



# HUMANITARIAN OPERATIONS MANUAL

ACT ALLIANCE

Please note, this document is currently a draft that has been submitted to the EPHR for endorsement.

**DRAFT**

**ACT ALLIANCE HUMANITARIAN  
OPERATIONS MANUAL**

November 2021

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# Introduction to the Manual

Text

## Flowchart

### ACT Humanitarian Response Mechanism Flowchart – effective Jan 01st 2022



#### Note

- A forum can convene and prepare an alert before a sudden-onset disaster happens based on an early warning information.

**actalliance**

RRF Proposal submitted 48 hours after Alert issuance	<b>Eligibility</b> <ul style="list-style-type: none"> <li>All national ACT members in country are eligible to apply.</li> <li>Mandatory organisational and/or Forum Emergency Preparedness and Response Plans (EPRPs)</li> <li>Requesting members are required to apply the Core Humanitarian Standard and Sphere in the design and implementation of RRFs.</li> </ul>
	<b>Response</b> <ul style="list-style-type: none"> <li>Maximum amount per requesting member is USD150,000</li> <li>Approved amount will be dependent on the availability of funds and global RRF balance</li> <li>Approval from the Global Humanitarian Operations Manager upon recommendation from ACT Regional Representatives</li> <li>Response period should be no more than six months</li> </ul>
	<b>Reports</b> <ul style="list-style-type: none"> <li>SitRep submitted after one month from project start date indicated in the approved proposal</li> <li>Final narrative and financial reports are submitted <b>two months</b> after response project end date.</li> <li>If more than USD50,000, audited reports are submitted <b>three months</b> after response project end date</li> <li>Response period should not be more than six months</li> </ul>
Appeal Proposal submitted 48 hours after Alert issuance	<b>Eligibility</b> <ul style="list-style-type: none"> <li>Emergency Steering Committee has decided the viability of an appeal</li> <li>All ACT members in good standing are eligible to participate</li> <li>Emergency Preparedness and Response Plans (EPRPs) are updated</li> <li>Requesting members and their local partners are required to apply the Core Humanitarian Standard and Sphere in the design and implementation of the Appeal.</li> </ul>
	<b>Response</b> <ul style="list-style-type: none"> <li>Target budget needs to be discussed amongst Requesting Members and Funding Members through a coordination meeting</li> <li>Head of Humanitarian Affairs approves the Appeal publication with recommendation from the Regional Representative</li> <li>Response can be between one or two years</li> <li>Requesting Members and their local partners are required to apply the Core Humanitarian Standard and Sphere in the design and implementation of the Appeal.</li> </ul>
	<b>Reports</b> <ul style="list-style-type: none"> <li>SitReps are submitted quarterly starting from project start date indicated in the approved proposal</li> <li>Final narrative and financial reports are submitted two months after response project end date.</li> <li>If more than USD50,000, audited reports are submitted three months after response project end date</li> <li>Response period can be as long as two years but not less than one year</li> <li>An independent evaluation, led by ACT Secretariat, is required if total appeal fund raised is over USD5 million</li> </ul>

## ACT Response Model

### ACT Scale-Up Model

The ACT Alliance response to an emergency will be guided by what will be known as the ACT Scale-Up Model.

The ACT Scale-Up Model does not indicate a ranking of the severity of the crisis. It will serve as guidance for decisions by the ACT Emergency Steering Committee (ESC) to launch an ACT response based on the available response modalities, i.e. Rapid Response Fund (RRF) and ACT Appeal. It is recognized that ACT consortia will self-organize in many contexts, however the ESC may provide advice on the formation of consortia vis-a-vis the launching of an ACT Appeal.

The ACT Scale-Up Model will be guided by the following response criteria, adopted from the Inter-Agency Standing Committee (IASC) Scale-Up Protocol 13.

- **Scale:** number of affected/potentially affected people; size of affected areas.
- **Urgency:** number of people displaced; crude mortality rates; minimal or no access to life-saving support; critical protection risks.
- **Complexity:** multi-layered emergency; presence of a multitude of actors; high risks of politicisation; lack of humanitarian access; high security risks to humanitarian actors.
- **Capacity:** low levels of local or international response capacities, including lack of required specialised or technical expertise; needs outweigh the capacity to respond; inadequate humanitarian leadership.

Risk of failure to deliver effectively and at scale to affected populations: vis-à-vis assessed need and severity (violations of human rights and international humanitarian law; exacerbation of food insecurity; deterioration of civil unrest).

Rapid Response Fund (RRF) funding applications are required to meet at least two (2) of the Scale-Up criteria to be considered, while ACT Appeals are required to meet at least three (3) Scale-Up criteria.

The ACT Scale-Up Model also includes the following criteria, which will be used to assess all funding applications in addition to the IASC Scale-Up criteria:

- ACT member presence and capacity on the ground.
- Proven track record of requesting members to implement humanitarian programmes, including PMER.
- Demonstrated coordination of ACT national forum (where there is no ACT forum, demonstrated coordination among members in-country).
- Updated EPRP and Contingency Plan.
- Existing relationships with local faith actors, churches, and other communities of faith.
- Funding viability.

## Emergency Preparedness and Response Plans

An Emergency Preparedness and Response Plan (EPRP) at ACT forum level has an important role in strengthening ACT's capacity to respond effectively with improved coordination, timeliness, and scale. All ACT forums shall develop EPRPs with regular reviews and updates. Without an updated Forum EPRP, no appeal can be issued, and a member without an EPRP cannot receive appeal funding. The same applies to the RRF. The templates for the EPRP at member and forum levels are digitised and available for all members.

### Purpose of the EPRP

The goal of the EPRP is to increase the capacity of ACT forums and their implementing partners to plan a joint, coordinated, appropriate, timely response to emergencies. The EPRP process is a good platform for developing consortia models, based on realistic assessment of capacities and competences to contribute to consortia.

During the Forum EPRP process, several results can be obtained:

- a clear understanding of ACT's emergency response mechanisms
- a strengthened EPRP
- clarity on ACT member and partner response capacities through contingency plans
- an assessment of the scope for consortia at forum level to attract donor funding
- identification of capacity needs and formulation of a capacity building plan

### **Strategic directions**

1. Emergency Preparedness and Response Plans will be a key part of the revised Humanitarian Response Mechanism.
2. All ACT members and forums shall use EPRP templates for preparedness planning.
3. The EPRP has been digitised and is available for all ACT members.
4. Adjustments to the EPRP templates and digital platform will be made after other elements in the ACT humanitarian reform are in place.
5. EPRPs will need to include an extra section for preparing for ACT Consortia
6. Information from EPRP will be copied into the new templates for Appeals and RRFs.
7. Member and Forum EPRPs are required for forums to issue an ACT Appeal. Members cannot receive funds from appeals without an up-to-date EPRP in place.
8. EPRPs will become mandatory to access the RRF. No member can access the RRF without an up-to-date EPRP.
9. The EPRP will be made a regular agenda item in ACT forum meetings.
10. For members who are not part of a Forum EPRP, guidelines will be developed for establishing presence in a country when crisis occurs.

### **Forum Coordination**

The forum convenor calls for a meeting to discuss the possibility of a response as laid out in the Forum EPRP and Contingency Plan specific to the scenario and decides to send an ACT Alert to ACT secretariat.

## **ACT Alert**

An ACT Alert shall be issued by an ACT forum within 24 hours of a sudden onset emergency and submitted to the ACT secretariat. For slow onset emergencies, timeframe for Alert issuance is based on any of the following factors: local needs assessments, government request for assistance, and secondary information from other humanitarian actors.

Participation in an ACT humanitarian mechanism is guided by policy commitments and agreed procedures approved by ACT governance which are mandatory for all ACT members participating in the appeal system: requesting members, implementing members/partners and funding members, as well as forums and the secretariat. Although not participating directly in an appeal, non-requesting members will share information and coordinate and collaborate with forums and all aspects of an appeal response.

### **ACT secretariat responsibilities**

The core responsibilities of the ACT secretariat in the preparation and issuing of alerts are to:



- liaise with members/forums to prepare the alert, follow up if the alert is late, and ensure the alert complies with ACT policy
- research and stay abreast with facts and figures on an emergency before and when the alert is received
- while the forum and members are completing the rapid needs assessment, the ACT secretariat will actively canvass the ACT Alliance and its funding members to gauge funding interest to respond to this emergency, including back donor interest

#### **Issuing the alert**

- carry out quality control: proofreading the alert, ensuring that information is sufficient and correct, and in the right format and in line with ACT policy
- approve the alert for posting on the website
- post the alert on the website (generally within 24 hours of the emergency) and external portals
- answer, in close liaison with members/forums, queries and requests received by the secretariat related to the issued alert

## **ACT Emergency Steering Committee**

This policy mandates the creation of an Emergency Steering Committee (ESC), which will make Go/No-go decisions to mobilise a coordinated ACT response in an emergency. The role of the ESC is to assess key information and decide to launch an ACT Appeal or not based on a request submitted by the ACT forum. The aim is for the ESC to be mobilized quickly and efficiently so it can make timely decisions on a proposed ACT response.

The ESC will be coordinated by the ACT secretariat as a roster per country that is activated and constituted in the event of a large-scale crisis and/or upon issuance of an ACT Alert indicating plans to respond. If a request is not endorsed by the ESC, it may advise on which mechanism (e.g. RRF, member response) is most appropriate to launch. All decisions and advice from the ESC will be coordinated and communicated by the ACT secretariat.

Composition of the ESC will ensure balanced representation and expertise of ACT members. It will be composed of a representative group from the ACT secretariat, ACT forum, implementing and funding members, and co-opted experts as needed. ESC membership will vary depending on the location and context of the crisis. The Terms of Reference (ToR) for the ESC will be part of the Humanitarian Operations Manual. The ACT Head of Humanitarian Affairs will manage the appointment of members, activation, and execution of decisions made by the ESC.

#### **What is the Emergency Steering Committee?**

- The Emergency Steering Committee (ESC) is made up of ACT Alliance member humanitarian staff who provide advice and support to the ACT forum in the event of a large-scale crisis and/or upon issuance of an ACT Alert indicating plans to launch an appeal. Each ESC will be composed of a representative group from the ACT Secretariat, ACT Forum, implementing and funding members, and co-opted experts as required.
- The ESC Roster consists of humanitarian staff from members across the alliance who have been nominated by their organisation to join a roster and who are available to join an ESC within 48 hours of activation. The ACT Secretariat manages the ESC roster, and it will be managed on a quarterly rotational basis (members will be on the active roster for 3-month periods).
- Membership of the ESC roster is open to all ACT alliance member staff with humanitarian expertise. Staff will need to be officially nominated by their respective organisation to join the roster and membership of the roster is limited to one person from each ACT member.



- Activation of the ESC is triggered upon the issuance of an alert by an ACT forum with an intention to respond to an emergency or in the event of a large-scale crisis. The secretariat will arrange an online meeting within 48 hours of activation and when a quorum of five staff from the roster have confirmed their availability to join the ESC. Upon activation a broad geographical representation of the membership will be sought for the ESC, however, operational priority will be given to ensure a meeting takes place within 48 hours of activation.
- The Terms of Reference (ToR) for the ESC are set out in **Annex X**. The ToR details the operational parameters of the ESC.
- The role of the ESC is to support the ACT forum in a timely manner to determine the best approach to respond to a given crisis. The responsibilities of the ESC include a final decision on whether to launch an appeal or not. The ACT Secretariat and the Emergency Steering Committee (ESC) may advise the forum on the formation of ACT consortia within a planned response.

#### **What happens during an ESC meeting?**

- Upon issuance of an alert indicating an intention to launch an appeal or in the event of large-scale crisis the relevant Secretariat Humanitarian Programme Officer (HPO) will send an email to members of the ESC roster with the details of the planned date and time of the ESC meeting
- In order to ensure the ESC can operate in a timely and efficient manner virtual attendance at the ESC will be limited to five members of the roster plus the secretariat and forum staff.
- The meeting will be hosted by the secretariat using a fixed agenda and pre-established criteria to assess the situation whilst also respecting the principles set out in the ToR.
- Each member of the ESC will have an opportunity to ask questions and provide feedback to the forum – the meeting will be recorded, and the decision of the ESC will be documented for transparency purposes.
- The decision of the ESC is binding – in the event the forum is not satisfied with the decision of the ESC, an appeal can be made to the secretariat. The Head of Humanitarian Affairs would adjudicate in such circumstances.

## **ACT Response Mechanism**

The ACT Response Mechanism will be composed of three modalities: Rapid Response Fund, ACT Appeals, and ACT Consortia.

### **RAPID RESPONSE FUND (RRF)**

The RRF is ACT's main mechanism for locally led response in accordance with the localisation agenda of the Grand Bargain. The primary purpose of the ACT RRF is to provide financial resources to members of the ACT Alliance in the first days following an emergency, and where national members have the capacity to respond. The emergency could be of a rapid onset nature (e.g. earthquake or flood), slow onset emergency requiring early response or emergency relief (e.g. drought), or of a complex humanitarian character (e.g., refugee or internal displacement situation, resulting from breakdown of social, political and economic systems).

The need for RRFs will not decrease soon, with escalating humanitarian need, and growing ACT national member humanitarian capacity. With the ACT Appeal mechanism focusing on large-scale crises, the RRF will be significantly increased to support small-scale emergencies and medium-sized emergencies that do not meet the criteria for ACT Appeals. The annual Global RRF Appeal will be expanded to secure increased funding, with stronger fundraising support from the secretariat and members. The secretariat will strongly encourage funding members to contribute towards the global RRF pot to allow flexibility to allocate funds where needed most. The secretariat will assess the feasibility of earmarking RRF funds at the request of the funder/donor.

The following Strategic Directions for reforming the RRF are adopted as part of the ACT Humanitarian Policy:

### **Purpose of the RRF**

- The RRF retains its core purpose as ACT's main mechanism for locally led response.
- RRFs will primarily aim to provide life-saving response in small- and medium-scale emergencies and proposed responses that do not sufficiently meet the criteria for ACT Appeals.
- RRFs will be implemented for a period of up to six months, with a possibility to apply for another round of funding for continued relief work, depending on the humanitarian needs and availability of funds.
- RRFs may allocate up to 10% of total funding to preparedness and disaster risk reduction (DRR).
- Responding members are strongly encouraged to use RRF funds as leverage to access other funding.

### **Eligibility**

- All national ACT members in good standing are eligible to apply.
- Organisational and/or Forum Emergency Preparedness and Response Plans (EPRPs) will be mandatory to access the RRF.
- Requesting members are required to apply the Core Humanitarian Standard and Sphere and companion standards in the design and implementation of RRFs.

The RRF will prioritise national members. In exceptional circumstances, international members can be eligible to apply by meeting one of the following exemption criteria:

- No ACT national member is present in the country, and the RRF is accessed to jumpstart operations. The RRF pot will be replenished when additional funds are secured.
- ACT national members affirm that they are not able to respond.
- Funding is allocated to an international member with an additional objective to provide capacity support to an ACT national member or local partner.

### **Grant Amount**

An increased ceiling amount will accommodate emergency response that do not sufficiently meet the criteria for ACT Appeals. The maximum amount will be USD 150,000 per requesting member (not USD 150,000 per emergency). The approved amounts will depend on availability of funds and overall health of the global RRF pot. The operational guidance will ensure that the pot is not depleted by one emergency; in such cases, an ACT Appeal is the more viable approach.

### **Proposal submission**

- If the forum decides to submit an RRF proposals are submitted to the ACT secretariat within 48 hours of Alert issuance. The proposal will be developed by implementing members with endorsement from the ACT forum.
- Where there is no ACT forum, requesting members may submit directly to the ACT secretariat.
- The Response Plans are guided by the forum Contingency Plan developed in the Emergency Preparedness and Response Plan (EPRP) and the Rapid Emergency Assessment analysis.
- The RRF will be reviewed, and feedback provided within 48 hours following proposal submission with an aim to publish within the same timeframe, if feasible.
- Funds will be transferred within five days after proposal submission.

### **Decision-making**

The Global Humanitarian Operations Manager will make decisions on RRF project applications upon endorsement by the ACT Regional Representative. Decisions will be made and communicated by the secretariat on approval, approval amount, and non-approval of RRF applications.

The Emergency Steering Committee (ESC) will not be activated for RRF applications. However, if an Appeal is not endorsed by the ESC, the committee may advise the member/s to access the RRF instead.

### **Report submission**

- At the end of the first month following the emergency, the forum/requesting member(s) will submit a situation report (sitrep) to the ACT secretariat, using the ACT sitrep format. Forum/members are encouraged to accompany the sitrep with photos and human-interest stories.
- A final report (narrative and financial) will be prepared by the requesting member(s) and submitted to the ACT secretariat within 60 days of completion of RRF activities, following the ACT appeal and RRF reporting guidelines (see Annex 10) and ACT appeal and RRF financial report format (see annex 10.1).
- A response funded by the RRF can be extended without additional cost for a maximum of three months, which should be reported at least two months before the project end date.
- Activity-based accounting will be applied where expenses will be reported against the original budget headings. The USD equivalent MUST be shown alongside with local currency reporting as was done in the budget, using actual exchange rate. Exchange rate gains and losses shall be reported.
- An audit report is required by the ACT secretariat if one member receives US\$ 50,000 or more for an RRF. The audit report should be submitted within 90 days of completion of RRF activities.
- If a member receives less than US\$ 50,000, an audit report does not need to be submitted to the ACT secretariat. However, the member must include the RRF funds in the annual audit of the member organization. Income and expenditure incurred on the RRF should be clearly distinguished and identifiable from the annual audit report. While ACT will not be requesting these audit reports on a regular basis, the member must be able to produce the annual audit report upon request by the ACT secretariat.
- In cases where the RRF leads to an appeal (e.g. if the magnitude of the emergency is greater than originally foreseen by the ACT forum/members), the RRF will be understood to be an advance and will be reimbursed to the global RRF fund from the appeal funds.
- if requested, provide ACT with an annual report of its activities, together with its annual audit report. In cases of non-compliance with reporting requirements (narrative, financial, or audit), the member risks not being able to access the RRF.

### **Global RRF Appeal**

The Global RRF (GRRF) Appeal will be issued at the beginning of each calendar year based on an analysis of available humanitarian needs overview and early warning guidance. The Appeal is issued by the Head of Humanitarian Affairs. The amount of the GRRF Appeal will be determined based on a projection of RRF applications received each year and historical trends.

### **Global RRF Report**

- The ACT secretariat will prepare and disseminate a summary report (narrative and financial) to the alliance on the use of RRF funds for the period January-June and July-December of a given year.
- The ACT secretariat annual audit report will include the RRF. The annual audit report will be disseminated to all members within six months of the completion of the year.

In the case that funds were contributed by a member towards a specific RRF project, final financial and narrative reports (including audited financial statements where applicable) that are received from the requesting member(s), will be shared with the ACT funding member.

### **ACT secretariat roles and responsibilities**

- check and confirm the eligibility of ACT members to access the RRF
- Liaise with members/forums as they work on the RRF application
- Carry out quality control: proofread the RRF application, ensuring that information is sufficient and correct, is in the right format and is in line with ACT policy; and CHS compliant
- Approve and publish the RRF request
- Transfer funds to the requesting member
- Provide or facilitate provision of technical support to members where needed
- Review and disseminate Sitreps
- Review the RRF narrative and financial reports and audit reports
- Clear with requesting member unspent balances if any

## **ACT APPEALS**

Since the founding of the ACT Alliance in 2010, ACT Appeals have been the primary tool utilised by members to demonstrate a coordinated ecumenical response to emergencies. This includes the RRF, which is launched as an annual Global Appeal to support multiple emergencies in smaller amounts.

### **Purpose of ACT Appeals**

- mobilised only for emergencies that meet the ACT Scale-up criteria. It is to be noted that ACT Appeals will continue to be mobilised for sudden-onset emergencies and protracted crises.
- launched with a view to reduce the number of appeals each year to ensure stronger collaboration of members in humanitarian response and fundraising.

### **Eligibility**

- All ACT members in good standing are eligible to be part of an ACT Appeal.
- The ACT national forum is the entity that submits ACT Appeals (funding accountability rests with each implementing member). Where there is no ACT forum, the member/s present will be the requesting entity, ensuring that there is coordination and agreement amongst members.
- Emergency Preparedness and Response Plans (EPRPs) will be mandatory, for members and forum to launch an Appeal.
- Requesting members are required to apply the Core Humanitarian Standard and Sphere and companion standards in the design and implementation of responses funded by an appeal.

### **A humanitarian response funded by an appeal**

- Has a project duration of 12-24 months, depending on humanitarian needs and the operational context.
- will be open for funding during their entire project period. Unspent balances will be transferred to the GRRF Appeal except when there is a subsequent appeal in the same country as in the case of protracted crisis. These actions will be coordinated by the ACT secretariat with the concerned donors/funding members.
- will seek to strengthen local systems of response as part the localisation agenda. Members will consider activities to strengthen not just their organisational capacities but the capacities of local partners and communities as well, following capacity sharing and partnership principles.
- Use the EPRP process and operational guidelines to help enable preparation for appeals in peacetime before emergency strikes and ensure links of ACT appeals with forum EPRPs.
- ACT Appeals will promote the localisation agenda by upholding the important role of local faith actors and local partner organisations in humanitarian response.

### **Proposal Submission and approval**

The ACT secretariat will convene the Emergency Steering Committee (ESC) upon issuance of the ACT Alert indicating plans to launch an Appeal. Within 7 days of ESC endorsement, the forum should submit the proposal to the secretariat. ACT secretariat will publish the Appeal after the approval of the Head of Humanitarian Affairs.

### **Fundraising**

- ACT Appeal fundraising will focus mainly on private donors, foundations, media, private sector, general public and, where possible, institutional donors.
- Funding members interested in supporting an Appeal participate from the early stages through ACT coordination platforms and/or the Emergency Steering Committee (ESC).
- Funding members with specific interest in certain countries will be listed as stakeholders in the EPRP of these countries.
- Funding members indicate the level of funding they intend to contribute based on what they have available and what they could raise.
- Members involved in ACT Appeals will aim to identify new avenues for ACT Alliance humanitarian financing.

### **Decision-making**

- The ACT national forum makes the initial decision to propose an ACT appeal.
- The ACT secretariat plays a coordination and quality assurance role in developing an appeal.
- The Emergency Steering Committee (ESC) decides whether to develop an Appeal or not. Go/no-go decisions by the ESC will be based on an analysis using the ACT Scale-Up criteria and available information from the ACT forum and other sources.
- The ACT Head of Humanitarian Affairs, supported by the Global Humanitarian Operations Manager, is responsible for the global coordination, approval, and publication of an appeal.

### **Appeal Planning and budgeting**

In preparing an ACT appeal proposal, the ACT forum, and its requesting members:

- Review the forum EPRP and Contingency Plan to support their response plans and proposals
- Coordinate and communicate as early as possible, and frequently, with the ACT secretariat through the ACT national forum (where one exists), sharing information on the emergency updates and the planning process
- Provide a detailed information in the relevant appeal format, including the submission of emergency needs and capacities assessment and analysis
- In cases when a disaster affects several countries, an appeal should be issued in general for each country
- Request for surge capacity as may be needed to facilitate efficient and effective working for the duration of the appeal process
- As part of the ACT appeal proposal, the requesting member agrees to provide a detailed and realistic budget complying with the guide for budget preparation (annex x) and in the format described in the guidelines for the ACT Appeal and RRF (annex x).
- Total appeal budgets should be discussed and agreed upon by all requesting members.

### **Implementation**

As part of the implementation of the response, requesting member agrees to:

- Implement the response to the best of its ability, in accordance with the relevant ACT policies and the Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief, and the Humanitarian Charter, Core Humanitarian Standard, and Sphere Standards
- Adhere to the implementation plan (workplan and logframe) as approved in the proposal
- Submit to ACT secretariat through the ACT forum (where one exists) of appeal revisions and extensions. A project modification request together with a financial variance report will be submitted to ACT secretariat.

Revision may be any significant changes to the proposed actions, target groups, methodology or scale of implementation at the earliest possible time or three months prior to project end date. This may need to be agreed with funding members prior to making any significant changes to the planned activities. Such negotiation must be undertaken in consultation with the ACT forum and the ACT secretariat.

- Demonstrate their efforts at coordination with other ACT members on the ground by actively participating in the ACT forum, displaying a preparedness to network locally, and adhering to the *“ACT Alliance National, Sub-Regional and Regional Forums Policy 2018”*
- Follow sex-and-age disaggregated data concerning distribution/implementation, and reported in the SitReps
- Where possible and necessary to fulfill back-donor obligations which are not met by the appeal system, undertake independent reporting and monitoring of distribution, but seeking to do so collaboratively with others.
- Maintain detailed accounting records as to make adequate financial reporting possible.
- Inform the ACT secretariat when direct funds are received and ensure that costs allocated for ACT secretariat will be proportionally covered.
- where necessary, send requests for extension/revision of appeals at least three months before the official closure of the appeal in question.
- actively participate in any external evaluation of an ACT appeal where the requesting member is a part, in accordance with the *Planning, Monitoring & Evaluation Handbook*
- not to spend unspent appeal balances, without the written consent of the funding member(s) to whom the unspent balance has been attributed to

### **Reporting Requirements**

To fulfill its reporting obligations, the requesting member agrees to:

- Adhere to the Reporting Guidelines for reporting on emergency responses funded by ACT appeal
- Send ACT secretariat Sitreps, interim reports, final reports, and audit reports according to the reporting schedule agreed in the appeal
- Adhere to any additional back donor reporting requirements that have been prior agreed between the funding member and requesting member, when the contribution was made
- if requested, provide ACT with an annual report of its activities, together with its annual audit report. In cases of non-compliance with reporting requirements (narrative, financial, or audit), the member risks not being included in any other appeal

### **ACT Communications and Visibility**

A requesting member agrees to comply with the ACT Co-branding policy and while maintaining its individual identity, to cite and promote the ACT name and logo in its:

- communications concerning activities covered by ACT appeals including back donor and bilateral contacts inside or outside the ACT Alliance
- office or headquarters
- purchasing of commodities
- contacts with UN/NGO coordinating bodies, other humanitarian agencies and in all media and press contacts

### **A requesting member further agrees to:**

- While maintaining its individual identity, give prominence to the ACT name and/or logo in their external and internal communications and fundraising, and in their implementation activities for instance on buildings, vehicles, staff clothing and relief items
- Provide regular, relevant, and reliable information for use in communications to church and secular media

as well as advise and assist the ACT secretariat efforts at keeping the wider network up to date on implementing partner activities, the situation and condition of impacted populations and the general situation surrounding the relevant emergency

- while considering its own resources, assist other ACT member communicators in their information gathering and distribution. This may include (again considering requesting partner resources, sufficient warning, and prior agreement) working with other forum members to facilitate or assist visits for other ACT member communicators and/or other press/media personnel identified and recommended by the ACT secretariat
- while maintaining its individual identity to give prominence to the ACT name and/or logo when it addresses its constituencies (church or public) concerning emergencies covered by an ACT alert and/or appeal
- credit information (text, graphic, pictures, audio, or video) deriving from ACT sources to ACT Alliance or the relevant ACT member combination as well as, if stipulated, relevant individuals
- respect copyrights, circulation limitations and stipulated financial implications on any information product circulated through ACT Alliance
- participate actively in exchanging relevant information and information products (articles, graphics, pictures, audio, or video) with ACT through the ACT communications department at the ACT secretariat.
- participate, when called upon, in developing ACT communications policies, strategies and practices in cooperation with the ACT secretariat

### **ACT Implementing Members/Partners**

Not all ACT members may meet ACT criteria for receiving funds directly from ACT appeals. In some situations, ACT members who meet the criteria (requesting members) may use other ACT members or non-ACT members as implementing partners under the supervision and full responsibility of the requesting member. In such cases the ACT requesting member is fully responsible for ensuring that all ACT appeal policies and processes as identified above are adhered to, including those for finance and reporting. ACT implementing members/partners must comply with the ACT Code of Conduct, the ACT Code of Good Practice, the Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief, the Humanitarian Charter, and the Sphere Standards.

### **ACT secretariat roles and responsibilities**

The ACT secretariat carries responsibility for supporting forums, requesting members and funding members in all aspects of ACT appeals including financial and reporting responsibilities.

### ***Revised appeals***

- evaluate the requests for extension and revision in terms of consistency with ACT policy
- receive the request from ACT members at least three months before the official closure of the appeal in question.
- check and confirm the eligibility of new ACT members not involved in the first appeal, to be part of the revised appeal. Canvass ACT members on possible funding interest for the emergency, as a basis for determining the funding level of the revised appeal
- prepare ACT secretariat formal letter informing funding members of such request
- share the requests for extension and revision with funding members who have funded the appeal and give them at least two weeks to reply or comment on the request
- ensure quality control of revised appeal: appraise, edit as necessary, and finalize the revised appeal
- adjust the budget for an external evaluation, for all appeals over US\$ 5,000,000, and coordinating the evaluation
- prepare and approves the revised appeal for publication
- enter the revised appeal and related documents (ACT member reports, sitreps, updates) on the ACT website, to reflect the total ACT response to the emergency – both within and outside the appeal



### ***Appeal follow-up***

The core responsibilities of the ACT secretariat in appeal follow-up are to:

- regularly receive and distribute situation reports (sitreps) using the ACT format
- distribute situational reports (sitreps)
- undertake active fundraising with agency partners in scenarios where support is lacking for a given appeal
- coordinate un-earmarked funds to the forum
- initiate and coordinate funding members responses, including requests to back-donors
- coordinate variations/revisions to the original appeal as requested by the requesting member(s)/forums

### ***Implementation***

- Humanitarian Finance Coordinator will check with the ACT secretariat humanitarian programme officer on a regular basis to verify status of implementation, and to get updated information before transferring/allocating funds to the appeal.
- ACT members must account for any unspent balance from appeal implementation. The ACT humanitarian finance coordinator is responsible for following up on the unspent balance, and to update ACT records accordingly.
- Where the total funds contributed to a given appeal exceed the appeal target, the ACT secretariat will consult with the member(s) involved and take a decision as to how these funds could best be used. It will not follow automatically that they are sent to the requesting member.

### ***Reporting***

The core responsibilities of the ACT secretariat in appeal reporting are to:

- ensure there is a clear agreement about reporting schedules and requirements for each appeal
- receive interim reports and a final report (narrative and financial) and an audit report and management, following the agreed report format and reporting schedule
- review, clarify with member(s) and disseminate the narrative, financial reports, audit report and management letter to donors who have funded the appeal
- inform requesting members of earmarked funds and the reporting criteria for these funds
- check narrative and financial reports against appeal proposal and budget and raise queries as necessary
- check secretariat financial records against those of the requesting member and distribute the reports to donors who have funded the appeal
- provide the alliance with periodic financial updates of funds received and pledged for all active appeals compared with appeal targets
- provide requesting members and funding members with details of funds received and funds pledged for a specific appeal. These details will be provided promptly so that the requesting member is aware of funding levels and can plan its implementation programme accordingly and for the funding member to track their contributions and make resource allocation decisions
- be available to the requesting member and funding member for consultation when necessary
- provide audited ACT secretariat financial statements and a management letter on an annual basis from an accredited auditor using accepted international standards

### ***Project closure***

For a formal closure of an appeal, the secretariat must check that at least four conditions are met: (i) the balance of funds is settled, (ii) the narrative, financial and audit report and management letter have been received, checked and disseminated by the secretariat, (iii) the requesting member has satisfactorily answered any queries raised by all stakeholders and (iv) the final report of external evaluation (if applicable) has been disseminated.

## **1. The balance of funds is settled**

The requesting member (with the assistance of the secretariat) needs to determine to which funding member(s) any unspent balance belongs to, based on the accounting principle of First In, First Out (FIFO). Once determined and after having consulted the requesting member, the ACT secretariat contacts the funding member to request a directive for the utilization of the unspent funds.

This directive may include:

- carrying forward the balance to a new appeal, if there is one in the pipeline, implemented by the same requesting member
- carrying forward the balance to a bilateral project implemented by the same requesting member. If this option is opted for, it becomes a bilateral arrangement where the requesting member reports directly and not via the ACT secretariat to the funding member on the utilization of funds
- the requesting member to return the balance to the ACT secretariat, so that it be used for another active appeal or the RRF
- the requesting member to return the balance to the funding member

The requesting member must ensure that any unspent balance is utilized, only once written approval has been received from the funding member(s). For amounts below 5,000 USD, the Secretariat will approve its allocation based on the proposal made by the requesting member for the utilization of the unspent balance.

## **2. The narrative, financial and audit report and management letter have been received, checked, and disseminated by the secretariat to donors who have funded the appeal**

The ACT secretariat will check all reports as per the ACT secretariat responsibilities mentioned above and will add its observation and feedback which will be communicated to the requesting members before circulating the reports to the funding members.

- 1) The requesting member has satisfactorily answered any queries raised by all stakeholders
- 2) The final report of external evaluation (if applicable) has been disseminated

An official letter will be sent to the funding and requesting members with a summary of the implementation of the appeal containing the following elements:

- appeal name and number
- ACT forum and requesting members
- member who has submitted the report
- implementation period
- reporting deadline
- appeal target \$
- received total (and in %)
- breakdown of contribution
- activities:
  - What was planned?
  - What was prioritized?
  - What was achieved?
- balance of funds and how it was dealt

## CONSORTIA APPROACH

The ACT Consortia Approach is intended as an integrated part of ACT Alliance's response to a humanitarian crisis. This section sets out how consortia can be developed as part of our coordination, communication, and branding procedures. At national level ACT Forums remain the primary member coordination mechanism in-country and the forum structure and the EPRP planning process are both central to the development of consortia.

### **National Consortium Guidance**

- Scoping and planning as part of EPRP development
- Formation of working group
- Mapping of funders
- Establishment of MOU
- Linkages to Global Consortium
- Bid for and win contracts
- Service delivery

### **ACT Global Consortium**

The ACT Global Consortium is designed as an enabling mechanism of the ACT Consortia Approach. Consisting of international members, it recognises the practice and potential of forming consortia amongst such members, specifically intended to access back donor funding that requires a portfolio of operational capacity in multiple countries and a proven track record in large-scale emergency response.

#### ***Consortium Principles - All members agree to***

- Work within the parameters of the ACT Global Strategy and ACT Humanitarian Policy
- Work together in a spirit of collaboration and partnership amongst equals
- Respect the primacy of locally led response in all operations and promote the important role of local faith actors and local partner organisations in humanitarian response
- Use a joint programming approach wherever possible, from needs assessments, project implementation, and project monitoring and evaluation
- Promote the ACT Alliance brand in a way that will not compromise the member brand
- Preferential option for consortium lead shall be granted to member/s who have existing partnerships with the donor
- Ensure compliance with CHS & Sphere quality and accountability standards and support the wider membership in this regard

#### ***Membership criteria***

- Demonstrable relationships/partnerships with back donors and constituencies where registered
- Multiple country offices and/or a portfolio of partnerships with local faith actors and organisations
- Sectoral expertise in food, WASH, shelter, livelihoods, psychosocial support, protection, cash transfers, etc.
- Demonstrable capacity and willingness to invest resources (time, co-financing, pre-financing) in the development and implementation of projects
- Capacity to mobilise surge capacity in large-scale response

#### ***How the Global Consortium approach functions***

Membership of the Global Consortium is coordinated by the secretariat. The Global Consortium MOU sets out the purpose and function of the consortium as well as how it operates. During specific emergency response a

separate MOU will be established by the relevant lead agency setting out the crisis-specific agreement. Not all members of the consortium are expected to participate in each funding bid. If there is a need to limit the number of consortium members in a given emergency response, the ACT Secretariat will facilitate a negotiated process based on agreed criteria.

***To be developed***

- Roles and responsibilities of lead agency, consortium members, and ACT Secretariat
- Selection criteria for consortium members
- Prepositioning and Activation Protocols (linked to ACT alerts, donor calls)
- Proposal development and guidance
- Coordination, management, and reporting arrangements
- Prepositioning and Surge capacity

## Financial Management

1. An ACT project should be treated separately from the normal activities of the requesting member and will therefore require separate records and reporting.
2. If there is more than one requesting member in an appeal, and they are working on independent projects, each should report separately.
3. If there is more than one requesting member in an appeal and they are working together to implement one project, the requesting member whose responsibility will be reporting should be agreed on in advance and mentioned in the ACT Appeal proposal in Implementing Arrangements.
4. Financial reports should be prepared according to International Financial Reporting Standards (IFRS) or according to the statutory financial reporting regulations of the country. Reports will be prepared on an accrual basis. Unpaid expenses must be accrued as appropriate at the end of a reporting period.
5. The financial reports should be presented in both US dollars and local currency. The only exception is if most of the expenses are incurred in US\$, in which case the budget and financial reports can be presented in US\$ only. The exchange rate used to convert foreign currency income into local currency will be the actual exchange rate on the date the transaction took place. The exchange rate used to convert local currency expenses to US\$ will be either the actual exchange rate on the date the transaction took place or a weighted average rate for the period concerned. Funds forwarded by the ACT secretariat will be in US dollars or in Euros.
6. There may be a requirement for the financial report to be divided into earmarked and non-earmarked sections and for separate sections for back-donor grants to be included. This will occur when a funding member has earmarked its contribution, or a back-donor has provided a grant for specific sections of the project. The ACT secretariat will advise the requesting member when a contribution has special earmarking. Such earmarking and special designation of funds will require strict implementation, time limits and reporting.
7. When listing 'income received', each contribution should be listed separately given individual funding member name and by date in the local currency and US\$. Donor project reference numbers if any and Payment Advice numbers should be included. The ACT secretariat provides these details on the Payment Advice, whenever contributions are transferred to requesting members.
8. Those contributions sent directly to the requesting member by the donor instead of through the ACT secretariat must be included in the appeal income section under the income direct contribution section giving individual funding member name and by date.
9. Those in-kind contributions sent directly to the requesting member specific to the appeal should be included in the appeal income section under the in-kind contribution section giving individual funding member name and by date. If a requesting member receives in kind contributions that are outside the appeal approved budget, they should not be reflected under income.

10. Those in-kind contributions that are reflected as income should also be clearly indicated in the expenditure section. Any in-kind contributions not distributed by the end of the project must be reported on, and an inventory list should be drawn up.
11. Approved balances carried forward from the previous appeals must be clearly shown, listing the funding member name. **Balances can be carried forward to another appeal, only with funding member approval.** If no approval is received, the requesting member must return the unspent funds to the funding member, using the FIFO principle.
12. Interest earned should be included in the income section.
13. Financial reports will show columns for the budgeted income and expenditure as per the appeal document, actual income and expenditure and variance. When an appeal has been revised, the budget column needs to reflect the revised budget as per the revised appeal and not the original budget. See annex x for detailed explanations.
14. In the situation where some of the funds are earmarked, then budget line items such as staff, office rent, vehicle expenses, etc. can be apportioned in accordance with total funds available. The ACT secretariat will provide advice upon request.
15. If budget totals / heads exceed the approved budget by more than 10%, prior approval needs to be obtained from the ACT secretariat. This rule is applicable only to budget totals / heads and is not to be applied on a line-by-line basis. Subsequently when the financial report is prepared, explanatory notes to the accounts should be included where there is an adverse variance of 10% or more. No explanation is required if the variance is less than US\$ 100. The location and contents of the notes must be clear. If prior approval has not been requested and if no satisfactory explanation is provided, the ACT secretariat reserves the right to disallow the expenditure and request a refund.
16. Any unspent funds must be clearly shown in the balance. Any unspent back-donor grants must be returned to the back donor, including interest earned as well as profit due to exchange fluctuations in respect of unspent back-donor funds. Other unspent funds cannot be used for any purpose without the prior written approval of the funding member to whom they correspond, according to the FIFO principle. The ACT secretariat will assist the requesting member to determine whom the unspent funds belong to.
17. Capital Assets over US\$ 500: In preparing the Final Report, the requesting member must list each Capital Asset purchased with actual price over USD500 and how this asset will be disposed at the end of the project. Depreciation expenses should not be recognised.
18. The overall final accounts shall be endorsed by the requesting member's management staff, which by way of their signature vouch for the contents of the final accounts.
19. ACT secretariat requires members to submit scanned copies of the audited reports which will be forwarded to funding members.

***Note: requesting members must not commit themselves to activities that exceed the funding available, as they will have to bear the loss of such overspending.***

## AUDIT REPORT AND MANAGEMENT LETTER

1. If the contributions to an appeal or RRF exceed US\$ 50,000, the requesting member is required to have the financial statements of the appeal audited by an external firm of auditors and submitted to the ACT secretariat, along with a management letter signed by the auditor.
2. The audit firm must (a) be registered with a recognized institute of registered public auditors and be authorized to act as an auditor, according to the laws of the country in which the auditor is practicing in (b) consist of a minimum of two registered public auditors and not a sole registered public auditor and (c) normally be rotated a minimum once every 5 years. If the requesting member cannot comply with (c), prior written approval needs to be requested from the ACT secretariat, with appropriate justification.
3. The audit shall be carried out in conformity with sound auditing principles and shall comprise whatever initiatives the auditor may deem necessary. The auditor shall prepare and carry out the audit with a view to ascertaining that the accounts do not contain essential misrepresentations and/or shortcomings. The audit report must contain an opinion on the true and fairness of the accounts.
4. The audit report and management letter can be made in the language of the country, but the requesting member must send the English version to ACT secretariat. It must be signed by the auditor.
5. Draft audit reports and management letters should not be sent. Only the finalized dated audit report and management letter containing the auditors' signature must be sent. The audit report and management letter must initially be scanned and sent electronically and then followed by posting an original to the ACT secretariat.
6. If a member receives less than USD50,000, an audit report does not need to be submitted to the ACT secretariat. However, the member must include the appeal and RRF in the annual audit of the member organization. Income and expenditure incurred on the appeal and RRF should be clearly distinguished and identifiable from the annual audit report. While ACT will not be requesting these audit reports on a regular basis, the member must be able to produce the annual audit report upon request by the ACT secretariat. In this instance, it is recommended, but not a must to submit a management letter signed by the auditor to ACT Secretariat.
7. When a requesting member works with multiple partners in an RRF or appeal, submitting separate audit reports and management letters for each of the partners is not acceptable. Instead, a consolidated audit report and management letter in the format of the appeal budget and final financial report is required. This will require advanced planning at the early stages of the appeal with the auditor, in order to determine how the audit will be conducted.
8. Similarly, in a jointly implemented appeal where the forum appoints one lead requesting member who is responsible for receiving funds and reporting, the lead requesting member is responsible to provide a consolidated audit report and management letter, in the format of the appeal budget and final financial report. Separate audit reports for each of the members and/ partners working under the lead requesting member is not acceptable.
9. The audit report shall follow the same format as the appeal budget and final financial report.
10. Where the auditor has not been able to audit part of or all the accounts, the auditor shall make a statement to this effect indicating the reason.



11. Where back-donor funds have been provided, the auditor shall comply with the back donor's audit requirements as stated in the back donor's guidelines, if any.
12. Where back-donor funds have been provided, the paragraph about applied accounting principles shall confirm that the accounts have been prepared in accordance with back-donor guidelines, if any.

#### **Audit Report and management letter as part of annual organizational audit of requesting member**

The ACT appeal can also be part of the requesting member's overall annual audit. **This option is available, only if the audit report and management letter can be sent to the ACT secretariat within 90 days of the completion of the appeal or RRF.** The ACT appeal should have a separate detailed section in the audited financial statements and income and expenditure should be reported in the same format as the appeal budget and final financial report.

***Note:** When the audit is part of the organisation's annual audit, the requesting member will be expected to cover the cost of the audit.*

#### **Special Audits**

When a funding member requires a special audit (e.g. Resource Management Audit), either to report to back-donors or because it is part of the requirements for donating the funds, or for some other reason, the funding member will be expected to cover the cost of that audit. The cost of such an audit can be paid from an appropriate amount retained for such purposes from the funding member's contribution. The carrying out of such an audit and the funding of the audit must be agreed upon at the time the contribution is received.

#### **Note:**

*If a separate or special audit report is required, the cost of the audit can be provided for in the appeal at the time of preparation of the appeal budget.*

### **Records to be kept by the Requesting Member**

#### **1.1 Statistical information and data**

The requesting member shall put together statistical information and data, particularly sex-and-age disaggregated data, about the implementation of the appeal (e.g., affected populations, items distributed, participation in workshops, etc). This information will form part of the narrative report and will support the information provided in the narrative description of the activities.

#### **1.2 Financial and audit reports**

The requesting member shall keep fully documented financial records, which will include all cash books journals, computer transactions, receipts, payments, invoices, cheque stubs, bank statements, purchase orders, quotations, etc. The accounts should be kept in accordance with sound bookkeeping and accounting principles.

#### **1.3 Retention of records**

All financial and statistical records must be kept for seven (7) years after completion of the appeal. If and when required, records must be made available to representatives of the ACT secretariat, representatives of donors and back-donors.



ACT Alliance is a global protestant and orthodox faith-based coalition organised in national and regional forums operating in more than 120 countries.

Through its more than 140 members, ACT Alliance works on climate justice, humanitarian aid, gender justice , migration and displacement, and peace and security to support local communities.

ACT Alliance's goal is to promote a locally-led and coordinated approach to advocacy, humanitarian and developmental issues.