

**PANDEMIC EMERGENCY FINANCING FACILITY**

**RESPONDING AGENCY ACCREDITATION FRAMEWORK**

(May 2019)

## **I. Introduction**

1. This document sets out the criteria and procedure for the accreditation of additional Responding Agencies for the Pandemic Emergency Financing facility (PEF). It outlines the responsibilities of the PEF Coordinator, the PEF Accreditation Panel, and the Trustee. Unless the context requires otherwise, the capitalized terms used in this document have the meanings ascribed to them in the PEF Framework.

## **II. Procedure Requirements**

2. The PEF accreditation procedure will consist of the following Stages:

Stage 1: Identification of potential Responding Agencies, Steering Body approval, and invitation to apply for accreditation as a Responding Agency;

Stage 2: Submission of Application and Accreditation Panel Review; and

Stage 3: Execution of Financial Procedures Agreement

The stages of the accreditation procedure include the following stages and sub-steps. The PEF Coordinator will develop and maintain a tracking system to record progress on all applications received.

### **Stage 1: Identification of potential Responding Agencies, Steering Body approval, and invitation to apply for accreditation as a Responding Agency**

#### Sub-Step1: Identification of potential Responding Agencies

3. The PEF Coordinator will identify potential Responding Agencies that together possess a combined set of skills and capacity to effectively manage emergency response to large scale outbreaks. The identification will be guided by experience gained from recent international crises, including SARS (2003), Avian Influenza (2005), H1N1 pandemic (2009), Ebola Crisis in West Africa (2013-15) and Zika (2015-16). The identification of qualified response organizations should constitute a cohort profile that suits the needs of known severe outbreaks. This profile includes practical considerations, such as organizational diversity; principal mission and beneficiary population focus; staff size; geographic reach; capacity for resource mobilization; type of technical and logistical expertise and experience; and type and size of partner networks.
4. The structural characteristics and functional capabilities that will be considered when identifying potential Responding Agencies will include but not be limited to the following:
  - a. International public organizations that have globally sanctioned roles and wide global presence to perform global health functions including outbreak preparedness and response, and global humanitarian response functions in the global interest;
  - b. Non-governmental humanitarian disaster relief organizations with missions and population foci compatible with the needs of local, national, and cross-border outbreaks of infectious disease; and
  - c. Other entities having a role or mission like the role/mission of the entities indicated in (a)

and (b) above;

Provided that all such entities referred to in paragraphs (a), (b) or (c) above will also have the following capabilities:

- (i) Broad international/national/ regional presence, including field and regional offices, and large, diverse staff size;
  - (ii) Ability to leverage large local, regional and global networks of government, public, civil society, and private corporate partners, and financial resources to deliver effective emergency response;
  - (iii) Ability to deliver commodities, training, technical and other essential community services on a large scale in response to acute infectious disease outbreaks and emergencies;
  - (iv) Financially solvent and demonstrated ability to mobilize funds in a timely fashion.
5. The PEF Coordinator will identify potential responding agencies that comply with the following general criteria (non-exhaustive list):
- a. Qualified to establish effective logistics and support mechanisms to enable the provision of significant scale and quality of emergency public health/one health and related humanitarian assistance in fragile contexts, including the coordinated provision of commodities, human resources, training, and related financial resources;
  - b. Experienced in direct country assistance in the context of disease outbreaks, measured as per actual engagement in two or more major disease outbreaks and/or more than five years' experience in emergency health situations involving communicable diseases;
  - c. Demonstrated flexibility and scope for coordinating a response, as measured by having presence in 5 or more countries (for international organisations) and ability to operate autonomously (for national organisations);
  - d. Where applicable, ability to rapidly deploy coordination mechanisms for the provision of time-limited surge clinical capacity, ideally within 24–48 hours;
  - e. Where applicable, capacity to identify and effectively provide response to emergent care requirements in the affected population, as measured by the capability of treating at least 100 patients per day.

Included among these important skill sets and capacities, but not limited to them, are the following:

*Public Health/Medical Response*

- Surveillance, reporting, sharing information
- Laboratory-based diagnostics and confirmation
- Outbreak investigation and response; epidemiology, sharing information
- Response to contain, contact tracing,
- Infection prevention and control
- Public risk communication, education, information, non-medical countermeasures, social mobilization
- Vaccination and medical countermeasures
- Health Care treatment, clinical management,

- Animal health-zoonoses linkages

#### *Humanitarian assistance*

- Food and food security
- Water
- Safe, dignified burial
- Protection of vulnerable groups (e.g. children and women)
- Psychosocial support
- Emergency livelihood support, cash support

#### Sub-Step 2: Steering Body Approval

6. The PEF Coordinator will present identified potential Responding Agencies to the Steering Body for approval. Responding Agencies approved by the Steering Body will be invited by the PEF Coordinator to apply for accreditation and join as PEF Responding Agencies.

#### Sub-Step 3: Invitation to apply for accreditation

7. The PEF Coordinator will invite the approved Responding Agencies to apply, through an Application Form, for PEF accreditation.

#### **Stage 2: Submission of Application and Accreditation Panel Review**

8. The PEF Coordinator will establish an independent, objective and qualified third-party accreditation panel (Accreditation Panel). The Accreditation panel shall consist of three independent, objective and qualified third-party members with health expertise in addition to expertise in the following areas:
  - a. Financial management
  - b. Governance and accountability
  - c. Environmental and social safeguards
9. The PEF Coordinator will draft terms of reference and acquire the services of the necessary experts to constitute the panel.
10. Identified potential Responding Agencies approved by the Steering Body will submit an Application Form to the PEF Coordinator that provides information necessary to assess whether the Responding Agency meets the necessary criteria for accreditation, as set out in Annex 1.
11. The PEF Coordinator will review the application for completeness to ensure that the Accreditation Panel has the information it needs to perform its work.<sup>1</sup>

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<sup>1</sup> The PEF Coordinator can reject an application due to incompleteness if repeated attempts by the applicant to provide the required information do not substantially improve the application. Moreover, when the PEF Coordinator requests further documentation to complete an application, the applicant will have 45 days to respond to the PEF Coordinator. Failure to do so may result in rejection of the application. In either case, the accreditation cycle would restart from the beginning if the applicant were to reapply.

12. The Accreditation Panel will conduct a criteria-based review of each application. The criteria reviewed will include the adequacy of the entities' financial management, institutional capacity, transparency, self-investigative powers and anti-corruption measures, gender mainstreaming, and waste management., as fully detailed in Annex 1.
13. The Accreditation Panel Review will include three sub-steps:
  - a. Sub-step 1: Preliminary Assessment of each application. This step consists mostly of a desk review. The Panel may engage directly with the applicant to request further information in the form of alternative documentation, clarification of capabilities, or identification of where short-term mitigation strategies might be possible. The interaction between the Panel and the applicant is solely focused on receiving more information.
  - b. Sub-Step 2: Written assessment of each application: The Panel will develop a written report of its findings on each application. Based on its collective assessment, the application may be approved, kept pending for further review, or rejected. The Panel's written report will explain the reasons for the assessment in each case.
  - c. Sub-Step 3: Further review of applicants: If the Panel places an application pending for further review, the applicant will need to undergo a further review to be accredited. The Panel will investigate further and discuss with the applicant areas of concern to determine whether it meets the standards in question or whether mitigation strategies can be immediately put in place that will bring the applicant to an acceptable level.
14. The list of identified Responding Agencies as per recommendations of the Accreditation Panel will be submitted to the Steering Body for review and approval.
15. Accredited applicants will move forward to Stage 3. For those recommended for rejection, the Panel will include in its assessment an explanation of sufficient depth to provide the applicant with the necessary information on what the applicant will need to do to improve its standards and capabilities such that, if they choose to reapply, they will be better positioned to meet the standards.

### **Stage 3: Execution of Financial Procedures Agreement**

16. Approved PEF Responding Agencies will enter into a Financial Procedures Agreement (FPA) with the Trustee, setting out, *inter alia*, the procedures relating to the commitment and transfer of Trust Fund funds to the Responding Agency in respect of PEF Allocations, and the administration of such funds by the Responding Agency.
17. Upon execution of the FPA, the entity will be eligible to submit a Request for Funds from the PEF Trust Fund to the PEF Coordinator.

### **III. Roles of Different PEF Entities**

#### **The Steering Body**

18. The Steering Body will have three primary roles: (i) establish and keep under review policies and procedures about the accreditation of new agencies, referred to as “PEF: Responding Agency Accreditation Framework”; and (ii) approve lists of identified Responding Agencies to be invited to become accredited under the PEF (which will happen prior to the Accreditation Panel Review); and (iii) approve lists of Responding Agencies in accordance with the recommendations of the Accreditation Panel.

#### **The PEF Coordinator**

19. The PEF Coordinator’s role in the accreditation process will consist of the following: (i) identifying potential Responding Agencies to the Steering Body; (ii) notifying potential Responding Agencies of the Steering Body’s decision and inviting those approved by the Steering Body to apply for accreditation; (iii) receiving and reviewing applications to the Accreditation Panel for completeness before forwarding them to the Panel, and advising applicants with incomplete applications on how to complete them; (iv) providing the list of potential Responding Agencies approved by the Accreditation Panel to the Steering Body; (v) notifying entities of the Steering Body’s final decision on whether or not to approve them as Responding Agencies; and providing all necessary administrative support to the Accreditation Panel and the Steering Body.

#### **The Trustee**

20. The Trustee will enter into FPAs with approved Responding Agencies and commit and transfer PEF resources to the Responding Agencies in accordance with the terms of the FPAs. As with the existing Responding Agencies, the Trustee will have no responsibility to the Contributors for the use of funds transferred to Responding Agencies.

#### **The Accreditation Panel**

21. The Accreditation Panel will review applications for accreditation from entities approved by the Steering Body, in accordance with the criteria set out in paragraphs 4 and 5 of this Accreditation Framework and the Annex hereto.

## Criteria-based Review by Accreditation Panel

The Accreditation Panel will review applicants according to the core principles set out below and the following criteria: (i) financial management; (ii) institutional capacity; (iii) transparency, self-investigative powers and anti-corruption measures; (iv) gender mainstreaming; and (v) waste management.

### Core Principles

- (a) All Responding Agencies have sound financial management practices and procedures. Internationally recognized fiduciary standards should be used and met, where possible. In addition, Responding Agencies (henceforth referred to as “entities”) conduct appropriate due diligence of the financial and procurement systems of any entity receiving PEF funds.
- (b) Practices and procedures are measurable and transparent. Policies and procedures are written and well understood by staff.
- (c) Fiduciary review functions are appropriately independent and objective in the execution of their respective duties.
- (d) Procedures are in place that establish periodic monitoring and ensure that issues raised in reviews are dealt with effectively.
- (e) Procedures focus, as appropriate, on ensuring that the maximum benefit, for the resources expended, has been obtained from goods and services acquired or provided.

## 1. Financial Management

### *A. Financial Management and Accounting Systems*

Required capability: Robust financial management and accounting systems ensure accuracy of financial management and reporting. The entity must have adequate systems, including systems for cash management and production of budgets, and for the production of reliable financial statements prepared in accordance with internationally recognized accounting standards.

#### Illustrative means of verification:

- The entity produces reliable charts of accounts, which are prepared in accordance with recognized accounting standards, and provide the necessary level of detail to monitor expenditure.
- Robust and reliable accounting systems are integrated with other Financial Management systems, to facilitate reconciliation with budget, and reporting requirements.
- Budgeting procedures are robust and provide donors with assurances related to appropriate expenditure.
- Banking arrangements provide for effective cash management. Based on available information, the entity's credit risk is acceptable.

### *B. External Financial Audit*

Required capability: The external financial audit function ensures an independent (if possible, as defined by the International Federation of Accountants (IFAC)) review of financial statements and internal controls. An independent auditor audits the entity’s financial statements according to appropriate internationally recognized auditing standards.

Illustrative means of verification:

- The entity has appointed an independent external audit firm or organization.
- The work of the external audit firm or organization is consistent with recognized international auditing standards, as appropriate.
- There is a transparent and competitive process for the selection of a suitable external auditor.

*C. Control Frameworks*

Required capability: The entity's control frameworks, i.e., risk-based processes designed to provide reasonable assurance and feedback to management regarding the achievement of financial management objectives, are in place, documented, and have clearly defined roles for management, internal auditors, the governing body and other personnel.

Illustrative means of verification:

- The entity's accounting and finance organizational structure is clearly defined, with documented roles and responsibilities and sufficient segregation of duties, including for implementing PEF grants.
- There are adequate policies and procedures in place to guide activities and ensure staff accountability.

*D. Internal Audit*

Required capability: Internal auditing is an independent, objective activity designed to add value and improve an organization's operations. It helps an organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The entity demonstrates capability for functionally independent internal auditing in accordance with internationally recognized standards (such as International Standards on Auditing (ISA)).

Illustrative means of verification:

- The entity has an internal audit mechanism in place and its activities are subject to review by an internal audit unit.
- The internal audit function is independent and objective, and its findings are disseminated to management, who follow up on recommendations.

## **2. Institutional Capacity**

*A. Legal Status*

Required capability: The entity must have the appropriate legal status and legal authority to enter into contractual arrangements with the Trustee and other third parties, and must have the legal authority to receive funds.

Illustrative means of verification:

- The entity is a legally registered organization.
- The entity has the authority to enter into legal agreements and receive funds.



## B. *Project Appraisal*

Required capability: The entity can identify, develop and appraise projects. Project appraisal functions include establishing standards and safeguards that are used to determine whether projects and activities will meet their objectives before funds are disbursed.

### Illustrative means of verification:

- The entity has a good track record for timely implementation of similar projects and has a good track record of achieving programmatic results.

## C. *Management and Organization*

Required capability: The entity's organizational structure and quality of management enables it to competently manage or oversee the execution of funded projects, including managing sub-recipients.

### Illustrative means of verification:

- The entity has a board of directors that meets regularly and has statutes or terms of reference for its functions.
- The entity has a management structure that is suitable for undertaking funded projects.
- The entity's staff - at all levels - have the requisite skills and experience to undertake funded projects.
- The entity's physical assets - including IT systems - are adequate to undertake funded projects.

## D. *Oversight of Sub-recipients*

Required capability: The entity's organizational structure and quality of management enables it to competently manage and/or oversee the execution of funded projects through management of and program delivery and implementation support to sub-recipients.

### Illustrative means of verification:

- Adequate procedures and criteria in place for transparent selection of sub-recipients.
- Adequate plans and resources in place to ensure sub-recipients have the capacity to implement the proposed activities and safeguard grant funds.
- Previous experience managing sub-recipients.
- Operational Procedures and plans in place for managing sub-recipients, including for monitoring program implementation at sub-recipient level, reviewing sub-recipients' financial and program reports for completeness and technical soundness, and ensuring the safeguarding of assets held by sub-recipients.

## E. *Procurement Procedures*

Required capability: The entity's procurement procedures, covering both internal/administrative procurement and procurement by recipients of funds, include written standards based on widely recognized processes and an internal control framework to protect against fraud, corruption and waste.

### Illustrative means of verification:

- Documented procurement processes which include the following: (1) a code of conduct to avoid occurrence or perceptions of conflicts of interest; (2) methods of procurement and details on when different methods should be applied; (3) procedures for requests for

tenders; (4) procedures for bid evaluation; (5) procedures that are transparent and competitive.

- Procurement approval systems are in place, with certifying and approving officers; and appropriate segregation of duties and levels of delegation.
- Procedures are in place to ensure that the goods/services delivered are of an acceptable quality.

#### *F. Monitoring, Evaluation and Project-at-Risk Systems*

Required capability: The entity can demonstrate existing capacities for monitoring and independent evaluation of projects and evidence that a process or system, such as project-at-risk system, is in place to flag when a project has developed problems that may interfere with the achievement of its objectives, and to respond accordingly to redress the problems.

#### Illustrative means of verification:

- The entity has Operational Procedures and plans in place for monitoring the program implementation at both the entity and sub-recipient levels and reviewing entity and sub-recipients' financial and program reports for completeness and technical soundness.
- The entity has systems in place for early identification of problems/capacity gaps at the entity and sub-recipient levels, and for initiating effective remedial actions.

### **3. Transparency, Self-Investigative Powers and Anti-Corruption Measures**

#### *A. Misuse of Funds Procedures*

Required capability: The entity can demonstrate competence to deal with financial mismanagement and other forms of malpractice.

#### Illustrative means of verification:

- The entity has clear written policies and procedures regarding issues of misuse of funds. There is a system of adequate safeguards to provide reasonable assurance as to the protection of assets, including any PEF grant, from loss, fraud, waste and abuse at every step of the grant life cycle.
- The entity has the ability to investigate allegations of misuse.
- The entity has terms and conditions in its agreements with sub-recipients and contractors in relation to the ability to recover funds in cases of misuse.

#### *B. Protection of Whistle-blowers*

Required capability: The entity protects individuals from retaliation for providing information in relation to misuse.

#### Illustrative means of verification:

- The entity has policies and procedures in place on whistle-blowing and the protection of employees or contractors.

## **4. Gender Mainstreaming**

### *A. Gender Mainstreaming*

Required capability: The entity can demonstrate existing capacities to ensure that both women and men (a) receive culturally compatible social and economic benefits; (b) do not suffer adverse effects during the development process; and (c) are afforded full respect for their dignity and human rights.

Illustrative means of verification:

- The entity has instituted measures to strengthen its institutional framework for gender mainstreaming, for example, by having a focal point for gender, or other staff, to support the development, implementation, monitoring, and provision of guidance on gender mainstreaming.
- The entity's criteria for project review and project design require it to pay attention to socio-economic aspects in its projects, including gender elements.
- The entity is required to identify measures to avoid, minimize and/or mitigate adverse gender impacts.
- The entity monitors and provides necessary support for implementation of its policies, strategy, or action plan by experienced social/gender experts on gender mainstreaming in projects.

## **5. Waste Management**

### *A. Waste Management*

Required capability: The entity can demonstrate capability to avoid the generation of hazardous and nonhazardous waste, including bio-waste, medical waste, municipal and animal waste.

Illustrative means of verification:

- The entity has clear and mandated procedures to minimize the generation of waste, and reuse, recycle and recover waste in a manner that is safe for human health and the environment.
- Where waste cannot be reused, recycled or recovered, the entity has clear and mandated procedures to treat, destroy, or dispose of waste in an environmentally sound and safe manner that includes the appropriate control of emissions and residues resulting from the handling and processing of the waste material.
- The entity has clear and mandated procedures for complying with existing requirements for management (including storage, transportation and disposal) of hazardous wastes, including applicable international conventions.