

CEWARN Rapid Response Fund (RRF)

Handbook

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The RRF Handbook sets out the concept of the RRF and pulls together all relevant information, rules and procedures as well as formats that stakeholders in the RRF need in order to design, approve, implement and report on projects. The Handbook is approved by the RRF Steering Committee.

Together with the

- Protocol on the Establishment of the CEWARN Mechanism, the
- Agreement on the Establishment of the CEWARN Unit between IGAD and the Government of Ethiopia, the
- Terms of Reference of the RRF Steering Committee, the
- IGAD Financial Manual and the
- individual contribution agreements with development partners

it provides the legal framework for the operation of the RRF.

Abbreviations:

CEWERU	Conflict Early Warning and Early Response Unit
CEWARN	Continental Early Warning System
CPMR	Conflict prevention, management and resolution
CPS	Committee of Permanent Secretaries
CSO	Civil Society Organisations
FAU	Financial and Administrative Unit (attached to /of CEWERU)
LPC	Local Peace Committee
NRI	National Research Institute (CEWARN)
RRF	Rapid Response Fund
SteCom	The CEWARN RRF Steering Committee
TSU	Technical Support Unit (attached to / of CEWERU)

1 The RRF concept

1.1 Objective

The RRF aims to provide the CEWARN Mechanism with flexible and rapid response capacity for pastoral and related conflict as per its Strategy 2007 - 2011 and the Response Framework, which is under development. It supports conflict prevention, management and resolution (CPMR) activities emanating from the local level and supports member states to build the respective and required capacities of actors (government, civil society) at all levels. Furthermore, it enables Partners in Development and IGAD Member States to jointly contribute to CEWARN's early response activities.

1.2 Project scope and categories

The RRF may be called upon in order to prevent, de-escalate or resolve pastoral and related conflicts in the IGAD sub-region. Its scope comprises two major types of interventions:

- Support to CPMR measures, principally at local levels
- Support to capacity building for CPMR at all levels (local, intermediate, country).

The RRF complements long-term development interventions for pastoral societies, rather than supplanting them. It does not intend to double national or international development efforts.

Specifically, projects must fall into one of the following categories:

- a. **peace building:** dialogue, collaborative/joint pastoral CPRM activities, workshops, awareness campaigns incl. radio programmes, youth activities, publications, etc.
- b. **pastoral CPMR-related emergency support** to communities affected by pastoral conflict
- c. **conflict-preventive (e.g. joint) access to specific local resources:** e.g. development or expansion of jointly managed assets and development of collaborative management systems
- d. **capacity building for pastoral CPMR:** equipment, training, study tours & exchange visits, workshops, coaching of local actors linked to direct support to handle pastoral CPMR activities
- e. **technical studies and applied research:** needs assessments, lessons learnt, situation analysis, etc.

1.3 Institutional set-up

The RRF's institutional set-up is based on the following key principles: member state ownership, inclusiveness, decentralisation, bottom-up logic, flexibility/specificity and efficiency.

To operate the RRF, the following structures and roles are put in place:

At the regional level:

- a Steering Committee (SteCom), comprising the CEWARN Director as its chairman, one representative of the IGAD's Peace and Security Department, two heads of CEWERUs, two representatives of Partners in Development, two representatives of CSO to be appointed by the CSO representatives in the Technical Committee on Early Warning (TCEW); other stakeholders – especially CEWARN Country Coordinators and other representatives of member states – may be invited to participate as observers
- the CEWARN Response Coordinator who inter alia acts as secretary to the Steering Committee; this position may possibly be strengthened by a Chief Administrative Officer and /or a Reporting Officer for the fund

At the national level:

- the national Conflict Early Warning and Early Response Units (CEWERU)
- a Technical Support Unit (TSU) to handle capacity building and operational tasks, including the review and monitoring of projects as well as support to Local Peace Committees (LPC) to devise and monitor projects
- a Financial Administration Unit (FAU) to handle RRF disbursements and financial reporting at national level; this role can be assigned either to
 - a government organ
 - a NGO, or
 - a professional accounting/management firm.

The roles of TSU and FAU may be superimposed on existing institutions in order to make use of capacities available. RRF resources may be used to complement national efforts to establish and run TSUs.

The National Research Institute (NRI) as previously defined observes and analyses overall RRF activities and advises the respective CEWERU accordingly.

At the local level:

- Local Peace Committees (LPC) that are inclusive of Government and NGO / Civil Society / Community representatives
- An implementing agency that is responsible for the execution of the project (optional)
- Field Monitors, who are inter alia tasked by CEWARN to provide regular updates on projects.

1.4 System and process for the allocation of funds

The allocation of funds is strictly project-based; monies are reserved for approved “projects” with the possible exception of on-going financial support to CEWERU TSUs; no other recurrent costs shall be borne.

- Projects up to 10k USD can be decided upon by the CEWARN Director if the decision is urgently required.
- Projects up to 50k USD are decided upon by the SteCom after considering the analysis and recommendation of the respective CEWERU(s).
- Projects in excess of 50kUSD are decided upon by the SteCom on the basis of a professional evaluation conducted or commissioned by the CEWARN Unit (“second opinion”, based on a separate technical evaluation of the proposal).

Only non-commercial organisations (government, NGO, CSO) are eligible for funding.

1.5 Criteria for funding decisions

The following principal and formal criteria apply to projects in the categories a) to c):

- They are backed by all parties to the conflict (LPC our Round Table, inclusive of all stakeholders; exceptions are possible but need to be notified and explained)
- They are embedded in a medium term (at least: one-year) perspective (SWOT; objectives and expected results; approach to inter-agency coordination) that is clearly spelled out in the project document
- They are approved by the Head of the concerned CEWERUs
- They are limited to a volume of 50k USD and a duration of 12 months.

The following principal and formal criteria apply to projects in categories d) and e):

- Regional projects are backed by the CEWARN Unit as well as concerned CEWERUs
- Country projects are backed by the concerned CEWERU as well as the concerned LPCs
- Their maximum duration is 12 months.

Projects that adhere to the principal and formal criteria may be submitted to the SteCom, though the CEWARN Unit. Projects in categories a) to c) are exclusively submitted by the respective CEWERU; for categories d) and e) by the CEWERU or the CEWARN Unit. The SteCom evaluates project proposals according to the following substantive criteria:

- Clarity of objectives and project rationale (Are situation and problem analyses correct? Does the solution proposed address the problems stated? Is the objective clearly understandable for all stakeholders? Is the relationship to CPMR clear and plausible?)
- Coherence of the proposal (Do the elements fit together?)
- Significance of the project objective and results (Does the project make a difference?)
- Ownership by beneficiaries and other stakeholders (Are the beneficiaries and other stakeholders interested in its objective and willing to contribute to the project's execution)
- Complementarities with other initiatives (Is the project explicitly aligned with already existing or planned initiatives by other organisations?)
- Sustainability of impacts (Are the concerned stakeholders willing and able to sustain the project's results?)
- Risk (Have implementation risks been analysed and are countermeasures proposed? Is there a risk that the project may unintentionally "do harm"?)
- Viability (Are the costs justifiable in view of the expected results? If overhead/administrative costs are included – are the cost positions clear and are they justified?).

The SteCom will, at least initially, not work with an allocation or earmarking of funds to countries, clusters or project categories. Neither will it work on a strict first-come-first-serve basis. Rather, strategic and operational priorities for funding will be developed through on-going discussion.

The SteCom will issue a policy on the financing of administrative costs.

1.6 SteCom Procedures for Project Approval

The SteCom will establish and from time to time review its procedures for project approval. The initial set of procedures will revolve around the following principles:

- The SteCom operates by consensus and is chaired by the Director of the CEWARN Unit or his representative; in case that consensus cannot be achieved, the chairperson make submit an issue for decision with a two-thirds majority of the voting members present
- The CEWARN Unit analyses project proposals within 20 working days after their submission; project proposals are not scored, but rather classified qualitatively, and a recommendation is prepared that refers to the substantive criteria mentioned above
- To the extent possible, decisions on funding are taken on the basis of a comprehensive assessment of the project based on a recommendation of the CEWARN Unit

- The SteCom may at any time assign the CEWARN Unit or any other capable body or individual to undertake field visits in order to verify the justification of projects
- SteCom decisions are recorded and reported to the Committee of Permanent Secretaries (CPS).

1.7 Flow of funds and reporting

The flow of funds and reporting are governed by the following principles:

- All contributions are pooled in one account by CEWARN.
- Funds for projects in categories a) to c) are transferred from CEWARN to a dedicated (separate) CEWARN RRF member state level account by imprest agreement between the CEWARN Unit and the CEWERU, based on a grant agreement between the requesting Local Peace Committee and the CEWARN Unit
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- Implementing agencies receive support from CEWERUs - through their Financial Administration Units (FAU) - or from the CEWARN Unit either as in-kind contribution or through grant agreements; in the latter case, implementing agencies are in principle required to keep separate accounts for the CEWARN contribution
- To the extent that requirements are not in place, the CEWARN Unit may administer accounts of projects at or below country level
- The administration of the member state level account may be outsourced
- LPCs and implementing agencies report through the CEWERU to CEWARN on a quarterly basis (standard quarterly report) as well as upon closure of a project (standard report)
- CEWARN reports twice per year to all stakeholders (for January to June on 30th of August, and for July to December on 28th of February); as per individual requests of donors, it may produce its standard reports and project closing reports more frequently.

1.8 Monitoring and Evaluation

The principal objective of Monitoring and Evaluation is to ensure that decision-making bodies - i.e. the Steering Committee at regional level and the CEWERUs at national level - continuously expand and deepen their grasp of the RFFd in order to take better decisions on project submission and approval. From this point of view, M & E is used to establish a learning cycle within the RRF, in that projects are submitted, approved, their results are being evaluated, and lessons are drawn for future decisions on project submission and approval.

The CEWARN Unit organises such an M & E System. At its core are the following instruments:

- an Annual Review of project closure reports; it basically is a desk study but may involve field visits as deemed necessary.
- thematic reviews, for example of a projects in a specific category (cf. 2), which again may involve field visits.

These reviews are commissioned by the CEWARN Unit for regional projects, and by the CEWARN Unit or the respective CEWERU in agreement with the CEWARN Unit for their national projects. Reviews shall be performed by independent consultants or may be conducted by the NRI. They are funded through the RRF upon approval of the Steering Committee. Annual Reviews are conducted within the first two months of the subsequent year, and the report will be discussed and approved by the Steering Committee within its first six months.

1.9 Accounting and Auditing

Accounting rules and procedures are based on the existing IGAD Financial Regulations. The following specific principles for RRF financial administration apply:

Auditing:

- On an annual basis, all project accounts are audited by an internationally recognised auditor. Audits may be commissioned either by the CEWARN Unit or, at country level, by the respective CEWERU in agreement with the CEWARN Unit.
- All accounts of projects in excess of 50k USD are audited by an internationally recognised auditor not later than 60 days after closing the project
- All audit reports shall have a management letter that is to be countersigned by the CEWERU head or CEWARN director, respectively, within 30 days of its submission
- The implementation of auditors' recommendations is part of subsequent audit reports.

Transparency

- All financial documents of the RRF are commonly owned by all stakeholders
- All approved projects are posted with full financial details on CEWARN's web site
- All approved project budgets are displayed at a notice board at the LPC level
- All budgeting standards, guidelines and financial regulations are to be posted on the web site
- All CEWERU financial reports (project, quarterly, annual) are posted on the web-site after acceptance by CEWARN, within 30 days after end of reporting period
- All RRF financial reports are posted on the web-site after their acceptance by SteCom
- All audit reports are posted on the web-site within 30 days after being countersigned

- A table of financial and audit reports due, reports submitted and reports overdue – including remedial action – is kept current by the CEWARN Unit, posted on the web-site and submitted to SteCom
- Failure of CEWERUs to produce a report will be put on the agenda of the SteCom.

Project budgeting shall follow commonly agreed standards and guidelines:

- CEWARN as a default uses IGAD rates and standards
- The CEWARN Unit establishes national standards, inter alia for
 - per diem for local travel
 - cost ceilings per head / event for hospitality, travel, etc.
 - rates for cost of fuel and other travel costs
- Projects that involve resource transfers (infrastructure, resettlement support etc.) shall follow common practices with regard to the beneficiaries' own contribution; such practices and respective agreements with NGOs working in the same area shall be documented as part of the proposal.

Caution and efficiency are other principles of financial management that need special attention:

- Only true and clearly justifiable expenses shall be funded; e.g. the financial management must ensure that double refunds are avoided, and true rather than nominal costs shall be used wherever possible
- Projects shall be small, with budget ceilings and with limited duration (see above).

2 Developing and proposing a CPMR project

2.1 Who proposes a project?

Anyone may suggest a project to the Local Peace Committee, including Local Government, CSO, NGO and individuals.

2.2 Responsibilities of the LPC

- receive proposals for projects
- assess the importance of the project
- listen to all comments
- ensure that the project is feasible
- ensure that the project's impact is sustainable
- submit proposals to the CEWERU
- upon acceptance: provide oversight of project execution and ensure proper implementation of the project
- provide information on the project to everyone who is interested in it.

2.3 Responsibilities of the CEWERU

- receive proposals for projects and acknowledge receipt to the LPCs
- assess the project and prioritise it
- help LPC to shape up the project proposal in line with the format (see Annex), including translation into English
- if found important, submit the project proposal to CEWARN Unit for funding decision by the SteCom (decision by CEWERU Head on behalf of CEWERU)
- communicate CEWARN Unit comments and SteCom decisions to LPC
- provide oversight of project execution and the LPC's project oversight.

2.4 Responsibilities of CEWARN Unit and SteCom

- CEWARN Unit receives proposals for projects and acknowledge receipt to the CEWERU
- CEWARN Unit to review the proposal within 20 working days and provide feedback
- SteCom decides upon proposals that fulfil formal criteria in the next SteCom
- CEWARN Unit communicates the decision - yes / no / later -within 10 working days

2.5 Check list for important rules governing the submission process

- | | no | yes |
|---|--------------------------|--------------------------|
| • the project is proposed by a CEWARN Local Peace Committee | <input type="checkbox"/> | <input type="checkbox"/> |
| • the decisions for this project was taken by consensus | <input type="checkbox"/> | <input type="checkbox"/> |

- the LPC includes all relevant elements of society (Women, Elders, Youths, CSO, NGO, Local government, etc.)
- the LPC covers all communities affected; if part of the communities affected are covered by a different LPC, that LPC has also unanimously agreed
-

3 Developing and proposing a capacity building project

3.1 Who proposes a project?

Anyone may suggest a capacity building project to the CEWERU or to the CEWARN Unit.

3.2 Responsibilities of the CEWERU

- link with LPC and other local level actors and assess their capacity building needs
- devise or receive proposals for projects
- ask all stakeholders to comment
- ensure that the project is feasible
- ensure that the project's impact is sustainable
- submit proposals to the CEWARN Unit
- upon acceptance: ensure proper implementation of the project
- provide information on the project to everyone who is interested in it

3.3 Responsibilities of CEWARN Unit and SteCom

for projects at national level:

- receive proposals for projects and acknowledge receipt to the CEWERU
- help CEWERUs to shape up the project proposal in line with the format (see Annex)
- CEWARN Unit to review the proposal within 20 days and provide feedback
- a proposal that fulfils formal criteria must be decided upon in the next SteCom
- the decision – yes / no / later – will be communicated within 10 days
- ensure proper oversight of project execution by CEWERUs.

for regional projects:

- analyse capacity building needs at regional level
- devise or receive proposals for projects
- ask all stakeholders to comment
- ensure that the project is feasible
- ensure that the project's impact is sustainable
- submit proposals to the SteCom for decision
- upon acceptance: provide oversight and ensure proper implementation of the project
- provide information on the project to everyone who is interested in it.

4 Contacts and Flow of Information

4.1 Regional level

The Response Coordinator at the CEWARN Unit is tasked to ensure that all stakeholders in the RRF have sufficient information. He acts as a 'help desk' for the RRF. He may at any time be contacted by every individual or institution involved. His or her e-mail address and telephone no. are posted on the RRF web site. The Response Coordinator will usually answer to e-mails within five working days.

The RRF web site is the main vehicle for the dissemination of information. All important documents, including procedures, formats and reports are posted on the web site. The web-site is updated at least monthly, towards the 3rd working day of the current month.

4.2 National level

The CEWARN Country Coordinator is the information hub at national level, linking Local Peace Committees with the CEWERU and the CEWARN Unit. He ensures that national level information is provided to the CEWARN Unit and checks that such information appears on its web site. The Country Coordinator also provides information to other stakeholders, such as media and CSO.

However, the Country Coordinator is not directly involved in planning, assessing and implementing RRF projects.

4.3 Local level

CEWARN is committed to transparency. Therefore there cannot be any secret about RRF-funded projects. On the contrary - whatever information may be required from the Local Peace Committee, its chairman will provide it freely to any interested person.

Also, the LPC chairman is obliged to ensure that short descriptions, budgets and budget status/expenditure reports are posted in a location easily accessible to the public. Usually, this will be a notice board close to a local school or local government building.

5 Financial administration, reporting, auditing

Key rules and regulations to be adhered to:

- overall, financial administration is governed by the IGAD financial manual
- only not-for profit organisations are eligible for funding; however, commercial organisations may be involved to provide specific goods and services within the framework of a project
- standard budget rates as per SteCom decision are applied; only in their absence, national government standards are applied
- where feasible at reasonable costs, auditors are licensed internationally or nationally.

6 Annex: Formats and templates

6.1 Project design, approval, reporting

1. Proposal for CPMR project; including
 - Stakeholder map
 - Mini Log-frame
 - Budget template
 - Approval Documentation
 - Grant Agreement
 - Reports
 - Standard rates for project budgets
2. Proposal for capacity building project
3. Project summary and budget summary for display at notice board
4. Budget status / expenditure report summary for display at notice board

6.2 Financial administration framework

5. Imprest agreement between CEWARN Unit and CEWERU
6. Set of Audit Documents
 - Tender for audit services / Audit selection procedure
 - Audit Agreement
 - Audit report for CPMR project
 - Audit report for capacity building project
 - Management letter for project audit report
7. Master List of projects (including rejected proposals)
 - Including a matrix of reports due / received
8. Agreement on outsourcing financial administration (FAU)