MA Cheat Sheets: Applicable HACT Policies

UNDP issued the **UNDP Guidelines for Engagement with NGOs under Country Based Pooled Funds** in late 2016 and rolled these out in 2017. This was part of an effort to harmonize implementation approaches with those of the OCHA Operational Handbook.

To complement the Guidelines, UNDP has developed MA Cheat Sheets to provide additional practical information on selected subject matters. There are 9 available Cheat Sheets on the following topics: MA Structure and Performance Review * Capacity Development * Results Logic and ATLAS Architecture * MA and ATLAS * HACT * Quality Assurance * NEX Advance * Asset Management * Fraud. These can be found here

The HACT Framework

The objective of the HACT framework is to strengthen national capacities for management and accountability. It is intended to serve as a simplified set of procedures on requesting, disbursing, providing assurance, and reporting on funds as a way to effectively manage risks, reduce transaction costs and promote sustainable development in a coordinated manner.

The MA function therefore fulfills one of UNDP's priorities of strengthening and providing capacity support to national partners, both in the context of humanitarian commitments (in the Grand Bargain), as well as in the pursuit of localizing the SDGs.

HACT is the main policy guideline for the MA function. A thorough understanding of the HACT requirements and how they apply to UNDP is crucial for successful discharge of MA responsibilities.

Relevant HACT Policy Documents:

- UNDG HACT Framework (Version of 2014) Global guidelines that were developed by the UNDG with participation of UNDP, UNICEF and UNFPA. WFP in some instances also applies HACT.
- UNDP HACT Guidelines (version 13/02/2015 as found in POPP) These are the UNDP specific HACT guidelines that have been developed to operationalize the UNDG HACT Framework taking into consideration UNDP's business model and needs. The UNDP HACT POPP Guidelines are the procedures offices should use to comply with HACT requirements.
- UNDP Policy on Engaging CSOs/NGOs as Responsible Parties (Version of 20/10/2015). This policy clarifies that NGOs selected under a CBPF fall under the Strategic Selection category which is based on the assessment of NGOs/CSOs collaborative advantage (paragraph 10.b.i page 2/3). This also provides the rationale for the use of the Responsible Party Agreement for all projects managed by the MA.
- National Implementation by the Government of UNDP Supported Projects: Guidelines and Procedures (Version of July 2011) known as NIM Guidelines.

- UNDP HACT Tables – This document contains the six tables described below and provides further prescriptive guidance on the indicated topics. It is important to note that UNDP deviations from the UNDG HACT Guidelines are outlined in these Annexes.

  Table 1: Composition of HACT POPP and its corresponding reference in the HACT Framework
  Table 2: Assurance planning requirement based on adjusted risk rating of IP
  Table 3: Cash transfer modality for IP based on adjusted risk rating
  Table 4: Triggers prompting review of IP's Adjusted Risk Rating arising from spot checks
  or programme monitoring activities
  Table 5: Triggers prompting a change of IP risk rating arising from scheduled audits
  Table 6: Roles and responsibilities of HQ Focal Point

- UNDP HACT Annexes – This document contains the four annexes described below and provides further guidance on the indicated topics. It is important to note that UNDP deviations from the UNDG HACT Guidelines are outlined in these Annexes.

  Annex A: Additional Guidance on the conduct of periodic on-site review (spot checks)
  Annex B: Additional Guidance on the internal control and financial audits
  Annex C: Key Documents to be uploaded on the HACT Sharepoint
  Annex D: Roles and Responsibilities in implementing the HACT Framework

- There are a number of HACT Focal Points in the various UNDP Regional Bureaus that can be contacted for support. Raise these queries with your relevant Desk Officer to understand who the HACT Focal Point is in your Bureau to access this support.

The HACT Sharepoint

The HACT SharePoint is the corporate platform used to monitor HACT related processes and activities To remain compliant with HACT requirements, the MAU should ensure the information on the HACT SharePoint site is kept up to date and all relevant documents are uploaded in the Micro Assessment & Assurance Activities forms" section of the Platform. Maintaining and updating information on the platform is usually done under the coordination of the CO HACT Focal Point. The information/data listed below needs to be entered/reflected on the platform:

- All partners including responsible parties/NGOs the country office is working with and their estimated cash transfer over the programme cycle.
- An approved micro assessment plan showing scheduled micro assessment dates for partners who meet UNDP's HACT Micro Assessment threshold. The plan should be updated annually.
- Micro assessment reports for completed micro assessment, the resulting partner risk rating and the selected cash transfer modality.
- An approved Assurance Plan indicating dates of scheduled Assurance activities. This should be updated annually.
- Spot Check reports and key findings when spot checks are completed.
- Any report or suspected instance of Fraud
- Audit reports and management letters
- Capacity development gaps noted and agreed action plan.

The HACT Performance Dashboard can be accessed from the HACT SharePoint under the "HACT Performance Dashboard section". This will show the status of HACT related activities. A User Guide on how to navigate the HACT SharePoint site can be found under the "User Guide" section.

Best practices and lessons learned with regards to HACT in the context of CBPFs:

1) UNDP can apply the HACT principles and procedures irrespective of whether there is a country level HACT working group.
2) If an inter-Agency HACT working group does not exist, the office is encouraged to advocate its establishment through the UNCT. An inter-agency HACT working group will be of support in coordinating joint micro assessments and assurance activities for shared partners.
3) The Assurance Plan for the CO will have to contain all MA related HACT quality assurance activities. It will also have to be uploaded on the HACT Sharepoint.
4) Close collaboration with the PMSU capacity in the CO will ensure a coordinated and well strategized approach towards HACT.
5) Full understanding of HACT requirements as well as the content of the Policy on Engaging CSOs/NGOs by all MAU team members will be of essence to ensure strong engagement with NGO partners and the Fund Manager.
6) Where UNDP is not the Fund Manager, it will be important for the MAU to be able to clarify UNDP rules and regulations as well as HACT requirements to manage the expectations with regards to the role and responsibilities of the MAU.
7) NGO partners that have been fully trained on all elements of the HACT requirements are better able to engage with the MAU on their responsibilities.
8) Reference to HACT processes should be made in the Operational Manual of the Fund to clarify the requirements for participating NGOs.