

# Syria Emergency Response Fund

## TERMS OF REFERENCE

### I. Introduction

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1. The current events in Syria have created humanitarian needs in some areas of the country. The directly affected populations include those injured during the events, families who lost their breadwinners or left their home areas as well as relatives, friends and communities hosting them.
2. The indirect effects of the current events threaten a second major category of Syrians due to multiple effects, these include: the aggravation of poverty; localised damage to housing and infrastructure, social service facilities, industrial and agricultural infrastructure (including fertilizer production); shortages of fuel, which affect the whole economy, including electricity and water supplies; disruptions to telecommunications; a rapid shrinkage of the private sector; and most importantly the informal sector that employs a large proportion of the population leading to livelihood losses and rising unemployment, including in industry, agriculture and tourism; unsafe movement on the roads in some parts of the country is hindering internal transit and trade and inflating prices; the rising costs of imports due to devaluation of the local currency as well as the economic sanctions.
3. Syrians affected by the current events, whether directly or indirectly, need urgent and effective aid to help them avoid further decline in their health, nutritional status, and living conditions.

### II. Objective

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4. The objective of the Syria ERF is to mobilize and channel resources to humanitarian partners to respond to the current situation in Syria and initiate life-saving humanitarian activities –both inside Syria and the neighbouring countries. The ERF may support critical, underfunded projects contained in the Syria Response Plan and the Regional Response Plan. The ERF intends to:
  - Enable a rapid response to newly identified or unforeseen needs;
  - Address immediate life-saving needs;
  - Fund urgent priority projects that are underfunded;
  - Strengthen humanitarian coordination and partnerships.

### III. Access to the Fund

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5. NGOs, the Red Cross/Crescent Movement, the International Organization for Migration (IOM) and United Nations agencies can apply for ERF funding. However, as a general principle, ERF funds will be primarily allocated to NGOs.
6. Around 70% of the total funds available in the ERF will be used for activities inside Syria. ERF projects outside Syria should ONLY respond to needs related to the Syria situation. Funding outside Syria will be restricted to NGOs responding to the needs arising from the Syrian crises and also for activities targeting Palestinian refugees; exceptions, if needed, can be made at the discretion of the Regional Humanitarian Coordinator (RHC) to fund UN agencies.

### IV. Roles and Responsibilities

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7. **The Regional Humanitarian Coordinator (RHC):** has the overall responsibility for oversight and management of the Fund, with strategic and operational support from the OCHA team in Syria. The RHC shall seek advice from the Country Team (CT) and sector working groups to make funding decisions. The RHC has full authority on and is accountable for all allocation decisions. He gives final approval on proposed projects and signs Grant agreements with NGOs and UN agencies. For projects in the adjoining countries the RHC will coordinate these decisions with the countries' respective Resident and Humanitarian Coordinators (RC/HC), who will propose projects outside Syria after consultation with his/her UNCT/UNHCT.

8. **The Resident and Humanitarian Coordinators (RCs/HCs):** It is the responsibility of the RCs/HCs in neighbouring countries to submit projects to the RHC and OCHA for endorsement. RCs/HCs need to ensure that the projects are coordinated, prioritized and recommended by their Humanitarian Country Teams (HCT) before submission. For this purpose, RCs/HCs need to develop a prioritization strategy, outlining needs, targeted population and sectors that may require ERF funding, in consultation with their HCT. It is recommended that they establish a mechanism to review project proposals. This mechanism may involve clusters, sector working groups or other existing mechanisms. Alternatively, a small task force can be set up. RCs/HCs may also want to have a focal point, who can liaise with applicant organizations, HCT, clusters/sectors on his/her behalf.

Applicant organizations outside Syria should first send their proposals to the **OCHA ERF Manager**, who will notify the concerned RC/HC of the submission and verify compliance with guidelines and criteria for eligibility to ERF funding. Once compliance is ensured, the ERF Manager will submit the proposal to the RC/HC, who will ensure that the project is consistent with the agreed prioritization strategy. It is at the discretion of the RC/HC to use the above mentioned review mechanism for this purpose. Based on the recommendation from the HCT, the RC/HC will submit the project to the RHC and OCHA for endorsement and processing.

9. **Sector Working Groups (SWGs) in Syria:** will be responsible for the technical review of proposals and for making a written recommendation on funding, through OCHA, to the Review Board. SWGs will be tasked with developing their own inclusive procedures for consultation with members on proposals. The evaluation involves reviewing each project to ensure coherence with SWGs priorities and response plans, and the technical review of the project objectives. Once OCHA sends proposals to SWG leads, they will have to issue a recommendation on whether or not to fund **within a timeframe commensurate to the emergency – in this case 3 working days**. If recommendation is not received within reasonable timeframe (3 working days), proposals will be forwarded to the Review Board on the basis of no objection.
10. **Review Board<sup>i</sup> for Syria:** the Review Board (RB) for Syria, which has responsibility for reviewing individual proposals, will consist of the RHC/OCHA, two representatives from UN agencies and two international NGOs. The RHC will appoint the members of the UN and NGOs to the RB and inform the Syria HCT accordingly.

Once a proposal and a recommendation from the relevant SWG are submitted, the RB will be requested to submit their vote as a matter of urgency and commensurate to the emergency at hand/within 48 hours. Meetings of the Board will be convened when and if needed to discuss matters on project proposals. Voting will take place by proxy and a quorum of three members is requested to recommend the project for endorsement to the RHC. The absence of any feedback from a Board member within the review period will be considered as non-objection of the member. RB members will abstain from voting on proposals submitted by the agency they are representing.

Project approval will be based on agreed upon criteria based on the priority needs addressed by the proposal and the capacity of the organization to carry out project activities. The RB should ensure that funds are used in a manner complementary with other initiatives.

**If the Board is deadlocked on a proposal, the RHC will make the final decision.** In exceptional circumstances, and in the event of a time-critical situation, the RHC can make a funding decision without consulting with the RB (note that a recommendation from the relevant SWG will still be required). In such instances, the RHC will immediately notify the RB of his decision.

11. **Advisory Board:** an Advisory Board (AB) will support the RHC in overseeing Fund operations, strategy and setting policies and priorities, conducting periodic reviews of the Fund, and identifying remedies to problems or deficiencies in Fund operation. The RHC, will **convene a meeting of the Advisory Board** twice a year (at the minimum) to review the progress of the ERF, determine strategic directions and allocation priorities, evaluate the effectiveness of the fund in meeting its objectives, and discuss issues related to the management of the Fund, including policies and guidelines. The AB will consist of the RC/HC's in Jordan,

Lebanon, Turkey and Iraq, joined by the UNHCR Regional Refugees Coordinator, the Review Board members, ERF donor representatives, and donor observers, at the RHC's discretion. End of project reports, evaluations, and audit findings will be presented to the AB to aid their discussions. OCHA will serve as secretariat to the AB. An extraordinary meeting of the AB can be called should at least three members or the RHC request it

12. **The OCHA team** will support the role of the RHC and perform the overall secretariat function in support of the management of the Fund on behalf of the RHC, including:
  - Initial screening of proposals, to assess if they meet basic criteria for the Fund inside and outside Syria and provide all required information
  - Distribute proposals to Review Board for review. Consolidate technical and substantive inputs (through the SWGs) and advise the applicant organization on necessary changes to the proposal
  - Communicate decisions on proposals to applicants
  - Prepare the MoU with the recipient organization and submit the signed agreement to OCHA Geneva with request OCHA Geneva to disburse funds
  - Monitor projects through financial/narrative reports from implementing organizations
  - Provide annual narrative and financial reports to donors on the use of funds, as well as twice-yearly updates through Advisory Board meetings
  - Keep track of and share information on funding decisions outside and inside Syria
  - Report regularly to the RHC and the Review Board on all approved projects, status of activities, and the financial status of the fund
13. **The Fund Manager (FM)** will be responsible for the programmatic and administrative support to the RHC and the OCHA team. He/she will manage the fund allocation processes, coordinating and communicating as necessary with relevant partners and counterparts, as well as ensuring that monitoring and reporting requirements are met.
14. **OCHA Headquarters:** the Funding Coordination Section (FCS) in New York will provide the necessary support and guidance for the establishment and operation of the Fund. FCS will coordinate actions with all OCHA sections and branches involved. Overall, OCHA HQ will ensure that contributions and disbursements are received and made in a timely and predictable manner, and that the necessary programmatic and management guidance is properly given to the RHC, the OCHA Team and the FM.
15. **Donors** shall be encouraged to provide timely and early contributions to the ERF to meet the required needs. Donor contributions to the Fund cannot be earmarked for projects and/or recipient organizations. The RHC may seek advice from donors in defining strategic priorities of the Fund.
16. **Recipient organizations:** formulate project proposals in consultation with stakeholders, including local communities and coordination mechanisms such as SWGs and field coordination mechanisms. Recipient organizations are responsible for:
  - Submitting applications to OCHA for project funding using the standard proposal and budget templates provided by OCHA. If at all possible applications should be in English;
  - Signing a Memorandum of Understanding (MoU) with the RHC for each approved project specifying the terms and conditions for the use of allocated funds, using a template provided by OCHA.
  - Facilitating the monitoring of project implementation
  - Submitting narrative and financial reports to OCHA as per the signed agreement
  - Organizations obtaining approval and funding of their project must agree to coordinate their activities with the responsible local coordinating body, and participate in relevant coordination fora within the geographic area of the project. In particular, recipient agencies should be represented at relevant SWG meetings and should be active in developing proper coordination mechanisms at the Governorate/regional level.

## V. Basic Operational Rules and Parameters

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17. **Duration of projects:** the maximum duration of projects shall not exceed six months. Depending on how the emergency evolves, the RHC may decide to consider proposals for emergency preparedness activities

and/or limit the duration of projects to three months or less prioritizing those that are strictly life-saving.

18. **Modifications of Project Activities:** an agreement can be modified to extend the duration of the project or to reallocate funds within the budget. Adjustments are acceptable as long as activities retain the same scope and nature of the original grant. Major changes in the scope of project activities or any increase in the total funding amount require a new grant agreement. Requests for modifications of agreements must be submitted to the RHC in writing by the implementing partner. The RHC will respond to the implementing partner in writing accepting, modifying or rejecting the request. All modifications of agreements must be reviewed by the Administrative Services Branch (ASB), OCHA Geneva prior to the RHC response. Requests for modifications should be submitted to ASB Geneva at least two weeks before the agreement expires.
19. **No-Cost Extension (NCE):** the duration of a project can be extended at no cost before the original completion date. An amendment to the original agreement must be signed by both parties if a NCE is authorized by the RHC. This amendment becomes an integral part of the agreement, and must be cleared by ASB Geneva.
20. **Expenditure variation within a budget category:** is not to exceed 15% of the approved amount as stated in the signed agreement. Variations in one category should be matched by a proportional change in other categories. The budget category for personnel costs cannot be increased without the express, advance, written consent of the RHC. Indirect costs cannot be increased above the amount originally approved in the project budget. Budget variations should be highlighted and justified in the narrative and financial reports.
21. **Eligible and ineligible expenditures:** The ERF shall normally grant a maximum of two hundred and fifty (\$250,000) USD per project. (In exceptional circumstances, the RHC may approve a grant exceeding this ceiling.) Funds will only be allocated for emergency humanitarian response. The following table provides parameters on what are typically eligible and ineligible expenditures.

| Eligible expenditures  | Ineligible expenditures   |
|--|---|
| <b>Direct costs</b> <ul style="list-style-type: none"> <li>- Project personnel salaries and benefits</li> <li>- Material, equipment and supplies (assets that are intrinsic to the project such as generators, water pumps and relief supplies)</li> <li>- Travel and transportation costs related to the project</li> <li>- Training, seminars and meeting costs related to the project</li> <li>- Utility costs for projects with their own facilities</li> <li>- Communication charges (phone, fax, postal)</li> <li>- Any cost associated with project premises (e.g. rental costs)</li> <li>- Any other expenses necessary to achieve the objectives</li> </ul><br><b>Indirect costs*</b> <ul style="list-style-type: none"> <li>- Procurement services</li> <li>- Preparation and monitoring of budgets</li> <li>- Maintenance of project accounts</li> <li>- Control of project expenditures</li> <li>- Receipt and disbursement of funds</li> <li>- Financial reporting</li> <li>- Recruitment and human resources services</li> <li>- Other administrative services (cooks and cleaners)</li> <li>- Legal services</li> <li>- Security Costs</li> <li>- Other administrative costs</li> </ul> | <ul style="list-style-type: none"> <li>- Capital assets such as vehicles, IT, communication and office equipment unless exceptionally authorized by the RHC</li> <li>- Payments for project personnel and rental expenses should be limited to the additional resources required by the partner to implement the project. These payments must be limited to the duration of the project</li> <li>- Funding can only be used for international travel expenses for those staff 100% dedicated to the project. International travel will only be reimbursed when it is clearly itemized in the project proposal and budget</li> <li>- Grants are provided to implementing partners for the humanitarian activities approved in the project agreement. Unrelated activities such as ERF evaluations, audits and consultancies are not eligible for ERF grants. These services must be procured by OCHA through local service provider</li> <li>- Expenditures that have not been documented in the approved project budget will not be eligible for reimbursement by OCHA</li> </ul> |

\*(Indirect costs will be covered with the 7% Project Support Costs (PSC) and will not be itemized in the budget)

22. **Audits and Fees:** each project implemented by an NGO must be audited at least once during its lifetime. OCHA hires independent external auditors to review the financial activities of NGO implementing partners. Projects implemented by UN Agencies are not audited by OCHA since these organisations are audited independently by the appropriate UN bodies.
23. **Transfers of Equipment and Property:** non-expendable equipment is defined as an item which has a pur-

chase price of US\$1,500 or more, or the equivalent in local currency at the United Nations official rate of exchange on the date of purchase, and an anticipated service life of at least five years. Upon completion of the project such assets shall continue to be used for the purposes of the grant. These items may therefore be contributed free of charge to the direct beneficiaries of the grant, or donated to support a similarly appropriate activity in the beneficiary country. In the event these assets are not donated to the beneficiaries or used for a similar activity, they must be returned to OCHA within thirty days of the completion of the project. The CO should decide with the implementing partner how to dispose of these items.

24. **Duties and Taxes:** Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter alia, that the UN, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services. The UN and its subsidiaries are also exempt from customs duties and charges of a similar nature for articles imported or exported for official use. This exemption is applicable to UN projects funded by the ERF

## **VI. Application Procedure and Criteria**

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25. All organizations should follow the standard templates provided by OCHA when submitting an application<sup>ii</sup>. Any deviation from these templates or incomplete submissions can result in substantial delay in receiving a response. Applicants should ensure that all proposals meet the outlined objectives of the respective ERF.
26. Criteria utilized while reviewing and appraising proposals can include those listed below:
- Extent to which objectives and focus contribute towards addressing high-priority humanitarian needs as defined by the Fund's principles/objectives, overall humanitarian response, and sector priorities (including meeting the needs of the most vulnerable)
  - The capacity and actual outreach of the organization
  - The quality of project design
  - Likelihood that project implementation will be feasible and benefits will be realised
  - Inclusion of cross-cutting issues, such as gender<sup>iii</sup> mainstreaming, in the design of the project
27. Depending on the context, it is advisable to introduce an upper limit to the number of simultaneous ERF grants an organisation is allowed to implement. Typically organizations with three ongoing projects funded through the ERF are not eligible to submit new proposals for consideration unless they have received exceptional approval from the HC. This restriction allows for a more equitable use of the ERF by all potential partners. The upper limit of simultaneous grants will be decided by the RHC.
28. Based on the results of the technical review by SWGs, the proposal may be: (i) recommended to the Review Board for their consideration; (ii) rejected; or (iii) returned to the applicant organization with agreed upon recommendations for modification. OCHA will be responsible for consolidating recommendations, technical comments, and review results, and informing respective parties accordingly. The FM will respond to applications within 5 days of receipt. In case of recommendations for modifications, amendments must be received within 24 hours. If no response is received for two weeks on a returned project, the project will be considered withdrawn, while effort is made to identify an organization that can address the subsisting needs.
29. OCHA FM is responsible for closely monitoring the review and approval process and ensuring follow-up and timely action by respective parties to maintain agreed timetable for processing incoming proposals. In case of a critical or urgent need, this agreed timeframe might be reduced at the discretion of the HC.

## **VII. Financial Disbursement**

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30. The OCHA Administrative Service Branch (ASB) in Geneva will undertake financial disbursements to recipient organizations based on signed agreements between the RHC and the implementing organization. All MoUs with implementing organizations will be cleared by OCHA Geneva to ensure they conform to stipulated UN rules and regulations and do not deviate from the standard template. Once complete documentation is submitted, disbursement of the initial tranche of funds should occur within 10 working days. For

all projects implemented by NGOs, the funds will be disbursed in two tranches, 80% (on signing of the MOU) and 20% after fulfilment of all reporting and auditing requirements.

## **VIII. Reporting Requirements**

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31. An interim progress report on project activities and financial status (2-3 pages) will be required if the project duration is longer than three months. Any constraints (logistical, financial, security, etc) affecting the project should be included in the report or reported directly to OCHA.
32. Within three months of the completion of the project, a final narrative report must be submitted according to a template provided by OCHA. The final report must describe project activities, background, planned objectives, activities, and actual accomplishments. The report should include “lessons learned” and an explanation of any variance between planned and actual results.
33. Interim financial reports must be submitted at the midway point of project longer than three months in duration<sup>iv</sup>. The final report must be accompanied by an audit account of project spending, accompanied by supporting documentation if necessary. The financial report must be presented according to the budget proposal format categories. Implementing NGOs facilitate financial project audit by an audit firm appointed by OCHA, which will produce an audit report at the end of each project. For UN agencies, their standard procedures for financial audit will be accepted, but they will still be required to produce a final narrative report and uncertified financial report in the interim until they close their books and provide certified financial statements.
34. If there is any unspent money after the audited accounts are completed, it must be returned to the Fund within two months.
35. OCHA will consolidate financial and narrative project reports for submission to donors. One consolidated report will be produced, and reporting on individual donor contributions is to be avoided. OCHA Geneva will provide an annual financial statement to donors.
36. Final reports, evaluations reports, consolidated reports from the RHC to the donors, and information on projects approved to date will be made available on an external website to maximize transparency. Information in disbursements and funded agencies will also be provided regularly through OCHA’s Financial Tracking Service (FTS) and other external websites.

## **IX. Monitoring and Evaluation**

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37. Monitoring and evaluation is primarily the responsibility of the fund recipient organization, although it will be supplemented through the efforts of the RHC, OCHA and the Review Board. All organizations receiving funding should have a monitoring and evaluation strategy that will be clearly articulated in the project proposal, and be committed to sharing all evaluation results with the RHC, Review Board, and OCHA upon request.
38. As an addition to the monitoring plans of the implementing organizations, the RHC may also commission periodic reviews of activities funded through the ERF. The Board may also suggest and/or participate in joint assessments with partners, solicit inputs from experts, or commission external evaluations to enhance the work of the Fund. SWGs, as part of their broader mandate, may also review and evaluate ongoing or completed activities.
39. OCHA has the right to monitor, review and/or evaluate activities funded by the Fund as a basis for assessing the project. This would be undertaken in consultation with relevant organisations. The recipient will be responsible for field monitoring of activities. As necessary, spot visits and joint evaluation missions with relevant implementing and technical agencies will be undertaken. OCHA is responsible for communicating any project concerns and actions required to address concerns to the implementing agency, as determined appropriate by the RHC.

40. OCHA will maintain consistent contact with implementing partners, and will provide donors and partners with summaries of regular progress reports produced by the implementing organizations regarding the implementing of projects.

## **X. Funding**

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41. The funding target for the ERF at this time is around \$10 million. The target size can be revisited during the bi-annual Advisory Board meetings. The ERF will seek replenishment with fresh contributions on a rolling basis. Upon disbursing the Fund's resources down to a balance of one million dollars of the available funds, the RHC shall consult with donors and the Advisory Board to develop a replenishment strategy or activate an exit strategy
42. In order for the Fund to function effectively, adequate funding commensurate with the requirements of the fund management team (including monitoring and evaluation), will also be needed.
43. Donor financing agreements are signed between OCHA HQ and the respective contributing donor. Donor contributions to the fund cannot be earmarked. At the close of the calendar year, if there are any unspent funds, donors will be requested for a no-cost extension.

Annexes to be added:

- Proposal templates, including detailed budget guidance
- Templates for interim and final narrative reports
- ToRs for Review Board, Advisory Board
- Checklist for technical review by clusters
- Sample Memorandums of Understanding with donors and with implementing organizations

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<sup>i</sup> See full TORs for Review Board.

<sup>ii</sup> The Application Templates are included in the annexes to this document

<sup>iii</sup> Gender markers should be included in both project proposals and reports.

<sup>iv</sup> For interim financial reports, UN agencies are required to provide an uncertified interim financial statement, whereas NGOs are required to provide a certified interim financial report.