineligible costs, direct and indirect costs, budget categories and the required break-down of budget lines.

### 1. Rationale and Basic Principles

Clear segregation of duties underpins the administration of financial resources. This is critical to preserve the country-driven nature of Funds' transparency and ensure adequate internal controls, reducing the risk of erroneous or inappropriate funding. HFUs, OCHA headquarters and partners have specific roles and responsibilities, as follows:

#### *HFU:*

- a. Ensure the principles of economy, efficiency, effectiveness, transparency and accountability are adhered to. This means that project inputs and financial requirements are commensurate with planned activities and expected outputs and that the budget is a correct, fair and reasonable reflection of the project's logical framework.
- b. Ensure the estimated project costs are reasonable in the specific country context of each Fund, such that resources are used in the most efficient and transparent way.

#### *HFU Finance Officers:*

- a. Conduct technical reviews to verify that project budgets are factually correct and coherent with the project proposals and their logical frameworks.
- b. Flag concerns and seek clarifications on issues that may compromise compliance with UN rules and regulations and affect financial transparency and accountability.
- c. Follow up with partners and verify any refunds due after completion of the projects.

#### *HFU certifying Finance Officers:*

Under Delegation of Authority (DoA) from OCHA's Executive Officer, some financial clearance functions in OneGMS can be performed by qualified Finance Officers in HFUs. This delegated authority cannot be sub-delegated to another staff member, even temporarily. In the absence of the certifying Finance Officer at HFU, the delegated authority will revert to the certifying Finance Officers in the CBPF Section at OCHA headquarters.

- a. Review and clear budgets for new projects and budget amendments during the lifetime of the projects, flag concerns and seek clarifications from the partner, HFU Finance Officer and Fund Manager, and ensure adherence to budgetary requirements outlined in the articles for HFUs and HFU Finance Officers above.
- b. Clear Interim Financial Reports that do not trigger subsequent disbursements or recording of expenditures in the UN financial system.

#### *Certifying Finance Officers at OCHA headquarters:*

- a. Review and clear budgets for new projects and budget amendments during the lifetime of the projects, flag concerns and seek clarifications from HFU, and ensure adherence to budgetary requirements outlined in the articles for HFUs and HFU Finance Officers above.
- b. Review Grant Agreements, review and approve payment and refund documents, and effect project closure processes in the UN financial system.
- c. Provide cash flow statements for allocation planning and annual certified financial statements for each Fund.
- d. Review and certify Interim and Final Financial Reports for projects, release subsequent disbursements to partners and record expenditures in the UN financial system.
- e. Review and clear project audit reports.
- f. Undertake financial settlements related to cases of fraud or misappropriation of resources.

## • Project budgets

In the budgeting process, partners are expected to:

- i. Provide a correct and fair budget breakdown of planned costs that are necessary to implement activities and achieve the objectives of the project. The budget shall be cost-efficient with a focus on the CBPF project.
- ii. Use and comply with the requirements of the project budget template and budget breakdown (*Annex 11. CBPF project budget and financial report template for NGOs*), in accordance with the classification and itemization of planned expenditures as described below. Partners should ensure the same templates and guidance are adopted by any sub-partners involved in the project and provided with financial resources.
- iii. Provide a budget narrative that clearly explains the objective, rationale and content of each budget line. Complementary documentation shall be provided to support the budget narrative.

## **Budget categories**

The following should be included within each respective budget category:

### *Category A: Staff and other personnel costs*

- i. Staff, consultants and other personnel to be recruited and paid directly by the partner should be included in this budget category. The budget narrative shall specify the salary grade/level for each staff/budget line, duty station, details of the position and the functions that will be carried out in relation to project implementation, and cost breakdown (e.g., salary, social security, medical and life insurance, hazard pay, etc.).

### *Category B: Supplies, commodities, materials*

- ii. All consumables to be purchased under the project, including associated transportation, freight, storage and distribution costs, should be included under this budget category. Cash and voucher assistance to affected people directly implemented by the partner shall be budgeted under this category. The partner should explain how the unit quantity and unit cost have been estimated. For standard and low-value kits, there should be a description of the kit composition, how the composition was agreed and how the cost of the individual component items has been estimated. For non-itemized construction materials, the narrative will describe how construction costs have been estimated on the basis of a standard prototype of building (e.g. latrine, health post, shelter,

etc.), type of materials (e.g. wood, prefabricated, brick/cement/concrete) and provide a formula or rationale used for cost estimation (e.g. per square foot or metre, previous experiences, etc.). All consumables budgeted under the project should clearly indicate the project activities they are linked to.

#### *Category C: Equipment*

- iii. This budget category covers non-consumables to be purchased under the project, including associated transportation, freight and storage costs. The narrative should explain how the unit quantity and unit cost have been estimated. For large and/or expensive equipment items, the budget narrative should describe how the item(s) is necessary for the implementation of the project. Non-consumables budgeted under the project should have a clear explanation of their purpose and a clear rationale for their use in relation to project activities and should also include supporting technical specifications.

#### *Category D: Contractual services*

- iv. Services provided by vendors of commercial nature shall be budgeted under this category. For Contractual Services under this budget category, the corresponding budget narrative should provide a clear description of works and services to be contracted under the project with a corresponding explanation of how the unit quantity and unit cost for each contract/budget line have been estimated. The description should include the location and type of services to be provided and demonstrate that they are directly linked to project activities. Associated fees related to cash and voucher assistance that is delivered through a service provider should be included in this category.

#### *Category E: Travel*

- v. Costs related to travel of staff, consultants and other personnel-related to project implementation should be budgeted under this category. For domestic and international travel, the budget narrative should explain how the number of trips and the cost of each trip have been estimated and should provide a clear rationale for how the proposed travel directly supports project implementation.

#### *Category F: Transfers and grants to counterparts*

- vi. This budget category is used to capture planned transfers and sub-grants to counterparts of non-commercial nature. The budget narrative should include the name of the sub-partner, explain the objectives and activities related to each transfer and/or sub-grant, and provide a cost breakdown (to be uploaded to the documents tab of GMS as a separate file) in the same categories as for the main partner's budget (i.e., A. Staff and other personnel costs, B. Supplies, commodities, materials, C. Equipment, D. Contractual services, E. Travel, F. Transfers and grants to counterparts, and G. General operating and other direct costs). This budget category shall only include direct project costs of sub-partners - the programme support cost (PSC) of sub-partners should be covered within the PSC for the whole project, which should be shared fairly between the partner and the sub-partner(s) in line with the stipulations of the Grant Agreement.

#### *Category G: General operating and other direct costs*

- vii. This budget category is for general operating expenses and other direct costs, as well as contingency budget lines related to project implementation but not captured under other budget

categories. The budget narrative should explain how the unit quantity and unit cost have been estimated for each budget line and how the costs are directly related to, and necessary for, project implementation.

## 2. Eligible and Ineligible costs

### Eligible costs

The following attributes define the nature of eligible costs:

- Must be necessary and reasonable for the delivery of the objectives of the project.
- Must comply with the principles of sound financial management, in particular the principles of economy, efficiency, effectiveness, transparency and accountability.
- Must be identifiable in the accounting records and backed by original supporting evidence as incurred in accordance with the approved project proposal and period, at the time of financial spot checks and/or audit or at the time requested by OCHA.

Eligible costs include:

- Staff costs (including salaries, social security contributions, medical insurance, hazard pay (when applicable) proportional to the project implementation period, and any other cost included as part of the salary benefits package of the organization. Salaries and related costs may not exceed the costs normally borne by the partner in other similar projects. The appropriate amount of staffing costs shall be determined by the context and the specific project requirements rather than by any pre-determined set range or proportion of the total budget.
- Bonus (e.g., holiday bonus), if mandatory or considered as a legal cost that stems from local government ordinances within the country context.
- Pension benefit/allowance, severance expense, annual leave encashment and similar items that are part of standard staff entitlements but are paid only when the staff member is separated (typically after the project has been completed) may be eligible. For such costs to be considered eligible, they must be expensed within the project period and be recorded on or before the project end date to a designated account within the organization for the purpose or be charged to the fund centre if the partner has only one bank account. Since these entitlements are typically accrued in relation to each complete year of employment, where the project duration is other than an integer of years (for example, where the project has a duration of 9 months or 15 months), the cost charged to MHF budget shall be calculated proportionately with the remaining part to be covered by other funding sources.
- Costs for consultancies necessary for the implementation of the project.
- Allowances and/or incentives to teachers and medical personnel can be deemed eligible based on the country context and where their expertise and activities/services are not paid by the government but are required to directly support project objectives.
- Hospitality expenses for training, events and meetings directly related to project implementation, where project staff and external stakeholders participate.
- Support staff costs at country-level directly related to the project.
- Travel and subsistence costs, whether solely or shared, are directly linked to the project implementation for project staff, consultants, and other personnel, provided the costs do not exceed those normally borne by the partner.
- A contribution to the partner's Country Office costs, as shared costs charged on the basis of a well explained calculation (including through the use of timesheets) or reasonable apportionment system. Shared costs must be itemized either in the narrative for the budget line or through a separate supporting document uploaded to GMS.
- Financial support to affected people as targeted within the project proposal, including cash and voucher-based distribution.

- Costs for purchase of goods and services delivered to affected people as targeted within the project proposal, including quality control, transport, storage and distribution costs.
- Costs related to non-expendable items (assets) such as equipment, information and technology equipment for registration and similar field activities (including IT software licenses directly relevant to project activities), medical equipment, water pumps and generators. Duplicated costs for investment in the same equipment by the same partner under different project budgets shall be ineligible. The MHF shall monitor asset inventories procured through MHF-funded projects, consider the utility life of such assets, and ensure there is no duplicated and unjustified investment.
- Expenditure incurred by the partner related to awarding contracts required for the implementation of the project, such as expenses for the tendering process.
- Costs incurred by sub- partners, directly attributable to the implementation of the project.
- Banks/funds transfer fees, cash and voucher assistance fees to affected people targeted by the project and fees for payments to vendors for project activities can be eligible under the relevant budget category or under category G. General Operating Expenditures. (Partners shall establish a local bank account to directly receive MHF funds transfer. In the case that the partner chooses to receive funds from its HQ bank account, then the partner shall be responsible for covering the transfer cost from its HQ to the local bank account via its programme support cost).
- Other costs derived directly from the requirements of the Grant Agreement such as monitoring, reporting, evaluation, dissemination of information, translation and insurance, and financial service costs.
- Costs paid during the 60 days liquidation period after the project end date that is directly linked to project activities carried out during the project period and recorded in the partner's accounting system as pertaining to activities carried out during the project validity period.
- If local legislation requires that the partner pays certain taxes, such taxes are deemed eligible. However, if the local authority exempts a partner from paying taxes and the partner obtains a refund of such taxes already paid, the corresponding amounts shall be refunded to OCHA within the stipulated timeline.
- Any costs outside those described above but which the partner considers eligible can be submitted for review by the MHF for exceptional consideration, in liaison with OCHA headquarters. Such costs shall obtain well-documented prior approval in order to be deemed as eligible costs.

On a case-by-case basis and depending on the objectives of the Fund, the MHF retains the flexibility to consider the following costs as eligible at the time of finalising the project budget:

- i. Government staff training as a component of a project activity that contributes to the achievement of the project objectives.
- ii. A reasonable level of visibility material of the partner in relation to the project funded.
- iii. Purchase of vehicles when the cost of vehicle rental during the project period exceeds the cost of vehicle purchase. In such cases, upon comprehensive cost-benefit analysis, the Fund can cover the portion of the vehicle purchase cost that is proportional to the project duration against the whole usable life of the vehicle.
- iv. Depreciation costs for non-expendable/durable equipment used for the project proportional to the project duration, for which the equipment cost is not funded in the current budget or prior MHF funding.
- v. Equipment for the regular operations of the partner and which is also essential for the implementation of the project.

#### Ineligible costs

The following costs are ineligible:

- Costs not included in the approved budget or approved budget amendments.

- Costs incurred outside the approved implementation period, including any approved amendment/extension to the period. Any new commitments incurred after the project end date (even during the liquidation period) will be considered ineligible.
- Debts and provisions for possible future losses or debts.
- Interest owed by the implementing partner to any third party.
- Items already financed from other sources.
- Purchases of land or buildings.
- Currency exchange losses. Any loss incurred by the partner due to exchange rate fluctuation cannot be included as expenditure, i.e., partners cannot exceed the expenditures on the approved budget line due to exchange loss.
- Cessions and rebates by the partner, contractors or staff of the partner of part of declared costs for the project.
- Government staff salaries. Salaries to teachers and medical personnel (who are considered as government staff) are ineligible.
- Costs related to products/services from any company associated to the Myanmar Armed Forces and listed in the Independent Fact-Finding Mission (September 2019).
- Hospitality expenses, unrelated to the project or for project staff only (without involving external stakeholders).
- Incentives, mark-ups, or gifts to staff and Government officials, which are not mandatory or not considered a legal cost that stems from local government ordinances within the country context
- Fines and penalties.
- Duties, charges, taxes (including VAT) recoverable by the partner.
- Global evaluation of programmes. Audit fees of MHF required audits – these costs are paid directly by MHF and charged as direct cost for the management of the Fund.
- Costs related to internal auditing of the partner.

#### Exchange rates

1. The currency used for the purpose of the Grant Agreement, including for disbursement to the partner, reporting and refunds, is the United States Dollars (USD). When undertaking financial transactions in currencies other than USD, while the UN agency partner shall use UN Operational Rates of Exchange (UNORE), the NGO partner shall use the most favourable official rate of exchange from one of the following acceptable sources for all transactions related to the implementation of the project:
  - i. UN Operational Rate of Exchange (UNORE)
  - ii. Prevailing market rate by the respective federal bank or authorized currency exchange
  - iii. InforEuro
2. Partners should ensure that when using any one of the above exchange rates, a sound accounting system that can track the transfer of funds is maintained.
3. Exchanges can only be allowed through the respective federal bank or an authorized currency exchange entity, and partners are required to provide all supporting documents of the actual transactions to substantiate the use of the exchange rate. The use of unofficial parallel market rates or black-market rates are not acceptable.
4. Mean or average exchange rates in use for other donors are not acceptable.
5. Partners cannot automatically dispose of exchange rate gains. Such gains should either be offset against further disbursements from OCHA or returned to OCHA.
6. Any loss incurred by the partner due to exchange rate fluctuations cannot be included as an eligible project expenditure and shall be absorbed by the partner.

### 3. Direct and Indirect Costs

There are two categories of eligible costs: *direct* and *indirect* costs.

#### Direct Costs

1. Direct costs must be clearly linked to the project activities described in the project proposal and the logical framework. They are the costs directly related to the implementation of the project. Direct costs include: (a) the costs of goods and services and equipment that directly benefit affected people, such as the costs of supplies, materials, commodities and associated transportation, freight, storage and distribution costs, cash and voucher assistance, and the personnel that directly provide services to the affected people; and (b) the costs of inputs and activities that are necessary to enable the project's main activities and the achievement of the project's objectives, such as personnel for coordination, project management, procurement and logistics, as well as general operating costs.
2. Sharing costs between different donors and projects under a country operation of a partner is an acceptable practice. The partner may share certain costs such as staff costs, office rental, utilities and vehicle rental to support different projects.

#### Indirect Costs

Indirect costs are also referred to as Programme Support Costs (PSC). PSC are all costs incurred by the partner which cannot be traced unequivocally to specific activities, projects or programmes. These costs typically include corporate costs (i.e. cost of headquarters, statutory bodies, legal services, IT systems, general cooperate risk management, compliance, procurement and accounting and recruitment systems, etc.). PSC is charged as a maximum seven per cent of the approved direct costs of the project. PSC for NGO and UN agency sub-partners involved in the implementation of a project must be covered within the maximum seven per cent for the whole project. As per the stipulations in the Grant Agreement, the partner is required to ensure that any PSC is fairly distributed with any NGO and UN agency sub-partner in a manner that is proportionate to the project budget and activities being undertaken by each party. The PSC section in GMS allows for a breakdown of PSC between the partner and each NGO and UN agency sub-partner.

#### **Itemization of Budget Lines** (cost breakdown)

Each budget line requires the following cost breakdown:

- Itemize each national and international staff, consultant and other personnel by function, and provide unit quantity and unit cost (monthly or daily rates) for each staff position.<sup>8</sup> The narrative for each budget line should include details such as the type of staff position (national or international), location, grade/level, and gross salary breakdown (to be provided either directly in the narrative or as an annex uploaded in the documents tab in GMS), functions to be carried out to contribute to the project implementation (Terms of References or Personal History Profiles should not be included in the narrative, but can be provided as an annex uploaded in GMS).

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<sup>8</sup> Staff positions must be charged per unit. If staff costs are only partially charged to the given budget, this should be reflected in the percentage (50 per cent of a staff, rather than half of a staff at 100 per cent).

- Any budget line whose total value exceeds US\$10,000 (as cumulative value) requires a clear explanation of the calculation in the budget narrative.<sup>9</sup> Meanwhile, as deemed necessary by OCHA, the partner should also provide a breakdown of costs for items less than \$10,000.
- Provide list of items and estimated cost per item for kits (as an annex) when the total budget line value exceeds \$10,000.
- When a budget line which exceeds \$10,000 contains costs of multiple items, the partner should upload a budget breakdown to GMS, listing item, unit quantity, unit cost and total cost.
- In the case of construction works exceeding \$10,000, only labour costs and known essential materials may be budgeted and itemized, providing unit quantity and unit cost. The budget narrative should explain how construction costs have been estimated on the basis of a standard prototype of the building (e.g., latrine, health post or shelter), type of materials (e.g. wood, prefabricated or brick/cement/concrete), and the formula or rationale used to estimate construction cost (e.g., per square foot or metre or previous experiences).
- In the case of cash and voucher assistance, provide a budget narrative and budget breakdown to indicate the number of assisted people/ individual households, unit cost, areas/regions covered, etc. If the cash and voucher assistance is implemented by the main partner, the transfer to the assisted people shall be budgeted under category B. Supplies, commodities and materials, and the associated fees of a service provider shall be under category D. Contractual services; if the cash and voucher assistance is implemented by sub-partner, all costs shall be under category F. Transfers and grants to counterparts.
- Provide unit or quantity (e.g., 10 kits, 1,000 metric tons) and unit cost for commodities, supplies and materials to be purchased. The budget narrative should properly reference unit measures (length, volume, weight, area, etc.).
- Provide technical specifications for items whose unit cost is greater than \$10,000.
- Provide technical specifications for items whose unit costs can greatly vary based on specifications (e.g., for generators, a reference to the possible range of power would help properly evaluate the accuracy of the estimated cost).
- Provide details in the budget narrative so that the objective of the budget line can be clearly identified.
- Itemize general operating costs (e.g., office rent, telecommunications, internet, utilities) for project implementation, providing quantity and unit cost. A lump sum for operating costs is not acceptable.
- Travel (in-country and international) shall indicate the number of trips and cost per trip.
- Travel costs can be estimated as long as the calculation modality is clearly described in the budget narrative (e.g., provide estimates on the number of trips, number of travellers, number of travel days, daily subsistence allowance rates, terminal expenses, etc.)
- Provide the list of items for globally standardized kits such as Post-exposure Prophylaxis Kits and Inter-agency Emergency Health Kit.
- The partner should provide a cost breakdown in a spreadsheet to be uploaded in the documents tab in GMS at the time of budget submission (annex 11).
- The partner is responsible and accountable to ensure the budget(s) of the sub-partner(s) adheres to the principles of economy, efficiency, effectiveness, transparency and accountability. The partner must provide the name of the sub-partner before signing the Grant Agreement and ensure the sub-partner(s) budget(s) are commensurate with the planned activities and outputs and is

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<sup>9</sup> Contingency budget lines and projects for the pre-position of funding for “48-hour response” are exceptions to this requirement at initial project budget proposal stage; but shall fulfill this requirement before triggering the actual deployment and use of the budget.

reasonable in the specific country context. The sub-partner budget should be provided as a single line under the budget category F. Transfers and grants to counterparts. The breakdown details are not required to be provided in the budget tab of GMS but shall be uploaded under the document tab of GMS. Meanwhile, at the request of OCHA and/or the auditors, the partner is responsible and accountable to provide the necessary detailed documentation to support the budget and expenditure incurred by the sub-partner. The sub-partner's budget and expenditure details must be available, if requested, at the same level of detail and format applicable to the main partner. These documents must remain available for at least 5 years after the project termination.

#### Budgets for pre-positioning of funding for "48-hour response"

The budgeting and use of pre-positioned funding to enable rapid response within 48 hours of a new, sudden-onset emergency shall abide by the following:

- i. The initial project proposal, when the partner is unable to elaborate the eventual budget breakdown, may include the entire direct cost under category G. General operating and other direct costs, along with the corresponding PSC.
- ii. Before the deployment of funding, the partner must provide information about the situation, needs, proposed response activities and corresponding budget utilisation, and obtain prior written authorization from the MHF, who consults with the HC, OCHA HoO, sectors/clusters and/or other relevant coordination platforms and stakeholders, as required.
- iii. The MHF shall provide a written response to the partner within 48 hours of the partner's request, approving or rejecting the use of the pre-positioned funding, including any caveats and conditions, including the amount of funding to be deployed, which may be all or part of the amount pre-positioned. The date of HFU approval is the date from which expenditures can be deemed eligible. The HC and the AB are notified.
- iv. Within 20 working days of the approval of the 48-hour response, the original project proposal shall be modified in GMS to reflect details of activities, people targeted and budget breakdown and be formalized through a Grant Agreement Amendment.
- v. The partner is required to meet normal financial and narrative reporting obligations and refund any unspent balance upon the completion of the project.

#### **Contingency Budgets**

- i. For selected projects, a contingency budget line may be added to enable partners to facilitate a rapid response to unforeseen urgent humanitarian needs (including those outside of the original scope of activities) in an evolving context.
- ii. The contingency budget line shall be under category G. General operating and other direct costs.
- iii. The contingency budget shall be a maximum of 4 per cent of the total direct project costs exclusive of the contingency line.
- iv. Before deployment of the contingency budget, the partner shall provide information on the activities, people targeted and corresponding budget utilization, and ensure there is no duplication of costs with other budget lines.
- v. The contingency budget line shall not be used to compensate for overspending or expansion of other ongoing/planned activities.
- vi. Deployment of the contingency budget line requires prior written approval by the MHF (through e-mail). The partner should communicate with the MHF regarding the new and unforeseen needs to be addressed and the intended use of budget. Review and approval, when appropriate, will be completed within 24 hours of the request.

- vii. The project proposal shall be modified in GMS to reflect the activities, people targeted and a detailed budget breakdown in relevant budget categories.
- viii. Only if the contingency budget is used for expenditures in other budget categories in a way that results in an increase above 20 per cent of the originally approved amounts of those categories, a budget revision and Grant Agreement Amendment is required.
- ix. Partners are required to provide a detailed breakdown of the utilization of the contingency budget line in the financial and narrative reports.
- x. If all or part of the contingency budget line is not utilized in the project implementation period, the remaining amount must be refunded at the time of financial reporting or audit as per standard procedures.

#### 4. Use of local money transfer and international financial service agents

Considering the current disruption of the banking system and issues with cash availability, the MHF may allow expenditures related to the use of local money transfer agents in-country, which are subject to the payment of some transaction fees, and international financial service agents to transfer funds into Myanmar. It will be done on a case-by-case basis. For that, partners should inform the MHF via email prior to using such service providers to receive MHF endorsement, ensuring that partners are applying their internal procurement process for the service, including selection of agent(s) based on reputation, prior/current experience, and sign a proper written agreement with the service provider.

The MHF will allow partners to include transaction fees as part of the eligible expenditure, creating or modifying the existing budget line in the approved budget with the following description: "bank fees and/or transaction fees related to the use of local money transfer agents," and separating budget line for international financial service fees which are part of *budget category 7 (General Operating and Other Direct Costs)*. In exceptional cases, only when an agreement and invoice from the service provider will not be possible due to the sensitive context and the informal market, the partner will produce a note for the file or other supporting documentation describing the service provided and explaining the operation and expenditures, as per internal policy, signed by the authorized persons within the organization, following the internal segregation of duties policy.

## Annex 6: Cluster contacts

| Cluster                          | Name                                                       | Contact                                                                                |
|----------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Coordination and Common Services | Marcel Vaessen                                             | vaessen@un.org                                                                         |
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| Thematic Advisors                | Name                                                       | Contact                                                                                |
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| Gender-based Violence            | Kibrom Girmay<br>Ei Shwe Yin                               | kgirmay@unfpa.org;<br>eishweyi.win@careint.org                                         |
| Mine Action                      | Bekim Shala                                                | bshala@unicef.org                                                                      |
| Disability Inclusion             | Jérôme Bobin                                               | j.bobin@hi.org                                                                         |
| PSEA                             | Celia Turkett<br>Rowena Dacsig                             | turkett@unfpa.org<br>rowena.dacsig@unwomen.org                                         |
| Cash and Voucher Assistance      | John Nelson<br>Ria Lewis<br>Moe Thida Win                  | jnelson@mercycorps.org<br>ria.lewis@wfp.org<br>moethidawin@redcross.org.mm             |

## Annex 7: List of acronyms

|      |                                        |
|------|----------------------------------------|
| AAP  | Accountability to Affected Populations |
| AB   | Advisory Board                         |
| AOR  | Area of Responsibility                 |
| CBO  | Community Based Organizations          |
| CBPF | Country Based Pooled Funds             |
| CCCM | Camp Coordination and Camp Management  |
| CERF | Central Emergency Response Fund        |
| CMR  | Clinical Management of Rape            |
| CP   | Child Protection                       |
| CSO  | Civil Society Organizations            |
| CVA  | Cash and Voucher Assistance            |
| DoA  | Delegation of Authority                |
| EiE  | Education in Emergencies               |
| EORE | Explosive Ordnance Risk Education      |
| ERW  | Explosive Remnants of War              |
| FCS  | Food Consumption Score                 |
| GAM  | Gender with Age Marker                 |
| GBV  | Gender Based Violence                  |
| GHD  | Good Humanitarian Donorship            |
| GMS  | Grant Management System                |
| HC   | Humanitarian Coordinator               |
| HCT  | Humanitarian Country Team              |
| HFU  | Humanitarian Financing Unit            |
| HQ   | Headquarters                           |
| HRP  | Humanitarian Response Plan             |
| IASC | Inter-Agency Standing Committee        |
| ICCG | Inter-Cluster Coordination Group       |
| IDP  | Internally Displaced Person/People     |

|         |                                                         |
|---------|---------------------------------------------------------|
| IT      | Information Technology                                  |
| IYCF    | Infant and Young Child Feeding                          |
| LGBTQI+ | Lesbian, Gay, bisexual, Transgender, Queer and Intersex |
| MAM     | Moderate Acute Malnutrition                             |
| MHF     | Myanmar Humanitarian Fund                               |
| MHPSS   | Mental Health and Psychosocial Support                  |
| MMK     | Myanmar Kyat                                            |
| MPCA    | Multi-Purpose Cash Assistance                           |
| NFI     | Non-Food Item                                           |
| NGO     | Non-Governmental Organization                           |
| NNGO    | National NGO                                            |
| OCHA    | Office for the Coordination of Humanitarian Affairs     |
| OPD     | Organizations for Persons with Disabilities             |
| PLW     | Pregnant and Lactating Women                            |
| PSC     | Project Support Costs                                   |
| PSEA    | Prevention of Sexual Exploitation and Abuse             |
| PSS     | Psychosocial Support                                    |
| PTA     | Parent Teacher Association                              |
| PwD     | Persons with Disabilities                               |
| RC      | Resident Coordinator                                    |
| SA      | Standard Allocation                                     |
| SAM     | Severe Acute Malnutrition                               |
| SEA     | Sexual Exploitation and Abuse                           |
| TB      | Tuberculosis                                            |
| ToT     | Training of Trainers                                    |
| U5      | Under 5                                                 |
| UFE     | Underfunded Emergencies                                 |
| UN      | United Nations                                          |
| UNDIS   | The United Nations Disability Inclusion Strategy        |
| UNORE   | UN Operational Rates of Exchange                        |

|      |                               |
|------|-------------------------------|
| USD  | United States Dollars         |
| VAT  | Value-Added Tax               |
| WASH | Water, Sanitation and Hygiene |
| WLO  | Women Led Organizations       |
| WRO  | Women Rights Organizations    |