



UN OCHA HAITI

MANAGEMENT GUIDELINES FOR THE EMERGENCY RELIEF RESPONSE FUND

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1. Overview

In 2007, aiming to address disaster response, recovery and reconciliation needs in Haiti, two multi-donor funds were put in place, with support from the Norwegian Agency for Development Cooperation (Norad):

The Emergency Relief Response Fund (ERRF) was an essential tool to kick start critical activities to respond quickly and in a coordinated manner to address unforeseen needs arising from disasters linked to natural hazards.

The Recovery and Reconciliation Fund (RRF) was set up to support newly acquired community stability and to assist the democratic process. The RRF sought to prevent further erosion of livelihoods assets by supporting positive coping mechanisms of communities as well as the restoration of key services. This was done through enhanced support to community-driven initiatives that reduce vulnerability and minimize risk. Activities implemented would seek to provide an immediate peace dividend to allow people to regain control of their communities.

Together they formed the Relief, Recovery and Reconciliation Mechanism (3Rs Mechanism) in Haiti which allowed OCHA to fund a number of projects.

While the RRF is now closed, the ERRF is still open. The ERRF is an un-earmarked pooled funding mechanism. Its budget dramatically increased following the 12 January 2010 earthquake, exceeding \$80 million.

Since 2007, it has funded 109 projects for US\$83.4 million.

In 2013, the ERRF received additional funding from Spain and DFID. The revised objectives of the fund for 2013 and beyond as well as the proposed governance structures are as follows.

2. Objectives

The ERRF Haïti 2013 aims to provide rapid and flexible funding to in-country actors to:

- (i) provide early and rapid response to ongoing or unforeseen emergencies;
- (ii) Increase basic preparedness to natural disasters in areas most at risk.

3. Type of activities that are included in the ERRF scope

- Rapid response in case of IDPs' forced evictions
- Support to populations in emergency shelters in case of a disaster
- Support to rapid Government-international community needs assessment following a disaster
- Support for propositioning of emergency stocks to departments/hard-to-reach areas
- Protection of women and children (GBV services in camps, assistance to victims of illegal forced evictions)
- Response to cholera alerts, including, for example, deployment of WASH and health mobile teams, decontamination of water sources in affected areas, rehabilitation of damaged cholera treatment structures.
- Cholera surveillance, including, for example, rapid tests in affected areas, monitoring and surveillance teams,

- Support to disseminate existing contingency plans at departmental and communal levels
- Small mitigation works in high risk areas to reduce losses and impact of floods and landslides

4. Type of activities that are not included in the ERRF scope

- Hygiene promotion for cholera prevention
- Awareness raising campaigns on disaster risks in general
- Large disaster mitigation works (e.g. watershed management)

Not all underfunded projects included in the HAP are eligible for the ERRF unless they meet the above-mentioned emergency criteria.

5. Governance structures

The Fund is managed by the United Nations Office for the Coordination of Humanitarian Affairs Country office (OCHA CO), on behalf of the Humanitarian Coordinator (HC). A full-time international staff- ERRF Manager- is dedicated to the daily management of the fund.

5.1. Advisory Board¹

The Advisory Board (AB) advises the HC on policy issues, on strategic direction of the humanitarian response and on the management process of the fund. The AB meets three times a year and on an ad hoc basis when the situation requires.

5.2. Review Board²

The Review Board, chaired by the Head of OCHA, is composed of key UN agency representatives (chiefs of programme, operational deputies), relevant cluster/sector coordinators, OCHA, NGOs as per the decision of the HC. The RB membership is as inclusive as possible but contained to a manageable number. The type of project under discussion determines the participation of the cluster/sector. The RB undertakes a programmatic review of proposals and makes a final recommendation to the HC on the funding approval or rejection of proposals through the ERRF Secretariat. The RB may request organizations to revise or adjust proposals for re-submission.

To ensure impartiality, the RB excuses members if a project submitted by their agency is being discussed, and abstain from providing inputs unless explicitly requested to do so by the HC or the RB Chair.

6. Access to the Fund

6.1. Applicant eligibility

UN Agencies, International Organizations, national and international NGOs as well as the Red Cross/Red Crescent Movement are eligible to submit proposals.

Implementing Partners (IP) must have a demonstrated capacity and credibility within the humanitarian community to implement the proposed activities. Proposals must be developed based on assessments of humanitarian needs, in consultation with relevant stakeholders including beneficiary communities, local/national authorities and coordination mechanisms (cluster/sectors), and in compliance with humanitarian principles, the humanitarian code of conducts and agreed standards. The applicant organization must possess appropriate accreditation and registration with the government and have a presence in the area of action.

In addition to the aforementioned programmatic requirements, applicants should also have a verifiable office address, a valid USD bank account in the organization's name that can be used to receive funds through wire transfers from the United Nations and other donors, as well as making remittances as and when required. The organization should keep financial

¹ Annex 1: Terms of Reference of the Advisory Board

² Annex 2: Terms of Reference of the Review Board

records in accordance with international accounting standards, and the accounts must be audited at least once a year.

The HC reserves the right to require a capacity assessment of an applicant organization prior to considering an application.

6.2. Process

Project proposals shall be submitted to OCHA/ERRF secretariat, in a standard application template. OCHA CO/ERRF secretariat ensures that project proposals have been reviewed and are technically cleared by relevant cluster/sectors. OCHA CO/ERRF secretariat will also consult with field colleagues and ensure that local authorities have agreed with the proposed project.

Then, the proposal will undergo a review process by the ERRF Secretariat which will draft a funding recommendation. Based on the results of the programmatic review by OCHA CO/ERRF secretariat upon technical clearance by the cluster/sector, the proposal may be recommended to the RB for its consideration, rejected or sent back to the partner with recommendations for revision. If the applicant organization is requested to modify their application, an amended version should be received within five working days.

The RB members shall discuss the proposals in a RB meeting. Should a decision need to be taken urgently, this can be done through virtual decision by email. In that case, RB members are requested to respond to OCHA CO/ERRF secretariat within 48 hours or two working days, indicating whether or not they agree with the recommendations while providing adequate reasons for their response. At least 60 per cent of the members of the Review Board virtually convened for this project must respond in writing accepting the recommendation.

Upon receipt of recommendations summarized, project proposal is submitted to the RB for final recommendation to the HC, who endorses the decision (letter of endorsement). After endorsement, a Memorandum of Understanding (MoU)³ is prepared by the ERRF Secretariat, cleared by ASB Geneva and signed by the HC and the IP.

When the agreement is cleared and signed by both the IP and the HC, OCHA CO requests the transfer of funds from the OCHA ASB Geneva to an accredited international bank (Letter of Disbursement). Depending on IP's category, funds are disbursed: (i) in one installment for UN agencies and IOM and (ii) in two installments for NGOs and Red Cross, usually 80% when the project is signed and the balance after it is closed.

Disbursement of funds takes place between 8 and 12 working days after signature.

6.3. Timeline

Once a proposal is received, cluster/sector and field representatives shall provide technical clearance within 5 working days. Should an urgent decision be required, the cluster/sector may be asked to provide technical clearance within 48 hours. The proposal is considered final once the relevant cluster/sector and field representatives (OCHA/Regional Focal Points where applicable) have provided their clearance / comments and the proposal has been submitted to the ERRF Secretariat.

After a final review by OCHA CO/ERRF secretariat within 24 hours, the proposal will be submitted to the Review Board (RB). The Board members will respond to OCHA within three days, indicating whether or not they agree with the recommendations. Failure to respond within three days will imply agreement to the proposal. Should an urgent decision be required, a virtual RB can decide within 48 hours on the proposal.

Immediately after the decision of the RB, the ERRF Secretariat will finalize the HC's endorsement letter for his/her signature and the agreement for clearance and signature between the organization and the HC. This should take place no longer than two weeks after approval. The first installment will be disbursed around 12 working days after the last signature is received.

The date of signature by the IP is considered as the starting day of eligibility of expenses.

³ Annexe 3: Memorandum of Understanding for UN and IOM and Agreement for NGO and red Cross

7. Roles and responsibilities

7.1. Humanitarian Coordinator

The HC holds the overall responsibility and accountability for the fund with administrative/programmatic support from OCHA/ERRF Secretariat. The HC gives final approval on proposed projects (Letter of Endorsement) upon recommendation of the RB and takes the final decision on allocations. S/He signs the Memorandum of Understanding (MoU) with the implementing partners. The HC also endorses No-Cost-Extensions and budget amendments if requested and satisfactorily justified by the applicant organization. S/He also chairs the AB as required for strategic discussions on the ERRF. The HC reserves the right to take funding decisions without consulting the RB in exceptional cases. In these cases, the HC should inform the RB and AB about his decisions. The HC can also waive the funding ceiling in exceptional cases. The HC also leads the efforts to fundraise.

7.2. OCHA Head of Office (OCHA HoO)

OCHA CO manages the ERRF Haiti on behalf of the HC. The OCHA HoO oversees the daily management of the core functions of the OCHA CO, which includes the ERRF. The OCHA HoO:

- Acts as the primary focal point within the OCHA CO for the HC on ERRF issues.
- Ensures the submission of timely expenditure reports by ERRF-recipient organizations at the country level.
- Supports the HC in fundraising and keeps donors abreast of developments with the Fund.

7.3. ERRF Unit/ERRF Manager

OCHA CO has a full-time international staff- ERRF Manager- who is dedicated to the daily management of the fund. His primarily responsible is to facilitate and manage the entire project cycle: proposal review, allocation process, including No-Cost Extension (NCE) and audit process, as well as meeting monitoring, reporting and evaluation requirements according to these guidelines.

The ERRF Manager serves as the secretariat for the AB and RB, and is the primary interface between these boards and the applicants. The ERRF Manager will be responsible for consolidating recommendations, technical comments and review results, and informing respective parties accordingly. The ERRF Manager also monitors closely the review and approval process of proposals submitted to the Fund. He also ensures timely follow-up by respective parties to maintain the agreed timetable for processing incoming proposals. In the case of a critical or urgent need, this agreed time frame can be shortened at the HC's discretion.

For projects that the HC has approved, the ERRF Manager prepares all administrative documents related to the grant (MoU, letter of endorsement; letter of disbursement, NCE,...). The ERRF Manager follows up and monitors the clearance and the disbursement with OCHA ASB. He also continuously monitors the projects through reports produced by the recipient organizations and monitoring missions.

7.4. ERRF Implementing Partners

- Discuss projects with relevant cluster/sector prior to submission to OCHA CO.
- Work closely with beneficiaries and national/local authorities to develop their proposal.
- Use ERRF templates when submitting applications to relevant cluster/sectors and OCHA CO.
- Be available to provide additional information and amend content and budget to align with cluster/sector and ERRF requirements.
- Sign a MoU cleared by ASB Geneva with the HC specifying the terms and conditions applicable to the approved project including reporting requirements.
- Implement approved projects in a coordinated and principled manner and in compliance with agreed humanitarian standards in Haiti.
- Facilitate monitoring of the projects in collaboration with OCHA, cluster/sector and other entity as allowed by OCHA.

- Submit narrative and financial reports to OCHA, as disclosed in the MoU.
- Maintain a recording system keeping track of financial, administrative and implementation documentation related to the project, and in compliance with Haitian Law and UN rules and regulations.
- Facilitate a financial project audit by an audit firm contracted by UNDP on behalf of OCHA, which shall produce a financial audit report. Remaining funds will only be disbursed after the financial audit has taken place.

7.5 Cluster/sectors/sectors

Relevant clusters/sectors shall be available to discuss projects with the requesting organisation before submission to the OCHA CO/ERRF secretariat to ensure that projects are technically sound and are in line with the clusters/sectors strategy, priorities and standard. Cluster/sectors/sectors shall actively participate in the RB discussions as requested.

7.6 Field coordination mechanisms

As noted above, OCHA CO/ERRF secretariat will consult with field colleagues (if office opened in the area), field cluster/sector and regional focal points and ensure that local authorities have agreed with the proposed project.

8. Guidelines for Project Proposals

Projects must be submitted in the ERRF template either in French or in English⁴. The submission shall include general information about the implementing organisation, a project summary with a summary of objectives, a context description, a rationale for the project, a project description in form of a logframe (objectives, activities, indicators and impact), a monitoring plan as well as a detailed budget in excel and a budget narrative.

Applicants should ensure that projects are:

- aligned with the common humanitarian strategy developed in HAP 2013 and/or meet the ERRF strategic priorities as define *point 2. Objectives* ;
- accepted as such by the cluster/sector
- feasible and relevant to address the need

Projects should also:

- where relevant, demonstrate alignment with national priorities and complementarity with Government actions
- Explain linkages with other ongoing initiatives in the area of project implementation
- Demonstrate efforts to avoid duplication with other actors in the area
- include cross-cutting issues especially gender and environment.
- develop responses that lead to longer-term and sustainable solutions aimed at reducing vulnerabilities/resilience of communities.
- be coordinated with beneficiaries, local authorities and humanitarian coordination mechanisms in the field.
- share evaluation findings, lessons learned and good practices with the HC, OCHA, relevant cluster/sectors and the wider humanitarian community upon request.

Unless the HC makes a special exemption, no new proposal will be considered from partners who have two ongoing projects funded by the ERRF, until they have been fully completed, including all financial, audit and narrative reporting requirements as established in the MoU.

9. Financial and Administrative aspects

9.1. Funding limit and disbursement

- The limit of the budget is a maximum of US\$ 250,000. Funding should be as much as possible dedicated to direct project inputs. The funding ceiling can be waived by the HC in

⁴ Annex 4 : ERRF project template (narrative and budget)

exceptional circumstances related to the scope of the need to be covered.

- Funding is disbursed in two instalments - 80% upfront and 20% disbursed after fulfilment of all contractual requirements, including audited accounts report.
- Funding covers project activities for a maximum of six months.
- Partners are encouraged to contribute to the project with their own resources or other donor funding.

9.2. Eligible expenditures

Eligible expenditures are expenditures that have been documented in the project budget and incurred in accordance with the approved project proposal.

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

- **Direct costs** are project costs that have a direct impact on beneficiaries, such as food, water pumps, shelter, direct transportation, nurses, doctors and programme coordinators. Staff costs related to administrative support to projects should not exceed 10% of the overall cost of the programme.
- **Indirect costs** are costs that cannot be traced unequivocally to specific services, projects or programmes. They include costs incurred by providing administrative and other support functions to a range of operations, programmes and projects.

Indirect costs may be incurred when performing the following functions: recruiting and servicing staff and consultants; procuring and contracting; evaluations; budget preparation and control; financial operations; and accounting and reporting. Indirect costs must not exceed 7 per cent (7%) of the total actual project expenditure.

Indirect costs are referred to as Programme Support Costs (PSC) in agreements with UN agencies, and as Administrative Costs in agreements with NGOs. PSC/AC is charged as a percentage of the approved expenditures incurred by the recipient organization for each project.

9.3. Ineligible Expenditures

Funding is typically not to be used to purchase capital assets, such as vehicles, IT and communication and office equipment, unless exceptionally authorized by the HC.

Payments for project personnel and rental expenses should be limited to the cost arising directly as a result of implementing the project. These payments must also be limited to the duration of the project.

Costs related to NGO governance structures (i.e. salaries and travel expenses for board members) and other general management related or non-operational staffs are not considered to be direct costs.

The cost of import or customs duties (or any similar fee) imposed by Government of Haiti on goods imported or services provided cannot be covered by the ERRF.

Financial auditors are contracted by OCHA and are not to be included in the budget proposal.

9.4. Modifications of project activities and budget

Adjustments or modifications in project activities are acceptable as long as the new activities retain the same scope and nature of the original grant.

Any variation within activities and/or budget category shall be documented and subject to prior consultations with OCHA and approved by a letter from the HC.

Expenditure variation within a budget category should not exceed a maximum of 15 per cent (15%) of the amount approved by the HC, as stated in the signed agreement. Variations in one category should be matched by a proportional change in other categories. The initial budget cannot change.

In case of necessity, the implementing partner (IP) may request a no-cost extension (NCE) by submitting an official letter providing appropriate justification. The IP must also submit amendment request form (narrative and budget). OCHA presents the documentation and a letter signed by the HoO to the HC for endorsement. OCHA send the letter and a draft of the "Amendment to the agreement" to ASB Geneva. Once cleared, the amendment is signed by the ASB Geneva, HC and IP.

The NCE request must be submitted to OCHA no later than two weeks prior to the end date of the project.

9.5. Audits and Fees

Recipient organizations of ERRF grants are responsible for the management of their grants, and they are accountable to the HC and OCHA for the entirety of the ERF resources under their management. Recipient organizations shall respond to all queries from the auditor to facilitate the audit, and to any additional requests upon completion of the audit. If there is no response from the recipient organization to the auditor within the deadline, the auditor is authorized to submit the report to OCHA based on the information available.

OCHA hires independent external auditors to review the financial activities of NGO implementing partners

Each project implemented by an NGO must be audited at least once during its lifetime.

A financial audit will be organised by OCHA prior to the disbursement of the final instalment.

9.6. Transfers of Equipment and Property

Non-expendable equipment or property financed by OCHA as part of an ERRF grant is the property of OCHA and shall continue to be used for the purposes of the grant.

Non-expendable equipment is defined as an item that has a purchase price of \$1,500 or more, or the equivalent in local currency at the United Nations official rate of exchange on the date of purchase, and has an anticipated service life of at least five years. Upon completion of the project, such assets must be returned to OCHA within 30 days of the completion of the project. In respect of OCHA administrative procedures related to disposal of assets, the country office should decide with the recipient organization how to dispose of these items.

10. Project Implementation, Monitoring and Reporting

10.1 Responsibility and Liability

The recipient organization shall implement projects with due diligence and efficiency. It shall keep OCHA informed of all activities pertaining to projects and shall consult regularly on the status of their implementation.

Recipient partners are fully responsible for all activities performed under projects. It shall ensure that all relevant laws including labour laws are observed. It shall provide and thereafter maintain insurance against all risks in respect of properties and equipment used for the implementation. It shall also provide and thereafter maintain liability insurance in an adequate amount to cover risks that may be arising from or in connection with the provision of services under the agreement.

10.2. Visibility

Recipient partners are encouraged to communicate about projects, related activities, outputs, achievements, findings and lessons learned in consultation and in accordance with OCHA's policies on information management and communication.

The name and emblem of OCHA can only be used with the agreement of OCHA and in accordance with ERRF visibility policy and OCHA mandate.

10.3. Reporting

A brief interim report on project activities and financial implementation shall be submitted midway through any project longer than six months using the appropriate template. For projects of less than six months duration, only a final report is required.

Within two to three months of the project's completion, a final narrative and financial report shall be submitted.

The HC will issue a consolidated annual report for the ERRF Haiti as a whole.

10.4. Monitoring and Evaluation

Monitoring and Evaluation (M&E) is primarily the responsibility of OCHA/ERRF Secretariat using the appropriate template. Monitoring findings and lessons learned from projects are shared with the AB, RB and coordination mechanisms if authorized by the HC.

AB, OCHA/ERRF Secretariat and relevant RB members shall supplement M&E carried out by partners by organizing one or several field monitoring missions within the project duration or prior to final disbursement. The partner shall facilitate visits by OCHA or any other person duly authorized in writing by OCHA to review the progress and achievement of the Project during its period of implementation and thereafter.

The OCHA CO and HQ reserve the right to organize visits with partners, external experts or donors to review completed or ongoing project activities.

10.5. Final Reporting:

Final reports, both financial and narrative, have to be submitted latest within two to three months of the completion of the project and as a requirement to the disbursement of the final instalment of funds. The financial reports shall include the Annex B to the agreement (financial statement).

Reports must be presented in the ERRF templates and include explanations of any variances between planned and actual outcomes.

10.6. Mainstreaming Gender

All applicants shall ensure that the IASC Gender Marker is applied to all proposals using the templates provided by the OCHA CO/ERRF secretariat.

The RB and OCHA CO/ERRF secretariat shall ensure that the recipient organization has taken into account gender during the design and the project implementation.

OCHA CO/ERRF secretariat shall disseminate the IASC Gender Marker.

Annex:

1. Terms of Reference of Advisory Board
2. Terms of reference of Review Board