United Nations Environment Programme

UNEP project manual: formulation, approval, monitoring and evaluation
2005

Programme Coordination and Management Unit

2005

UNEP

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Acronyms

ASC	Administrative Service Centre
BFMS	Budget and Financial Management Service
CPR	Committee of permanent representatives
CSD	Commission on sustainable development
DCPI	Division of Communications and Public Information
DEC	Division of Environmental Conventions
DED	Deputy Executive Director
DEPI	Division of Environmental Policy Implementation
DEWA	Division of Early Warning Assessment
DGEF	Division of Global Environment Facility
DPDL	Division of Policy Development and Law
DRC	Division of Regional Cooperation
DSA	Daily subsistence allowance
DTIE	Division of Technology, Industry and Economics
EC-ESA	
ED	Executive Director
EOU	Evaluation and Oversight Unit
FMO	Fund management officer
GC	Governing council
HGA	Host Government agreement
HRMS	Human Resource Management Service
IDR	Inter-divisional review
IMDIS	Integrated monitoring and documentation information system
LoA	Letters of agreement
MDG	Millennium Development Goal s
MEAs	Multilateral environmental agreements
MOD	Miscellaneous obligating document
MoU	Memorandum of understanding
MOV	Means of verification
NGO	Non-governmental organization
OIOS	Office of Internal Oversight Services, United Nations
OVI	Objectively verifiable indicators
PAG	Project Approval Group
PAS	Performance appraisal system
PB	Publishing board
PCC	Programme coordination committee
PCMU	Programme Coordination and Management Unit
PoW	Programme of work

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PSC	Programme support cost
RMU	Resource Mobilization Unit
TOR	Terms of reference
TPRC	Technical peer review committee
UNDP	United Nations Development Programme
UNEP	United Nation Environment Programme
UNF	United Nations Foundation
UNFIP	United Nations Fund for International Partnerships
UNON	United Nations Office at Nairobi
WSSD	World Summit on Sustainable Development

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I. Introduction

This manual is designed to assist and guide project managers, programme officers and fund management officers to formulate high-quality projects and activities that effectively promote the mandate and mission of UNEP. The manual aims to assist project management by setting out procedures and requirements for project preparation, approval, revision, reporting, monitoring, and evaluation. The end-results aimed at are projects that comply with the UNEP mandate, are focused and effective, and have substantial and sustainable long-term impacts.

The manual contains three distinct segments:

(a)   Overall guidance on project planning and design: Project cycle and description of each phase (section II); and key elements to consider during project formulation – poverty alleviation and environment, gender-sensitivity, project sustainability and logical framework matrix (section III).

(b)   Procedural and administrative aspects of UNEP project preparation, approval, monitoring and evaluation (sections IV– VIII);

(c)   Donor-specific requirements for project document preparation, approval and reporting, namely United Nations Foundation (UNF), United Nations Development Account and Global Environment Facility (GEF) (sections IX–XI).

Changes introduced in this new edition of the UNEP project manual are listed below:[1]

(a)   The project development, design and logical framework (section III), UNEP concept proposal format (section IV), project document format (section V), project approval process (section VI), and project reporting requirements (section VII) have been substantially changed.

(b)   Cross-cutting thematic issues of poverty alleviation and environment and gender sensitivity have been updated and explained with a focus on project formulation and planning (section III).

(c)   Project planning and document preparation have been explained within the larger context of project cycle management (section II).

(d)   A user-friendly index has been added to the UNEP project manual publication.

(e)   Cross-references have been added throughout the text for easy reference and search of relevant information.

(f)   The webpage version of the manual, available at http://www.unep.org/pcmu/project_manual contains more information, such as references, examples and electronic versions of project reporting forms. The webpage version of the manual will be updated and revised as and when necessary.

A.   Conceptual foundations of UNEP programmes and projects

The mandate of UNEP is to serve as a coordinator of environmental issues and a catalyst for environmental action and awareness within the United Nations system. The mandate requires UNEP to keep the world environment situation under review and to ensure that emerging environmental issues of international significance receive due consideration by Governments. This goal is to be achieved by adopting a functional and interdisciplinary approach in order to catalyze environmentally-sound sustainable development.

The current UNEP mandate and priorities are mostly derived from Agenda 21, the Millennium Declaration, the World Summit on Sustainable Development, relevant outcomes of major United Nations conferences, resolutions of the General Assembly, and decisions of the Governing Council of UNEP.

Relationship between UNEP programmes and projects

Figure 1 illustrates how programmes, projects and internally implemented activities are hierarchically inter-related. Projects and internally implemented activities are the primary means and building blocks for

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[1] The previous UNEP project formulation, approval, monitoring and evaluation manual was issued in December 2000.

achieving the overall mandate and objectives of the subprogrammes and, in turn, of the overall UNEP programme.

Figure 2 explains the relationship between functional programmes (subprogrammes or divisions) and thematic programmes. The UNEP mandate and objectives can be effectively achieved only by bringing together relevant thematic elements of the functional programmes through inter-divisional collaboration, allowing logical integration of thematic activities among divisions.

Biennial programme plan: widely known as the strategic framework

The biennial programme plan outlines the policy focus and strategic direction of the work of the organization, including what it intends to accomplish within the two-year period. Preparation of the biennial programme plan is driven by legislative mandates that reflect the priorities set by the General Assembly, the Governing Council and major inter-governmental processes as well as emerging environmental challenges.

At the programme level, the plan consists of a succinct narrative highlighting the overall orientation of the programme; at the subprogramme level it comprises the overall objective and the biennial strategy for reaching the objective. The plan incorporates the results expected at the end of the biennium, including indicators for measuring their achievement.

It is necessary to take a long-term view in the development of the biennial programme plan to ensure that biennial proposals are directed towards realizing the vision and long-term goals of the organization and that they build on what has been accomplished in the past. Consequently, the plan should reflect a gradual and incremental delivery of the programmes of an organization. Figure 3 illustrates the programme and project cycle timelines.

Figure 1: Linking projects and internally implemented activities to UNEP programmes

UNEP Programme	Subprogrammes	Projects/Internally implemented activities

Objectives

Results

Objectives

Results

Objectives

Results

Outputs

Activities

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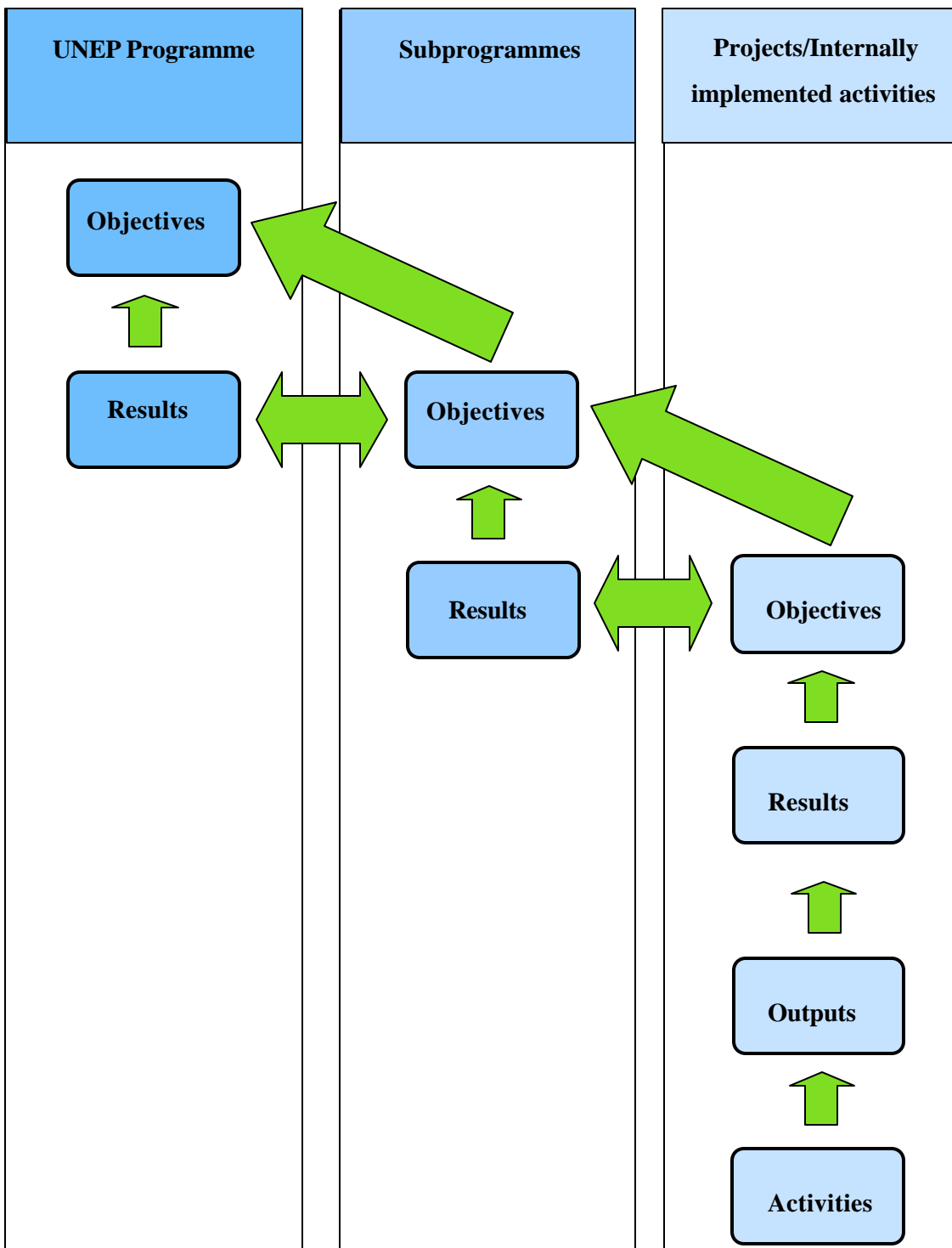
Figure 2: Relationships between UNEP functional programmes and thematic programmes
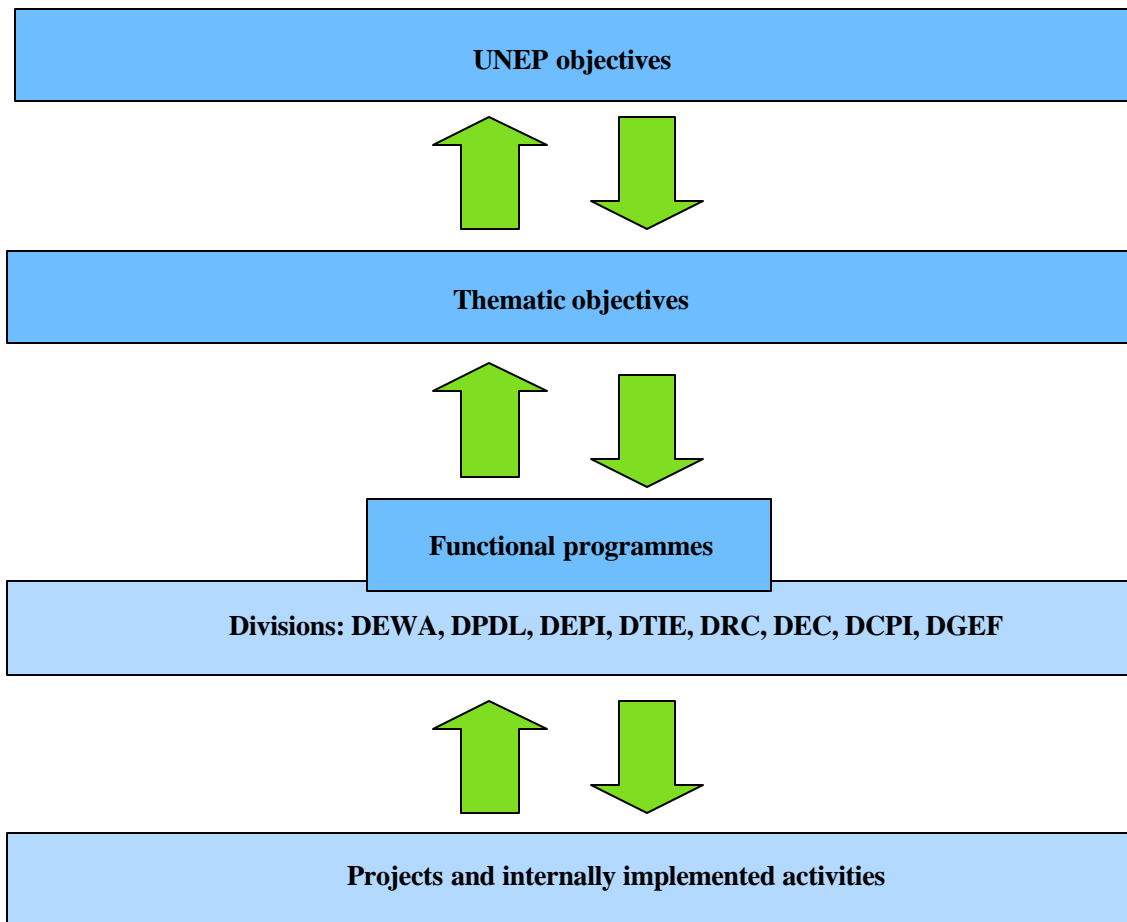
Biennial programme of work and the budget

The biennial programme of work outlines the financial situation over the two years and, within that framework or context, the availability and proposed use of resources for programme activities and support operations of all organizational elements (including subprogrammes) as well as their work programmes.

The programme aspect of the biennial programme of work is formulated on the basis of the biennial programme plan (strategic framework). This involves defining outputs that must be delivered to achieve the biennial results and targets established in the biennial programme plan. The financial framework and the programme and support budgets are prepared in accordance with the harmonized budget format recommended by the advisory committee on administrative and budgetary questions.

The biennial programme of work covers the work of the organization, funded from the United Nations regular budget, the Environment Fund, the United Nations Fund for International Partnerships (UNFIP), the Development Account, trust funds and other earmarked contributions directly supporting programme activities funded by the Environment Fund. It does not include work funded by the Global Environment Facility, the Multilateral Fund for the Implementation of the Montreal Protocol, and the special funding mechanisms of Multilateral Environmental Agreements and the Regional Seas programme.

Figure 3: Programme and project cycle

	2004				2005				2006				2007			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec
Costed Workplan for the Biennium 2004-2005	Approval by the PAG (by the 1st Quarter of 2004); implementation of internal activities (throughout the biennium)															
	Review and approval by the PAG	6-monthly monitoring in IMDIS		6-monthly monitoring in IMDIS		6-monthly monitoring in IMDIS		Report on Programme Performance for the biennium 2004-2005 in IMDIS								
Project implementation in 2004-2005	Approval by the PAG; implementation of the projects; quarterly expenditure reports; annual progress reports; final reports															
Proposed Strategic Framework for the Biennium 2006-2007	Submission to NY HQ (end of Feb.)	Review by CPR (Apr.-May); Review by CPC (Jun.)		Review by Committees of the GA (Oct.-Dec.); Approval by GA (Dec.)												
Proposed Programme and Budget (PPB) for the biennium 2006-2007			Submission to CPR (Mid-July); Review by CPR (Sept.)	Review by ACABQ (Oct. Dec.)/ Submission to GC (Dec.)/ Submission to NY HQ (Dec.)	Approval by GC (Feb.)	Review by CPC		Review by Committees of the GA/ Approval by GA								
Costed Workplan for the biennium 2006-2007								Submission to PCMU (Early Nov.)	Approval by the PAG (by the 1st Quarter of 2006); implementation of internal activities (throughout the biennium)	6-monthly monitoring in IMDIS		6-monthly monitoring in IMDIS		6-monthly monitoring in IMDIS		Report on Programme Performance for the biennium 2006-2007 in IMDIS
Project implementation in 2006-2007									Approval by the PAG; implementation of the projects; quarterly expenditure reports; annual progress reports; final reports							

ACABQ: Advisory Committee on Administrative and Budgetary Questions; **IMDIS:** Integrated Monitoring and Documentation Information System;
CPC: Committee for Programme and Coordination; **PAG**: Project Approval Group;
CPR: Committee of Permanent Representatives; **PCMU:** Programme Coordination and Management Unit
GA: General Assembly;

Costed work plan for internally implemented activities and projects

As illustrated in Figure 4, there are two venues for delivering activities approved in the biennial programme of work – costed work plans and projects. All UNEP activities in the costed work plan should be already incorporated in the biennial programme of work, which is approved prior to the current biennium. Depending on the funding sources and implementation modality, the activities can be either developed as projects or pooled under the costed work plan of the responsible divisions.

The costed work plan serves as the legal basis for the disbursement of Environment Fund resources for:

(a)   Meeting the core operational needs of the Divisions, including staff costs and other indirect costs of implementing the programme of work;

(b)   Financing the direct cost of activities of the programme of work that are implemented internally; and

(c)   Financing activities of the programme of work that are implemented externally through memorandums of understanding and letters of agreement. Further guidance is provided on costed work plans, memorandums of understanding and letters of agreement in annexes XVIII and XIX.

Activities should be developed as projects, firstly, when UNEP provides funds to cooperating agencies [2] or supporting organizations [3] for project implementation, other than through the modality of memorandums of understanding and letters of agreement or, secondly, when the responsible project manager finds it advantageous to formulate a project for donor-funded and internally implemented activities. Therefore, projects can be implemented either externally or internally. Further guidance is provided on project document preparation, formulation and project approval processes in sections V and VI.

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[2] Cooperating agency: A specialized United Nations agency or a United Nations fund or programme, cooperating in the implementation of a project.

[3] Supporting organization: A governmental, inter-governmental or non-governmental organization outside the United Nations system which helps in the implementation of a project.

Figure 4: Relationship between funding and implementation modalities
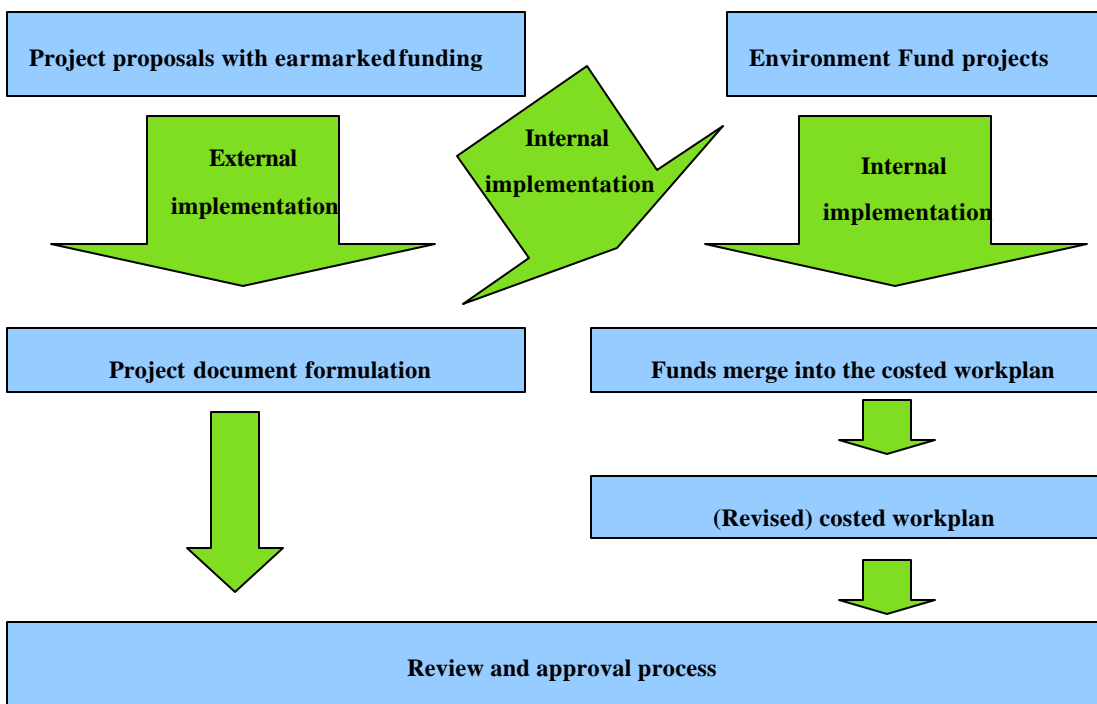
B. Funding

UNEP depends mainly on voluntary funding.[4] The major funding sources for UNEP projects are the following:

(a) *Environment Fund:* The Environment Fund comprises voluntary contributions from Governments and is the principle modality of financing implementation of UNEP programmes. The Environment Fund mainly supports internally implemented activities and staff and operational costs included in the costed work plans. The level of contributions to the Environment Fund, however, has not been adequate to fully implement the programme activities approved by the Governing Council. Additional financial resources, in the form of earmarked contributions and trust funds, have helped UNEP carry out its work.

(b) *Trust funds:* Trust funds are earmarked by donors for specific purposes, and each trust fund is identified as a distinct source of funding. The resources are managed accordingly. Projects using trust funds are charged a programme support cost levied by UNEP on expenditures under each trust fund. The programme support cost is usually 13 per cent unless a lower rate has been agreed to by the Executive Director. Establishing a trust fund requires approval of the Governing Council and creating a trust fund agreement and its terms of reference need to be approved by the Executive Director. Compared to earmarked contributions, trust funds tend to be for broad use of funds under specific thematic areas.

(c) *Earmarked contributions:* Earmarked contributions are made by Governments, United Nations agencies, other organizations, non-state actors and individuals for specific activities, services and facilities for individual projects. They include contributions from the Global Environment Facility, the United Nations Foundation (UNF) and the United Nations Development Account. In principle, a programme support cost is also levied by UNEP on earmarked contributions. Earmarked contributions from profit-making organizations are accepted by the Executive Director as long as the contributions are directed towards activities consistent with the programme of work, and with the prior approval of the Governing Council or its subsidiary body when the amount exceeds $500,000.[5]

Partnership agreements between UNEP and donor Governments: In order to strengthen strategic collaboration between UNEP and Governments of donor countries, UNEP has recently initiated the development of partnerships or framework agreements with some Governments. The principle aim of such

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[4] UNEP receives less than 4 per cent of its total annual financial requirements from the United Nations regular budget.

[5] See financial rules 203.3 and 204.2.

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agreements is to streamline and consolidate funding for UNEP activities within the programme approved by the Governing Council. Such agreements mean more predictabl e and stable funding, enabling UNEP to better plan ahead while reducing time and resources spent on administration. Contributions through partnership agreements can be channeled either through trust funds or earmarked contributions.

II.   Project cycle

The project cycle can be explained in terms of five phases: identification, preparation and formulation, review and approval , implementation, and evaluation. Distinctions among these phases, especially between identification and preparation, are often unclear in practice and their relative importance varies greatly, depending on the character, scale and history of the project.

Figure 5: Project cycle6
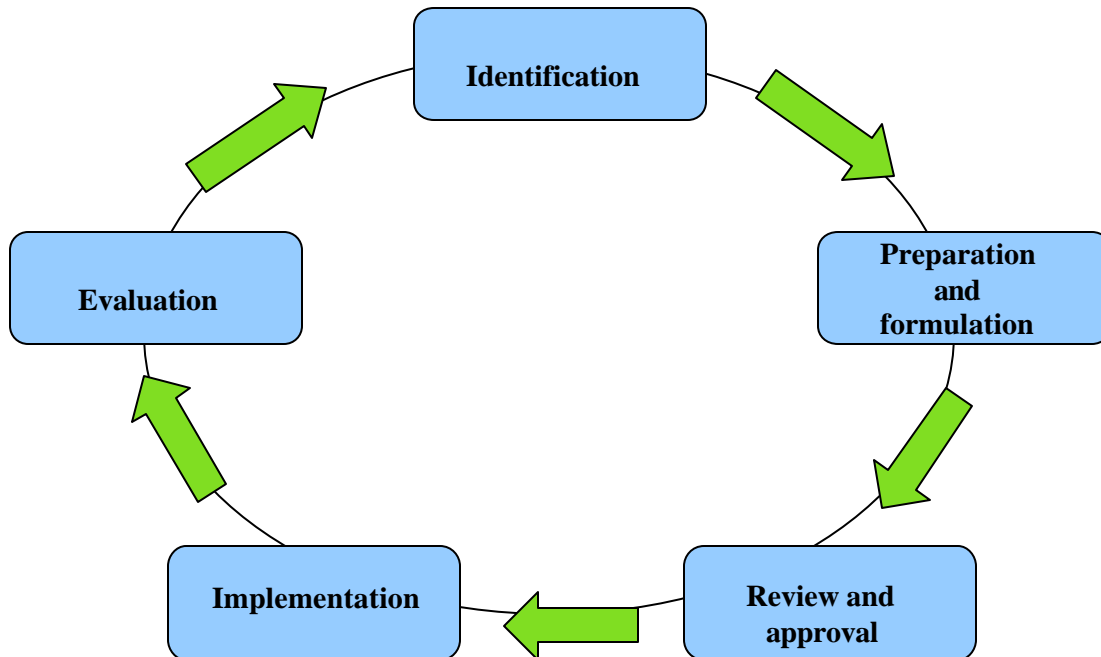
A.   Phase 1: Project identification

Project identification starts from an understanding of the UNEP mandate and objectives. It involves identifying environmental problems to be addressed and the needs and interests of possible beneficiaries and stakeholders. The problems and the most realistic and effective interventions are analyzed, and ideas for projects and other actions are identified and screened.

1.   Situation analysis

An environmental situation needs to be assessed and analyzed. This objective analysis enhances understanding of the likely causes and linkages between existing problems and the needed actions. A situational analysis based on a scientifically sound conceptual framework generates key actions and strategies to be applied for the intended project intervention. Latest country reports and statistics prepared by Governments, researchers, or international organizations on the relevant environmental, social and economic issues, including gender and poverty, can facilitate the assessment. A situation analysis should include analyses of needs, interests, strengths and weaknesses of key stakeholders and beneficiaries. Procedural steps for relevant situation analysis are detailed in annex II.

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[6] The five phases of the project cycle should be viewed as iterative steps, not as a linear set of sequential steps.

2. **The identification test**

A proposal may be deemed to have passed the identification test and be ready for detailed preparation when:

- Major options and alternatives have been identified and some initial choices made;

- The principal institutional and policy issues affecting project outcome have been identified and deemed amenable to solution;

- The project options selected are expected to be justified, given rough estimates of the expected costs and benefits;

- There is justifiable expectation that the project will have adequate support from the relevant political authorities, other stakeholders and the intended beneficiaries;

- There is compatibility with UNEP mandate and objectives.

3. **Preparation of concept proposal for sponsorship**

Project formulation begins with the drafting of a proposal for sponsorship (a short concept proposal of 4–5 pages) that lays out preliminary ideas, objectives, results, strategies, outputs and activities. This proposal is used as the basis for consultations with implementing partners and Governments. Section IV details the format and procedures for preparing concept proposals for sponsorship.

B. Phase 2: Project preparation and formulation

1. **Feasibility study**

A feasibility study should form the core of the proposal preparation process. Its purpose is to provide stakeholders with the basis for deciding whether or not to proceed with the project and for choosing the most desirable options. The feasibility study must provide answers to the following basic questions:

Does the project conform to the development and environmental objectives and priorities of the specific country and or region?

Is the project technically and scientifically sound, and is the methodology the best among the available alternatives?

Is the project administratively manageable?

Is there adequate demand for the project's outputs?

Is the project financially justifiable and feasible?

Is the project compatible with the customs and traditions of the beneficiaries?

Is the project likely to be sustained beyond the intervention period?

2. **Project document formulation**

Project preparation and formulation and project document formulation are simultaneous processes. Once the feasibility study has taken place and implementation arrangements are agreed upon, the concept proposal (which would have been revised throughout the process) is transformed and expanded into a project document throughout the project preparation and formulation phase. The project document is a summary of the situation assessment, justification of methodology and strategies for achieving the targeted changes, which come from each step taken through project cycle phases 1 and 2. Since project formulation is an iterative process, it is important to consult again with selected partners and colleagues as the document is formulated. Section V provides detailed guidance on UNEP project document format and contents.

3. **Establishment of baseline and target data**

Data or information in the subject area of the intended project should be gathered during the project identification process (phase 1) and analyzed to assess the condition or situation of the targeted populations or areas. It is possible that the existing data or information are insufficient or not valid, or that the necessary data

or information do not exist at all. In these cases, the project identification process will need to include rapid assessments. Collection and analysis of such data form the baseline data for developing indicators for measuring outputs and results.

The feasibility study guides project managers in proposing reasonable and achievable targets or outcomes.

4.   Project implementation planning

Success of project implementation often depends on the quality of project planning before the project begins. The following UNEP project submission checklist (see annex VII) is designed to assess the feasibility of projects and the readiness of project managers to undertake them. The checklist is designed as the project managers' reference guide in planning for effective and efficient project implementation.

(a)   Have all relevant UNEP Divisions and regional offices been consulted and are they fully familiar with the project document?

(b)   Have the possible duplications or complementarities with existing or former Global Environment Facility or UNEP projects been examined?

(c)   Have the roles and responsibilities of the implementing partners, including UNEP Divisions, cooperating agencies or supporting organizations, been clearly established and agreed upon?

(d)   Do the implementing partners have administrative, technical and human capacities to undertake the project?

(e)   Do the UNEP Divisions involved have the technical and human capacities to undertake the project?

(f)   Have the priorities and needs of the countries selected for the project been identified and incorporated in the project?

(g)   Do the relevant Governments support or endorse the project?

(h)   Has a gender-sensitivity analysis been conducted and incorporated in the project document?

(i)   Has the linkage to poverty alleviation been analyzed and incorporated in the project document?

(j)   Have all key stakeholders been identified and included in the partnership for project management?

(k)   Does the project incorporate activities to ensure policy, technical and financial sustainability beyond the project implementation period?

C.   Phase 3: Project review and approval

UNEP has a project review and approval mechanism comprising an inter-divisional review (IDR) and a project approval group.

The inter-divisional review aims:

(a)   To improve quality of UNEP proposals;

(b)   To promote knowledge-sharing among colleagues in a similar field of expertise by sharing best practices, substantive and technical knowledge, and methodological or implementational suggestions, including information about cooperating agencies or supporting organizations; and

(c)   To enhance inter-divisional dialogue and collaboration in project implementation.

Inter-divisional reviews can take place either with the concept proposals for sponsorship, at the stage before UNEP seeks funding for the project, or after the development of the full project document after funding is secured.

The appraisal and approval process of the project approval group for projects and costed work plans varies depending on the level and sources of funding. Project approval processes and requirements are detailed in section VI.

The project approval group applies the following approval criteria:

(a)   The extent to which the activities, results and objectives conform and contribute to the UNEP mandate and strategic and programme objectives;

(b)   The extent to which the results identified are realistic, achievable and sustainable;

(c)   The extent to which gender and poverty perspectives are reflected in project strategies and activities;

(d)   The linkage between the justification or background and the intervention being proposed;

(e)   The capacity of UNEP and implementing partners to undertake the project;

(f)   The extent to which the project incorporates and builds on the previous experience and lessons learnt of UNEP;

(g)   The level of risk in full project implementation; and

(h)   The extent to which the proposed intervention is sustainable and replicable.

D.   Phase 4: Project implementation

Projects that go through the appropriate steps in phases 1 and 2 will take less time between approval and implementation, and significantly reduce the risks involved in implementing a project. Budgeted resources are more likely to be used to implement activities and achieve the intended results and objectives. Project managers monitor expenditure, activities, output completion and workflows against their implementation plans, output delivery and the progress made towards achieving the results and objectives according to their anticipated milestones or benchmarks. Project sustainability beyond the project duration and replicability of the project strategy and methodology should be borne in mind throughout the implementation period.

1.   Monitoring

Monitoring is a continuous process that aims primarily to provide project management and give the main stakeholders early indications of progress or lack of progress towards achieving project objectives. A progress analysis during project implementation through monitoring serves to validate the initial assessment of relevance, effectiveness and efficiency or to fill in the gaps. It may also detect early signs of the project's success or failure. Monitoring assists project managers and implementing agencies to address any impediments to progress and make adjustments so that results can be achieved within the designated timeframe.

Monitoring is an internal process that also looks at project processes (both programmatic and financial) and makes changes in assumptions and risks associated with target groups, institutions or the surrounding environment. Section VII elaborates the monitoring and reporting requirements for all UNEP projects.

2.   Risk assessment and management

Projects often encounter risks during implementation. Managing risks by recognizing and preparing for a range of possible future outcomes is an integral part of project management. Risks arise out of uncertainty, both from internal and external sources. They could include:

• Adverse changes in economic factors;

• Incorrect assumptions regarding project logic or sustainability considerations;

• Dissatisfaction on the part of target beneficiaries;

• A breach of legal or contractual responsibility by the implementing agencies;

• Changes in the political and bureaucratic structure of the partner Governments;

• Failure of the partner Governments to meet their obligations to the project;

• Fiscal fraud and deficiencies in financial controls and reporting;

• A threat to physical safety of the personnel or breach of security; and

- Mismanagement.

During project implementation, the implementing agencies and project managers should update and refine their risk assessment and formulate a risk management plan. When contingencies arise, risk management strategies should be implemented.

E. Phase 5: Project evaluation

Evaluation is a time-bound exercise that attempts to assess the relevance, performance and success of current or completed projects, systematically and objectively. Evaluation determines to what extent the intervention has been successful in terms of its impact, effectiveness, sustainability of results, and contribution to capacity development. Evaluation, more than monitoring, asks fundamental questions on the how and why of the overall progress and results of an intervention in order to improve performance and generate lessons learned. When carried out after project completion, evaluation can contribute to extracting lessons to be applied in other projects. Evaluations at the midpoint of the project or programme also provide timely learning that can suggest mid-course adjustments. Section VIII elaborates evaluation requirements for UNEP projects.

Figure 6: Summary of the project cycle

Phase 1: Project identification	➢ Situation analysis ➢ Identification test ➢ Preparation of a concept project proposal for sponsorship

Phase 2: Project formulation and preparation	➢ Feasibility study ➢ Project document formulation ➢ Establishment of baseline and target data ➢ Project implementation planning

Phase 3: Review and approval	➢ Inter-Divisional Review (IDR) ➢ Project Approval Group (PAG) decision on the approval of the project

Phase 4: Project implementation	➢ Project implementation to achieve projects objectives/results ➢ Project sustainability ascertained ➢ Monitoring and reporting ➢ Risk assessment and management

Phase 5: Evaluation	➢ Mid-course evaluation for amendments and improvements ➢ End of the project evaluation ➢ Generation of lessons learned

III. Key elements in project formulation: Poverty, gender, sustainability and logical framework matrix

This section focuses on the key elements in project formulation. It elaborates the essential conceptual elements that need to be considered during the project identification and preparation phases. These elements are: poverty alleviation, gender-equality, project sustainability and building a logical framework matrix.

Poverty alleviation and gender-equality strategies should be part of the situational analysis which forms the base of project formulation, including formulation of a logical framework matrix. Situation analysis and its procedure are detailed in annex II.

A. Poverty alleviation and UNEP projects

Research shows that the links between human well-being and ecosystems are complex and of disproportionate significance to the poor so poverty should not be considered outside of environment project goals and objectives. Since 2001, UNEP has taken measures to ensure that the links between poverty and the environment are captured in the organization's work. UNEP developed a conceptual framework which was endorsed by the Governing Council in decision 22/10 in the year 2003, which further requested UNEP to operationalize the conceptual framework. Furthermore, mainstreaming the poverty–environment nexus into UNEP projects is a key goal of the organization: in April 2004 the UNEP senior management group decided that "all UNEP activities must have a bearing on poverty eradication". This decision will further the organization's contribution to the realization of the millennium development goals.

The following will assist project managers to incorporate a poverty alleviation perspective in their project identification and preparation phases.

1. During the project identification phase

(a) Assessing the needs of the poor

In order to assess the needs of the poor, it is necessary to review existing initiatives or activities related to the poverty–environment nexus, and identify actions already taken and information available. If poverty assessments, especially through participatory poverty assessment, have already been conducted by the proponent's own office, Governments or civil society, this information can be used to inform the project identification phase. Participatory poverty assessment is the most popular technique for assessing the needs of the poor and seeks to incorporate the perspectives of a range of stakeholders in order to understand poverty in its local, social, institutional and political contexts. Such assessment information helps to identify the needs of the poor as well as entry points for incorporating poverty reduction aspects into a project.

Another important source of poverty information is an integrated assessment, which includes ecosystems mapping and geographic information system (GIS) data. Mapping findings of this assessment against the participatory poverty assessment identifies poverty "hotspots".

(b) Defining general project objectives

On the basis of the exercises outlined above, the following questions should be asked to incorporate a poverty alleviation perspective in defining project objectives:

- What ecosystem services will the project target?
- How do these ecosystem services relate to the constituents and determinants of the well-being of stakeholders?
- Do project objectives explicitly incorporate the links between poverty and the environment?
- What are the trade-offs or synergies among the ecosystem services and the various constituents of well-being?
- How will the possible negative impacts of the project on the poor be managed?

Key elements in project formulation

2. **During the project formulation phase:**

- How will project components target the identified links between constituents of well-being and ecosystem services?

- Does a selection of the project components identify the existence of or the potential need for instrumental freedoms[7]?

- Are these instrumental freedoms relevant to the needs of the poor already identified in the project identification phase?

- How will the project components contribute to the sustainable use of ecosystems?

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[7] See annex III for further understanding on "instrumental freedoms".

Key elements in project formulation

Figure 7: Incorporation of poverty alleviation aspects in the project planning process
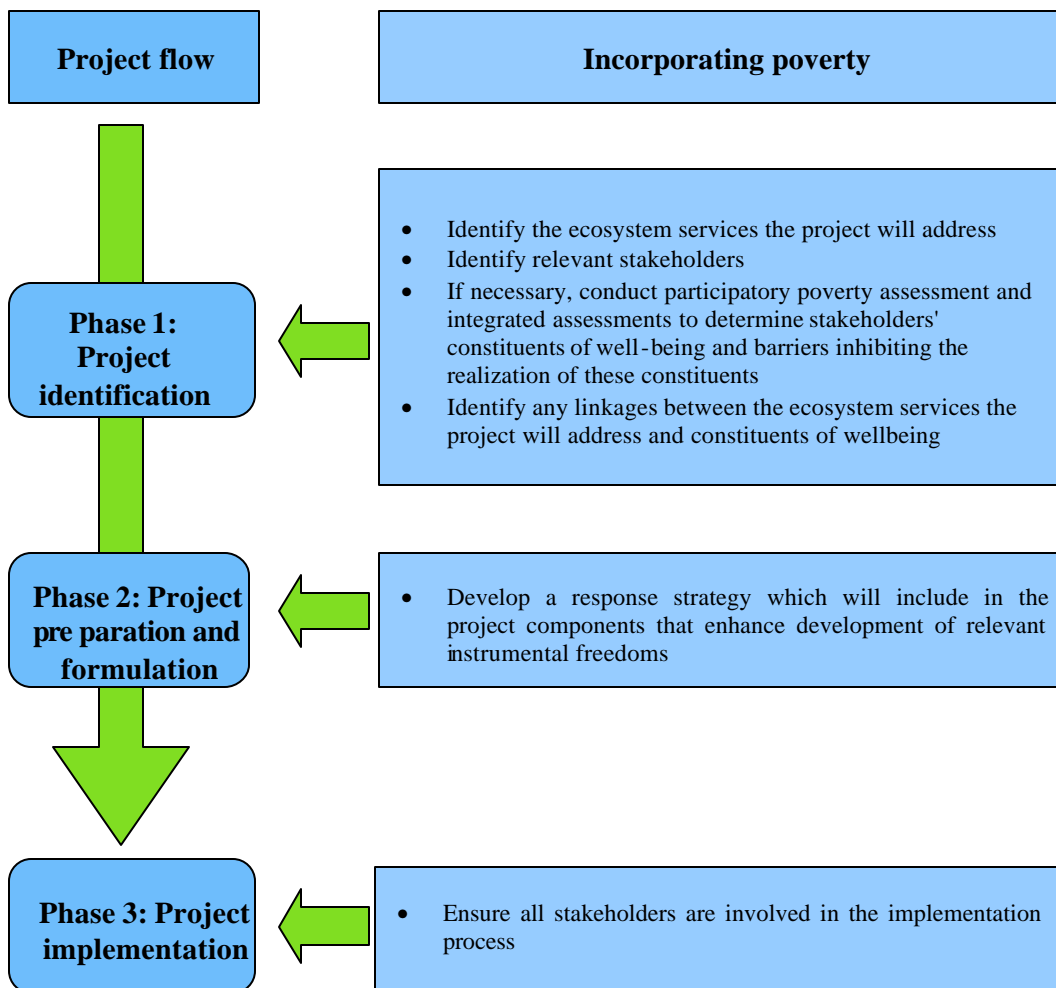
B. Gender equality and UNEP projects

There has been a growing consensus that sustainabl e development requires an understanding of both women and men's roles and responsibilities within the community or country as well as their relationships to each other. Improving the status of women is no longer seen as just a women's issue, but as a goal that requires the active participation of both men and women. Also, providing access to resources and opportunities to women is seen as crucial for achieving environmental conservation and sustainable development as women play decisive roles in managing bi odiversity, water, land and other natural resources.

A UNEP project should take a gender-inclusive approach at each phase of the project cycle – identification, formulation and preparation, implementation and evaluation. Project managers should be vigilant throughout the project cycle about gender mainstreaming and gender-sensitive project implementation. However, gender0inclusive approach requires particular attention at the project identification and preparation stage as the structure and key elements of the project are defined during this stage. Gender equality aspects of the project can be built into the project documents in the form of project strategy, activities, outputs, results or indicators. Alternatively, it can be explained in the project checklist (see item 8 in annex VII).

The following questions will assist project managers in incorporating gender equality in the project identification and preparation phases.[8]

1.   **During the project identification phase:**

(a)   Assessing women's needs

- What needs and opportunities exist for increasing women's productivity and/or production; access to and control of resources and access to and control of benefits?

- How do these needs and opportunities relate to the country's other general and sustainable development needs and opportunities?

- Have women been directly consulted in identifying such needs and opportunities?

(b)   Identifying possible negative effects

- Might the project reduce women's access to or control of resources and benefits?

- Might it adversely affect women's social and economic situation in some other way?

- What will be the effects on women in the short and longer term?

2.   **During the project preparation and formulation phase:**

(a)   Project's impact on women's activities

- Which areas of women's social and political empowerment does the project affect?

- If it is planned to change women's performance of that activity (locus of activity, remunerative mode, technology or mode of activity), is this feasible and what positive or negative effects would there be on women?

- How can the project design be adjusted to increase the above-mentioned positive effects and reduce or eliminate the negative effects?

(b)   Project's impact on women's access and control

- How will each project component affect women's access to and control of resources and the benefits stemming from the production of targeted goods and services, and social and political functions?

- What forces could be set into motion to induce further exploration of constraints and possible improvements?

- How could the project design be adjusted to increase women's access to and control of resources and benefits?

(c)   Defining general project objectives and results

- Do project objectives and results explicitly incorporate women's needs?

- Have women participated in setting the objectives and results?

- What are the lessons learnt from the earlier efforts relating to gender equality?

- How has the present proposal built on earlier achievements?

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[8] Overholt, Anderson, Cloud and Austin (1984). *Gender roles in development projects: A case book*, Kumarian Press: Connecticut, United States.

Key elements in project formulation

Figure 8: **Gender-inclusive project planning process**

1. Project identification

Identify gender factors affecting projects

2. Gender within the social and economic context

- Social and economic Analysis

- Sex-disaggregated data collection

Identify linkage between UNEP projects and gender issues

3. Understanding of gender roles

- Gender perception and relations in a specific country or region where a project is conducted

4. Gender aspects of project

- Identify success factors

- Institutional attitudes toward gender equality: cooperating agencies, proponents, UNEP

Match gender aspects with project related factors which enhance or undermine projects

5. Gender inclusive project planning

- Whom to enlighten and empower?

- Whom to work with?

- How to improve access to resources?

- How to ensure equal benefits for those who are disadvantaged?

Key elements in project formulation

C. Sustainability of the effectiveness and impact of the project

Most project interventions are temporary in nature, decreasing as the capacity of the designated institution or country is built up. The phased withdrawal of such support through capacity-building measures should be embedded as an integral part of project strategies and activities.

The long-term sustainability of the achievements of the project for the target beneficiaries needs to be clearly thought out. Effectiveness or impacts of the project will be sustainable depending on the following factors:[9]

(a) *Ownership by beneficiaries*: The extent to which target groups and beneficiaries of the project participated in its design and are involved in implementation so that it has their support and is sustainable after the end of project financing;

(b) *Policy support:* The quality of the relevant sector policy and the extent to which the partner Government has demonstrated support for the continuation of project services beyond the period of donor support;

(c) *Appropriate technology:* Whether the technologies to be used by the project will continue to be operated in the long term (for example, availability of spare parts, sufficiency of safety regulations, local capabilities of women and men to operate and maintain equipment);

(d) *Social and cultural issues*: Whether the project takes into account local social and cultural norms and attitudes, and what measures could be taken to ensure that all beneficiary groups have appropriate access to project services and benefits during and after implementation;

(e) *Gender equality*: Whether the project takes into account the specific needs and interests of women and men, whether it will lead to sustained and equitable access by women and men to the services and infrastructures, and whether it will contribute to the goal of reducing gender inequalities;

(f) *Environmental protection*: Whether and to what extent the project will preserve or damage the environment and, therefore, support or undermine the achievement of longer-term benefits;

(g) *Institutional and management capacity*: What is the extent of the ability and commitment of the implementing agencies to implement the project and continue to provide services beyond the period of donor support;

(h) *Economic and financial viability*: Whether the incremental benefits of the project will outweigh its costs and the project will represent a viable long-term investment.

Sustainability can be embedded in the project through activities or strategies to provide necessary skills, training and tools to local people so they can keep the project going and maintain the relevant technology or equipment.

D. UNEP logical framework matrix

Different cooperating agencies, supporting organizations and donors, such as the European Commission, the Global Environment Facility and some United Nations funds and programmes, use different versions of the logical framework matrix. UNEP has adopted a simplified logical framework matrix format, which is composed of objectives, results, outputs, and activities as the vertical logic, and objectively verifiable indicators, means of verification and assumption as horizontal logic for results (see figure 10). The logical framework matrix is required for all UNEP projects. An example of a well-constructed logical framework matrix is shown in figure 20 in annex IV.

The following are the main elements of the logical framework matrix:

(a) Vertical logic: intervention logic (objectives, results, outputs, activities)

Objectives

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[9] European Commission (March, 2001). *Project cycle management manual*, EuropeAid Co-operation Office/General Affairs/Evaluation.

The objectives of the project or programme are the overall desired achievements involving a process of change, to meet certain needs of identified end-users. Objectives should identify long-term benefits to final beneficiaries, the future desired situation or the conditions that must be satisfied. Objectives are high-level aims which the project's results will not necessarily fully satisfy, but will, nonetheless, contribute substantially towards. The objectives of the project should be aligned with the objectives of the UNEP programme (see figures 1 and 2).

Some suggestions for developing well-constructed objectives are:

- Set the right level of articulation so that the objectives are both realistic and attainable;
- Do not set objectives that are equivalent to strategies, activities, processes or outputs;
- State a meaningful and detectable level of change over a given period of time;
- One or two objectives are adequate for a programme or project;
- Make a clear distinction in the formulation of objectives and results;
- Do not formulate objectives with active verbs, such as: to study, to advise and to cooperate.

Results

Results are desired outcomes involving tangible benefits to end-users, expressed as a quantitative or qualitative standard, value, or rate. Results are the direct consequences or effects of the generation of outputs and lead to the fulfillment of the stated objectives.

Results should identify the specific beneficiaries or target groups of the project. They should state how, by whom and when the outputs will be used to satisfy the aims of the project. So the project should be sensitive to the beneficiaries' specific needs.

Suggestions for formulating well-constructed results:

- Express results as qualitative, quantitative or value-added rates;
- Give the results a concrete nature in relation to the objectives;
- Make sure the results have a clear cause-and-effect relationship with the objectives;
- Results should identify the end-users or beneficiaries;
- State a meaningful and detectable change;
- Avoid long-term goals;
- Never formulate results in an open-ended or on-going manner.

The clearer and more specific the results, the easier it is to formulate corresponding indicators.

Outputs

Outputs are the lowest level results in the logical intervention chain and the final and concrete products of the activities undertaken, the combination of which achieves the results of the projects – when the target groups start to enjoy the sustainable benefits of the project. In other words, an output is a specific product delivered by the activities that are needed to accomplish the project's objectives and results. Its delivery must be within the control of UNEP and the implementing partners; it is an element for which UNEP and the implementing partners can be held fully accountable. Note that the UNEP logical framework clearly distinguishes outputs from activities: the latter are merely the processes that transform inputs into outputs.

Key elements in project formulation

The following points are to be considered when developing outputs:

- The outputs should constitute the optimal combination necessary for achieving the results;

- They should be deliverable, given the project timeframe and resources;

- They should be described as concretely and precisely as possible, and in quantifiable terms;

- At a lower level in the hierarchy, outputs are often confused with activities. This can be avoided if outputs are thought of as the outcomes of activities. For example, the implementation of community-based plans for conservation of water resources is an output, while development of transboundary water management plans, feasibility studies of hydraulic development scheme, schemes initiated within the scope of the water management plans, and good practices identified, promoted and implemented, are associated activities.[10]

Activities

Activities describe the specific work or tasks to be performed within the project to transform resources into outputs. Activities illustrate the links between inputs and outputs. Activities included in the project design should be targeted to produce outputs. If an activity does not produce an output, it should not be included. Activities included must be pertinent not only to the project outputs but also to the wider context of the project's aims (activities are appropriate for the partner organizations and local institutions, culture, available resources, technology).

Activities should be selected based on a clear understanding of the problems and an analysis of the opportunities and risks of the situation, and available or expected resources and capabilities. Project managers should pay special attention to the specific interests of under-represented groups, such as women and people living in poverty.

(b)   Horizontal logic: Objectively verifiable indicators or means of verification

Objectively verifiable indicators

A result is not always directly observable. It may reflect a broad idea that needs to be further defined before it can be measured. Objectively verifiable indicators provide an opportunity to restate results in specific and directly observable terms and are used to measure the extent to which the results have been achieved. They correspond directly or indirectly to the results and are used to measure performance. A distinction must be made between an indicator and its value, which is obtained by measurement. The value of the indicator is important in measuring performance.

Assessing whether the objectively verifiable indicators are 'SMART' is the best way to see if they are formulated appropriately. SMART stands for:

Specific:	Specific enough that a subsequent assessment can objectively determine whether the programme or project has been successful or not, and to what extent;
Measurable:	Objectively verifiable indicators should set a quantitative or qualitative value or rate, formulated to allow meaningful comparisons with actual accomplishments. Including a numerical target makes the result more specific and the measurement of performance easier. Numerical targets can be expressed, for example, in numbers, ratios and percentages;
Attainable:	Objectively verifiable indicators should be set at levels that can be achieved and that are the intended concrete accomplishments for a given result;

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[10] Common understanding is that outputs comprise reports, publications, training courses, advisory missions and servicing of meetings and so on. However, they are not ends in themselves, but are often means for further activities, such as public awareness campaigns, advocacy to the policy makers, or consultation for the acceptance of key findings or recommendations. Outputs in the UNEP logical framework matrix, however, define the "lowest level results". Some of the examples of the outputs are "training participants understood different approaches of participatory management of natural resources," "support structure organized and revitalized", and so on.

Key elements in project formulation

Realistic: Levels should be set in a realistic way, given the respective project time and resource frame;

Time-based: Objectively verifiable indicators should express the benefits or changes that a programme or project aims to bring about by the end of the implementation period.

When formulating objectively verifiable indicators the following questions should be asked:

- What characteristics, conditions or features would indicate that the results have been achieved?

- Would the collected data help one understand what is going on in the programme or project and would they make sense in relation to the results?

Means of verification

Means of verification is the identification of data sources and methodologies to be used to measure the objectively verifiable indicators. This information should be kept at a practical level – review or content analysis of government documents; internal records, including memos and e-mail; audit reports; reports by non-governmental organizations and other international agencies; surveys; interviews; and rapid assessments. While selecting existing and available data sources is recommended whenever possible, caution is called for regarding validity and reliability of the data selected.

Assumptions

Projects are always subject to the influence of factors outside the direct control of project managers. This is particularly so for projects which require the cooperation of a number of different stakeholder groups, for projects implemented in poorly resourced and unstable environments, and for projects that require behavioural changes on the part of participants.

Assumptions are external factors which could affect the progress and success of the programme or project, or its long-term sustainability, but over which the project manager has no direct control. Underlying the framework are several conditions which have to be met for the project to succeed, but which are outside of the project's control. It is meaningful, therefore, to have a clear view of the external factors and risks in project implementation and to articulate them in the planning phase. During the project implementation phase, project managers should monitor the influences of key external factors in order to assess the progress towards and barriers against the stated results and objectives.

IV. Concept proposals for sponsorship

This chapter outlines in-house processes for the preparation and approval of concept proposals for sponsorship. UNEP needs to raise additional earmarked funding for priority areas because the current level of funding provided by member states to the UNEP Environment F und is not sufficient to finance all the activities in the UNEP Programme of Work and Governing Council decisions.

Major sponsors for earmarked funding include:

- Donor Governments (through trust funds and earmarked contributions);

- The United Nations Foundation, through the United Nations Fund for International Partnerships (see section IX);

- The United Nations Development Account (see section X); and

- The Global Environment Facility (see section XI).

Over the last few years, UNEP and selected major donor countries have realized that a departure from working through stand-alone projects is necessary. UNEP has been trying to secure strategic long-term funding for its thematic priority areas through partnerships with donors. This has significantly reduced the time spent on fundraising for specific projects. Instead, priority areas are now funded on a long-term basis and the focus is, therefore, more on delivering quality results in order to ensure the continuation of partnerships.

While these partnerships have taken the form of agreements or mechanisms with different modalities, they have the following common features:

- They provide a framework for intensified policy dialogue and functional collaboration between UNEP and donor Governments;

- They provide a mechanism for strategic and coherent support for UNEP thematic priorities; and

- They facilitate consistent reviews for the necessary adjustments in order to maximize results and impact.

Since 2001, UNEP has developed partnerships with the Governments of Norway (Agency for Development cooperation Ministry of Foreign Affairs), Belgium (Ministry of Development Cooperation), Ireland (Ministry of Development Cooperation), the Netherlands (Ministry for Development Cooperation, Ministry of Foreign Affairs) and Sweden (Ministry of Sustainable Development). Other governmental donors, which do not have a partnership with UNEP fund UNEP activities on a case-by-case basis.

There are, therefore, two types of donor contributions:

(a) *Funding for broad programme frameworks:* Programme proposals for broad frameworks of activities, often involving various UNEP Divisions. Donors have started to put more emphasis on a programmatic approach. Once the programme framework is approved, proposals can be developed to tap into the resources allotted for particular programmes under the partnership agreement; and

(b) *Funding for project proposals:* Project proposals for activities with a specific time and budget. These are explained below.

A. Concept proposal preparation process for sponsorship

The preparation of project proposals for donor sponsorship starts with identifying UNEP priorities and needs, as specified in the programme of work and Governing Council decisions, and estimating the financial requirements. Based on this, the Divisions prepare project proposals for possible submission to donors.

The procedures for the development of project proposals for sponsorship include the following steps (see figure 9 also):

(a) Divisions develop priority proposals based on the UNEP programme of work and Governing Council decisions. Proposals need to adhere to the guidelines outlined in section 4.3.

Concept proposals for sponsorship

Implementation capacity for the proposed projects needs to be firmly in place, technical soundness of the proposals and complementarities with other existing and completed UNEP projects need to be discussed, and proposals need to be developed well in advance of the period for which funding is requested. Divisions also need to consult find management officers regarding the feasibility and accuracy of proposed budgets for the proposals;

(b)   Divisions discuss any proposed projects with a regional focus with the Division of Regional Cooperation (DRC) and the relevant regional offices. Likewise, regional offices discuss their proposed projects with the relevant Divisions before submission;

(c)   Division directors forward their proposals to the Resource Mobilization Unit [11] which acknowledges receipt and sends the proposals to the Programme Coordination and Management Unit (PCMU) for technical screening and an inter-divisional review (IDR).[12] The IDR provides all Divisions and the relevant regional offices with an opportunity to comment on the proposal. The PCMU forwards all comments received to the project proponents and advises them accordingly;

(d)   Proposals are considered fully compliant and finalized only after all comments and concerns have been adequately addressed. This is the responsibility of the Divisions. The Divisions send the revised proposals to PCMU who forwards them to the Resource Mobilization Unit when revisions are satisfactory. Only fully compliant and finalized proposals enter the sponsorship pipeline. Resource Mobilization Unit confirms the acceptance of proposals into the pipeline for submission to donors;

(e)   Divisions inform the Resource Mobilization Unit if a proposal is no longer relevant or needs to be updated;

(f)   Selection of proposals for sponsorship is made from the finalized proposals registered in the pipeline. The Executive Director or the Deputy Executive Director makes a selection or prioritization based on the overall priorities and funding needs of UNEP as well as the priorities of donors. The past record of Divisions in implementing projects expeditiously (as per the agreed schedule) is also taken into account as delays in implementation have negative impacts on donor confidence;

(g)   When donor funding has been secured the full project document development and approval process as outlined in figure 13, section VI commences. Depending on the implementation modalities of the specific project, it can either be fused directly into the divisional costed work plan or developed into a full-scale independent project document (see figure 4).

B.   Fundraising process

There are two parallel processes for concept project proposals to be included in the funding proposal pipeline:

- *Pipeline approach*: For inclusion in the pipeline maintained by the Resource Mobilization Unit. Resource Mobilization Unit uses the proposals in the pipeline to raise new or additional funds. A standard format for such proposal submission for sponsorship is shown in the section IVB (see also a sample concept project proposal for sponsorship in annex I).

- *Response to a call:* In response to a call for proposals by a donor. A donor may specify the thematic area for which proposals are invited and often there is a specific format to be adhered to.

For project areas not sponsored by partnerships, Resource Mobilization Unit assists in raising new earmarked funding. As fundraising efforts must start early in the project or programme planning stage, most proposals are prepared at the beginning of a new biennium in conjunction with the start of the implementation of a new programme of work.

The Resource Mobilization Unit is responsible for the overall coordination and facilitation of fundraising activities in UNEP. Project concepts, after PCMU clearance, are included in the fundraising pipeline of the

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[11] A division director should submit the proposal with a cover memo indicating divisional approval of the project proposal.

[12] Programme Coordination and Management Unit has the right to return the concept project proposals to the proponents if they do not meet the formatting requirements or quality standards.

Concept proposals for sponsorship

Resource Mobilization Unit which undertakes fundraising efforts for proposals in the priority list. The list of UNEP projects in the fundraising pipeline is available at http://www.unep.org/rmu/en/pdf/projects.pdf .

Project managers who have had any indication of possible funding or donor cooperation must inform t he Resource Mobilization Unit in a timely manner for further coordination within UNEP. Whereas division directors can discuss funding of activities or projects with Governments or donors, a formal proposal or agreement is required to be submitted to the re levant Government or donor by the Executive Director or the Deputy Executive Director after being briefed by the division directors concerned.

Concept proposals for sponsorship

Figure 9: Proposal preparation process for sponsorship
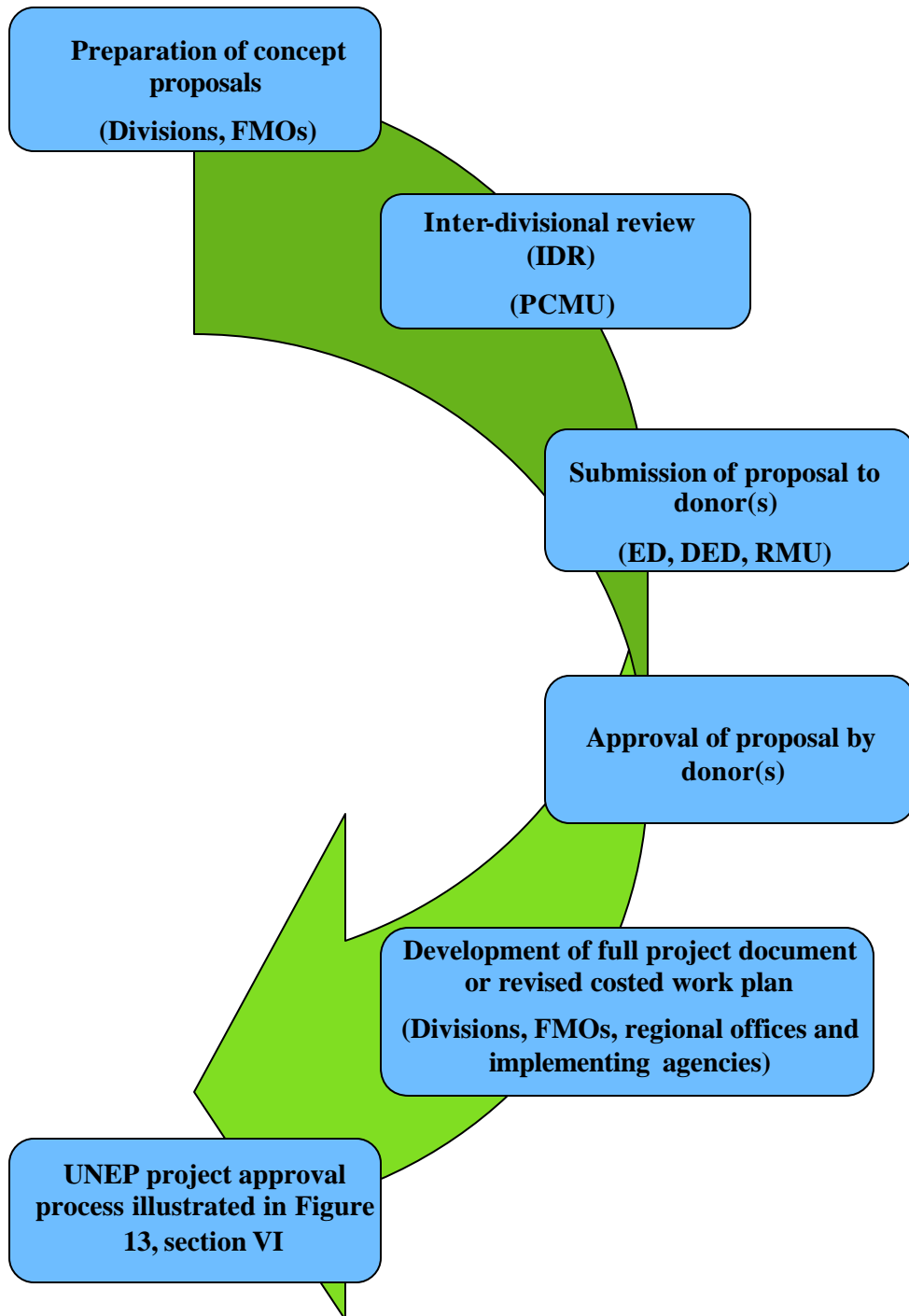
Concept proposals for sponsorship

C.   Format for concept project proposal

United Nations Environment Programme

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ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

UNEP

Concept proposal submission for sponsorship

Title of subprogramme:
Title of project:
Legislative authority:
Geographical scope:
Cooperating agency/Supporting organization
Duration of the project: (total number of months and the starting month and year)
Cost of project: (expressed in US$)

Activity	Year 1	Year 2	Total	%
Funding requested from donor(s)				
List of activities				
Programme support cost				
Cost to UNEP (cash and in-kind including staff-time, logistic support)				
Total cost of the project				100

Project summary
A project summary is required for all UNEP projects. The project summary should include information on the targeted problems, objective of the project, the target group, the main activities and geographical area(s) where the proposed project would be implemented.

Background
The project background identifies and elaborates the problem the project is trying to solve. As the project submission for sponsorship tends to be short (3–5 pages), this section should be concise, including only directly relevant information.

The background should include the following essential information:
- Specific problem or challenges faced by the targeted area or population;
- Urgency of addressing the core problem;
- Relevant UNEP legislative authority and contribution to subprogrammes;
- Prior actions to address the problem and how the proposed project complements them;
- Achievements and lessons learned from similar past projects;
- Specific knowledge, experiences or competency that UNEP possesses in order to implement the project successfully;
- Institutional capacities of UNEP and other implementing agencies.

Proposal
The overall outline of the project is described here. It includes information on:
- How the project will ensure successful implementation (strategies);
- How activities and outputs will be carried out (methodology);
- How the division of responsibilities will be allocated among UNEP, cooperating agencies and/or supporting organizations, and other stakeholders;
- Criteria or justification for the project countries or regions selected; and
- Target beneficiaries and expected impacts on the target beneficiaries.

Objectives:
Results:
Outputs:
Activities:
(List objectives, results, outputs and activities in bullet point format.)

Concept proposals for sponsorship

V. Project document preparation

Once donors agree to fund the project, the concept proposal as reflected in the project submission for sponsorship document is either developed into a full project document with details on budget and implementation modalities or incorporated into the costed work plan.

When UNEP provides funds to cooperating agencies or supporting organizations for project implementation, a project document (or memorandum of understanding or letter of agreement for one-time activities) is required. If donor funds are to be used for activities directly implemented by UNEP, there is no need to formulate a project document: the activities and their donor-provided funding can be included in the costed work plan of the Division to which they relate. Project formulation is encouraged, however, even for internally implemented activities, as the project preparation process requires more rigorous planning, strategizing and preparation than implementation through the costed work plan channel. It therefore reduces the risk of delayed implementation or failure. Some managers use this option, especially in cases where using the project approach will help them manage the activities and funds. In addition, some donors may request formulation and approval of a project document as a condition for use of the earmarked funds provided by them (even if the activities are to be internally implemented by UNEP). Projects follow the project approval group process illustrated in figure 13.

The full project document is used as a tool for formulating and implementing projects, as well as for project monitoring and evaluation. It is also a legal tool. The project document must be appropriately signed in order for funds to be disbursed for the project. The document forms the contractual basis for any undertaking with a cooperating agency or supporting organization. It also forms the basis for the terms of agreement for any consultancy or contractual services for the project.

A. Completion of the UNEP project document

The guidelines set out below for completing the UNEP project document should be read in conjunction with the rest of the manual, particularly section II on the project cycle; section III on guiding principles for integrating poverty alleviation and gender equality strategies, project sustainability and the logical framework; and section VI on the UNEP project approval process.

The project proposal must be comprehensive and should reflect the relevant section of the approved programme of work.

Programme officers should be guided by:

- Programming cycle and programme of work of UNEP;
- UNEP project design criteria; and
- Relevant memorandums and circulars.

They should work in consultation with the fund management officer (using the fund management office checklist as set out in section 7.1.5, Regional Directors and Programme Coordination and Management Unit, to review the document).

B.   Project document format

United Nations Environment Programme

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PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT • PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE

ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

UNEP

UNITED NATIONS ENVIRONMENT PROGRAMME

PROJECT DOCUMENT

Section 1: Project identification

1.1   Title of subprogramme:

1.2   Title of project: (refers to proposed project)

1.3   Project number*: (to be allocated by BFMS)

1.4   Geographical scope: (refers to the countries or regions where the project will be implemented.

1.5   Implementation (internal, or cooperating agency or supporting organization)

1.6   Duration of the project : (total number of months)

  Commencing: Month, Year

  Completion: Month, Year

1.7   Cost of project: (Expressed in US $)

	US$	%
Cost to the Environment Fund		
Cost to Trust Fund		
Cost to Earmarked Contribution		
Cost to the Cooperating Agency/Supporting Organization		
Programme Support Cost (___%)		
In-kind Contribution (including UNEP contribution)		
Total cost of the project	-----------------------------	

Signatures:

For the Cooperating Agency/ Supporting Organization   For UNEP   *

Name and Functional Title   Name and Functional Title

_____   _____

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* They are additional components compared to the UNEP concept proposal format.

Project document preparation

1.8 Project summary

Section 2: Project background

2.1 Background

2.2 Legislative authority and contribution to subprogrammes*

Section 3: Proposal

3.1 Project description

3.2 Project impacts on poverty alleviation and gender equality *

Section 4: Logical framework matrix

(see figure 10 for UNEP logical framework matrix)*

Section 5: Work plan*

Section 6: Institutional framework *

Section 7: Monitoring and reporting*

7.1   Activity reports

Refer to **section VII** for details. (See **annex X** for format of the activity report).

7.2 Progress reports

Refer to **section VII** for details. (See **annex XI** for format of the progress report).

7.3   Final report

Refer to **section VII** for details (see **annex XII** for format of the final report).

7.4   Financial reports

See **annex V** for standard text.

7.5   Terms and conditions

See **annex V** for standard text.

　　　7.4.1 Non-expendable equipment:

　　　7.4.2 Responsibility for cost overruns:

　　　7.4.3 Cash advance requirements: (See **annex XV** for format of the cash advance statement)

Project document preparation

7.5   Publications

Use standard paragraphs (**see annex V**).

Section 8: Evaluation*

Section 9: Project budget*

(See **annex VI** for the UNEP budget format)

C.   Key elements of the UNEP project document

(a)   Project summary

A project summary must accompany all project proposals to be forwarded for approval. The project summary should include information on the main problems to be addressed, objectives of the project, the target groups, the main activities and geographical areas where the proposed project is to be implemented.

(b)   Background

The project background must identify an d elaborate the problems the project intends to resolve. It must introduce readers and users of the document to the original logic of the project. This section should be concise, including only directly relevant material. The background sets the stage for understanding the subsequent segments of information presented in the project document.

The background should include the following essential information:

- Specific problems or challenges faced by the targeted area or population;
- Priority and urgency of the core problem;
- Previous actions to address the problem and how the project complements these efforts;
- Achievements and lessons learned from similar past projects;
- Specific knowledge, experiences or competency that UNEP possesses in order to deliver the project successfully;
- Relevant institutional capacity of UNEP and other implementing agencies.
- Relevant activities of the recipient Government donors and other United Nations agencies, as appropriate, in order to show how the project might tie in with those activities.

(c)   Legislative authority and contribution to subprogramme

The project document should provide clear linkages to the Governing Council decisions for the biennium, the contribution to subprogrammes and the decisions and resolutions from the relevant United Nations conferences (Millennium Summit, World Summit on Sustainable Development, and so on). Governing Council decisions or General Assembly resolutions should be quoted where directly relevant (quote numbers and heading or title of relevant decisions or resolutions or insert a short sentence summarizing the content).

(d)   Project description

The overall outline of the project should be described here. It should include information on:

- How activities and output generation will b e carried out (methodology);
- Implementation modalities with internal and external partners and stakeholders;
- Criteria or justification for the project countries or regions selected,
- How the proposed outputs and activities will help to address the current problem;

Project document preparation

- Target beneficiaries and expected impacts on the target beneficiaries;

- How the needs of particularly vulnerable or marginalized groups, such as women or people in poverty, will be addressed;

- How the project managers would ensure successful implementation (strategies);

- How the project will address the sustainability of capacities of the target beneficiaries;

- If and how the project will ensure replicability of the project methodology, tool kits or lessons learned in other regions, countries or communities.

(e)   Project impacts on poverty alleviation and gender-equality

The project document needs to specify how the project contributes to achieving the Millennium Development Goal 1 (poverty reduction) and Goal 7 (environmental sustainability) which are further addressed in chapter II of the Plan of Implementation of the World Summit on Sustainable Development and its specific actions towards poverty eradication, and paragraph 7 of the Malmö Ministerial Declaration, which recognizes that the integration of environmental considerations in decision-making is necessary to confront the underlying causes of poverty. In April 2004, the UNEP senior management group decided that all UNEP activities must have a bearing on poverty eradication. Section III and annex III discuss the linkage between poverty and environment and some project intervention strategies for poverty alleviation.

Gender issues have been part of the UNEP mandate since the 1980s. As part of its objective to help achieve sustainable development, UNEP is now urging that national and international policies and programmes at large must reflect gender equality and empowerment. This is in line with the Millennium Development Goals. In particular, Goal 3 calls for gender equality in project planning and gender-inclusive approaches in the process of project planning.

As women often bear a disproportionate burden of the world's poverty, poverty and gender issues are closely interlinked. A strategic approach to addressing gender equality should be reflected in the project document considering the needs, capacities, benefits and burdens of women and men.

(f)   Logical framework

Section 3 discusses the UNEP logical framework matrix in detail. The matrix format is shown in figure 10 and example is provided in annex IV.

(g)   Work plan

The work plan sets out the timetable for carrying out project activities. The timetable must include the expected starting and completion dates (in month and year) for each activity. It must also state who is responsible for the implementation of each activity (cooperating agency, supporting organization or UNEP division). This information is best presented as a table.

The work plan is an important tool for formulating and implementing a project. From the work plan, it is possible to assess the implementability of a project, as follows:

- Are the time horizons realistic (for approval, negotiation with cooperating agencies or supporting organizations, delivery of outputs and administration)?

- Is the work load reasonably balanced?

- Are any activities likely to be held up by the timing of other activities?

A well-prepared work plan is particularly useful for monitoring and evaluation. The work plan is used in the progress report as the reference point for assessing the project's progress. As well as being an indicator of progress, the work plan also highlights difficulties likely to be encountered in project implementation, identifies backlogs or bottlenecks, and facilitates advance planning to resolve the anticipated problems.

Project document preparation

Figure 10: The UNEP logical framework matrix

Objectives (State the overall broader objective, to which the project will contribute.)

Intervention logic	Objectively verifiable indicators (OVI)	Means of verification (MOV)	Assumptions
Results State the specific objectives, which the project shall achieve. 1.	State quantitative or qualitative indicators showing whether and to what extent the project's specific objectives are achieved.) 1.1. 1.2.	State the sources of information that exist or can be collected. 1.1. 1.2.	State external factors and conditions not under the direct control of the project which are necessary to achieve these objectives. State risks to be considered.
Outputs State the concrete outputs envisaged to achieve the results. What improvements and changes will be produced by the project? 1. 2. 3.			
Activities State the key activities to be carried out and their sequence in order to produce the outputs. 1.1. 1.2. 2.1. 2.2. 3.1. 3.2 3.3			

(h) **Institutional framework**

This subsection should give details of the management structure for project implementation. The roles and responsibilities of the cooperating agency or supporting organization should be clearly defined. The following issues must be addressed in formulating the institutional framework:

- Who – organization, agency or individual – has ultimate authority for managing the project?

- Who is or who are responsible for implementing specific activities of the work plan?

- What are the respective roles and responsibilities of UNEP and the implementing organizations?

- What is the machinery for implementation within UNEP, the implementing organization and national staff?

- Who will report the project results and to whom?

Figure 11:   **Work plan example 13**

Activity	Oct-Dec 2004	Jan-Jun 2005	Jun-Dec 2005	Jan-Jun 2006	Jun-Dec 2006	Lead institution
Regional activities:						
Activity 1.1. Conduct statistical analysis of long-term normalized difference vegetation index data from the advanced very high resolution radiometer and ancillary data.	▓	▓				ICRAF
Activity 1.2. Sample these risk domains areas with moderate and high resolution satellite imagery and classify images into vegetation cover classes.		▓	▓	▓		ICRAF
Activity 1.3. Identify candidate sites for ground sampling of sites.		▓	▓	▓	▓	ICRAF
Activity 2.1. Develop training manual on land degradation surveillance including satellite image acquisition and processing, soil spectral library development, and data analysis tools.		▓	▓	▓	▓	ICRAF
Activity 3.1. Hold regional training course for national scientists and resource managers on land degradation surveillance.				▓		ICRAF
Activity 4.1. Conduct national scale environmental accounting (*emergy* evaluation) on status of national environmental resources, and evaluate land degradation impacts on economic/environmental systems.	▓	▓	▓	▓		UNEP; UF/CEP
Activity 4.2. Conduct a regional contrast with national scale *emergy* evaluation for seven other nations in the region less reliant on dryland resources.		▓	▓			UNEP; UF/CEP
Activity 4.3. Conduct historic time series *emergy* analysis at five-year intervals.			▓	▓		UNEP; UF/CEP

A work plan format is illustrated in figure 11, which lays out the relationship between activities, identification of responsible agencies or organizations and the timeframe for implementation.

- What are the addresses for correspondence regarding the project (including e-mail addresses, if available)?

- What are the mechanisms for monitoring and evaluation?

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[13] From the project entitled "An ecosystem approach to restoring West African drylands and improving rural livelihoods through agroforestry-based land management interventions".

Project document preparation

Figure 12 is an example of a project management structure illustrated in a diagram format. This diagram is a useful tool when there are multiple subprojects and when more than one partner is involved in project implementation.

(i) **Monitoring and reporting**

The project document must specify the procedures to be used for monitoring and reporting. Both the routine monitoring and special monitoring requirements should be specified in the project document. Each project must have a monitoring plan indicating the frequency and schedule of reporting as well as the responsible reporters.

UNEP project managers are responsible for ensuring that cooperating agencies or supporting organizations respect all UNEP project requirements regarding reporting, terms and conditions and new publications. These requirements should be accepted by the cooperating agencies or supporting organizations before the project document is approved by the project approval group. Standard paragraphs on these requirements are available in annex V and the relevant texts should be included in the project document as appropriate.

(j) **Evaluation**

This section should state what type of evaluation will be carried out (desk evaluation, independent in-depth evaluation, mid-term, terminal, or ex-post). It should also list the organizations that will participate in the evaluation. Evaluation and Oversight Unit should be consulted for any in-depth evaluation regarding terms of reference of the evaluation consultants, evaluation procedures and reporting. In-depth evaluation components should be included in the project if the total project budget is more than $500,000.

Refer to section VIII for further details and criteria.

Figure 12: Example of diagram on work responsibilities and coordination with stakeholders[14]

```
                        ┌─────────────────────────────────────┐
                        │  International steering committee    │
                        │  To provide overall policy guidance  │
                        │  and vision on poverty–environment   │
                        │  links.                              │
                        └─────────────────────────────────────┘
                                       │
┌──────────────────────────┐  ┌─────────────────────────────────────┐
│ Intemational networks    │  │     Technical advisory group        │
│ of experts               │  │  Provide technical advice and       │
│ Provide technical briefs │──│  expertise to the international      │
│ to technical advisory    │  │  steering committee.                │
│ group. Produce technical │  └─────────────────────────────────────┘
│ papers for national      │                │
│ institutions and         │  ┌─────────────────────────────────────┐
│ commissions.             │  │      Project coordinator            │
└──────────────────────────┘  │  Overall management and reporting.  │
                              │  Provide substantive inputs.        │
                              └─────────────────────────────────────┘
```

International steering committee

To provide overall policy guidance and vision on poverty–environment links.

Intemational networks of experts

Provide technical briefs to technical advisory group. Produce technical papers for national institutions and commissions.

Technical advisory group

Provide technical advice and expertise to the international steering committee.

Project coordinator

Overall management and reporting. Provide substantive inputs.

Regional institutions/Regional banks

Ensure policy coherence between regional priorities and national o bjectives. Ensure that regional action plans are carried out.

Ministries of Environment/Ministries of Finance and Planning

Focal points for the implementation of activities at national level. Responsible for setting up national commissions.

National institutions

Carry out planned activities.

Provide technical expertise.

International research institutes

Provide technical backing to national institutes. Build needed capacities of national experts.

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[14] From the project entitled "Strengthen environmental policy and management capacity on poverty alleviation and sustainable development in Africa"

Project document preparation

11. **Project budget**

Every project document must include a detailed project budget. The following are the main budget lines to be included in the project document. See annex VI for the UNEP budget format.[15]

10	**Project personnel**

1100	**Project personnel**
	Each post should be identified by a post number and recorded on a separate budget subline.
	Full job descriptions should be attached.
	(The title of the post and grade should be indicated).
	Budgetary provision should be expressed in United States dollar equivalent and in work months for each year of the budget; the minimum unit for posts is a half-month. Actual salary costs should be used where known, with the addition of an estimate for travel on recruitment, separation, home leave, and education grant – common staff costs. Where these are not known, standard costs by grade should be used, as amended from time to time. Standard salary costs include provision for travel on recruitment, home leave and repatriation, as well as education and separation grants.
	Travel on official business should not be budgeted under 1100.
	Staff training costs can be budgeted under 1100.
	Note: The approval of the Executive Director is required for all new posts.
1200	**Consultants**
	Consultants' services (covered by special-service agreements) should be budgeted on a separate budget subline (one consultant per line).
	Firms should be offered institutional contracts.
	Terms of reference for each consultant should be attached.
	Standard costs, as revised from time to time, should be used to calculate costs. These include provision for fees, travel and per-diem. Where actual costs are known, these should be used instead of standard costs.
	For projects executed by a cooperating agency or a supporting organization, this subdivision excludes consultants hired directly by UNEP; they should be budgeted under line 1281.
	Only individuals can be offered special-service agreements, firms are offered contracts (see sub-component 20).

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15 Office of Internal Oversight Services, United Nations audit report in 2002 suggested that UNEP ensure accurate, complete and verifiable financial information on publishing activities in the budget tables of the project documents. The budget table in the UNEP project manual can accommodate disaggregated budgetary information regarding publications, such as writing and editing, translation, printing and distribution, and so on. Project managers should make sure, as much as possible, that reporting or publication budget information is provided in a disaggregated format.

1300	**Administrative support personnel**
	Administrative support personnel include:
	a) Administrative assistants (as distinct from professional administrative officers), secretaries, typists, clerks, drivers, and so on.
	b) Translators, revisers, interpreters and conference typists (recruited for meetings).
	Full job descriptions for each of the above should be attached.
	(The title of the post and grade should be indicated).
	Items such as temporary assistance and overtime should also be budgeted under this subdivision. The above rules for budgeting for 1100 also apply.
	Note: For internally implemented projects and costed work plans approval of the Executive Director is required before a new post is included.
1400	**Volunteers**
	A proforma per-month cost should be used for volunteers when it is not possible to estimate actual costs.
	Work-months should be indicated.
1600	**Travel on official business**
	All mission costs (travel costs and per-diem) relating to the travels of project personnel on official business (other than travel for recruitment, home leave and repatriation which are budgeted under 1100 and 1300) must be included under this budget subline. For internally implemented projects, other than those implemented by a UNEP regional office or units outside Nairobi, which are budgeted under 1681, travel undertaken by UNEP personnel, including travel to meetings, should also be budgeted under 1600.
	Note: Travel of UNEP staff under 1600 should be project activity oriented and reflected in the project work plan.
20	**Subcontracts**[16]
	Contracts (including memorandums of understanding and letters of agreement – see annex XIX for guidelines) other than those listed below should be budgeted at their estimated costs and shown separately. The nature of the contract should be specified in the work sheet.
	The following contracts should not be included under this budget subline:
	(a) Personnel contracts – lines 1100;
	(b) Consultancy contracts – lines 1200;
	(c) Repair and maintenance of equipment – lines 5100;
	(d) Equipment purchases – lines 4100 or 4200;
	(e) Printing and publishing contracts - Lines 5200.
2100 or 2200	**Subcontracts with cooperating agencies (United Nations)** **Subcontracts with supporting organizations (non United Nations and non-profit-making)**
30	**Training**

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[16] Projects involving acquisition of property, including products and real property, an d of services have to undergo the procurement process. The requirements for and the methods of effecting procurement depend on its estimated cost and other consideration.

Project document preparation

3100	**Fellowships**	
	Budgetary provision should be made for the total estimated costs of all fellowships, including travel, stipend and training fees.	
	3101	Stipend
	3102	Travel costs
3200	**Group training**	
	This item should be used for budgeting participation in training courses, seminars, workshops, study tours, and so on. The cost of travel and per-diem should be separately estimated for each training course or workshop:	
3201	Training course on _____	
3202	Study tours (sometimes study tours and field trips are part of training courses or workshops);	
3203	Workshops or seminars on _____	
	The approximate number of participants should be indicated together with tentative dates and venue.	
	Note: UNEP, in principle, provides funds only for training of participants from developing countries.	
3300	**Meetings or conferences**	
	Budgetary provision should be made for the total estimated costs of participation in meetings, conferences, and so on. The approximate number of participants should be indicated together with tentative dates and venue.	
	UNEP staff participation (travel and per-diem) in meetings and study tours should not be included under any of the above lines, but under lines 1600 as appropriate.	
40	**Equipment and premises**	
4100	**Expendable equipment**	
	This refers to expendable property or equipment with an original cost of under $1,500, for which inventory records are not maintained. Purchase of office supplies, books and documents, disposable laboratory equipment, and so on should be budgeted under this line.	
4200	**Non-expendable equipment**	
	This includes items of property or equipment valued at $1,500 or more per unit, usually with a serviceable life of five years or more, as well as items of attraction such as pocket calculators. Property records and controls must be maintained and inventory forms submitted to UNEP with half-yearly progress reports submitted on 30 June.	
	Note: • A list of non-expendable equipment, including the estimated costs, should be attached to the project document;	
	• The definitions used here are those employed throughout the United Nations system (see ST/AI/374 dated 16 January 1992).	
4300	**Premises**	
	When it is necessary to purchase or rent premises to implement a project, the cost should be estimated and shown against this line. Maintenance of premises should also be budgeted under this line.	
50	**Miscellaneous**	
5100	**Rental, operation and maintenance of equipment**	
	Budgeted under this line are: rental, operation and maintenance of office and computer equipment; repair, maintenance and insurance of vehicles; purchase of petrol, and rental of meeting room and equipment.	
5200	**Reporting cost**	
	Estimated or standard costs should be budgeted for editing, translation, printing, and distribution of reports and publications, and shown under separate budget sublines.	

Project document preparation

5300	**Sundry**	
	This item covers expenditures such as freight and port clearance charges, postage and communications costs.	
5400	**Hospitality**	
	This item covers the hospitality expenses incurred in connection with receptions given in honour of participants in conferences, seminars, and so on., held under the project. Where hospitality or entertainment costs are involved, the reason for, the type of hospitality, and the numbers invited should be indicated precisely. Expenditures should be incurred in accordance with the official hospitality guidelines (see ST/AI/192/Rev.2 dated March 1993).	
5500	**Monitoring and Evaluation**	
	Budgetary provision should be made for the monitoring and evaluation of projects, in particular, for projects with a cumulative budget of $500,000 or more, as well as for pilot and demonstration projects.	
Criteria for determining budget subline against which travel should be charged		
1100	**Project personnel**	
	Travel for recruitment, separation, home leave and education grants of the staff members as well as their dependents, is covered by the common staff costs included in the amount budgeted for each post, and is authorized by the Human Resources Management Service (UNON) once they have received a request to recruit against one of the project posts.	
1200	**Consultants**	
	Travel of consultants recruited against line 1200 should always be charged to the same budget subline.	
1300	**Administrative support**	
	This covers the same travel as in line 1100, in regard to GS staff, translators, revisers, interpreters and temporary assistance personnel where appropriate. Conference servicing costs including translators, interpreters, and sound engineers (travel, DSA and salaries), should be budgeted under 1321, 1322 and so on.	
1600	**Travel on official business**	
	All mission travel of project personnel not covered by common staff costs under 1100 or 1300 above, is to be charged to this line.	
3100	**Fellowships**	
	Travel (as well as stipend, training fees, and so on) of fellows.	
3200	**Group training**	
	Travel (as well as stipend, training fees, and so on) of trainees.	
3300	**Meetings or conferences**	
	Travel of participants in the meetings or conferences should be charged under this line. Travel of project personnel, agency staff or UNEP staff must not be charged to this budget line even when they are attending such meetings. Their travel should be charged to line 1300 or 1600 as appropriate. Agency staff travel should come from the contribution to the project budget by the agency concerned.	
Line 1220, 3220, 4120, 4220 and so on **Unspecified**		
The inclusion of unspecified as an object of expenditure line should be temporary for budgeting purposes only. Once the activities become clear, the actual object of expenditure lines should be identified and expenditures charged to those lines and reflected in future revisions.		

Project document preparation

VI. Project approval process[17]

The project approval process in UNEP intends to ensure that:

- All financial rules and regulations are adhered to;
- The project is substantively and technically sound;
- UNEP project design criteria have been met;
- The proposal fits into UNEP priorities and overall programme objectives;
- UNEP projects and activities are coordinated by and amongst divisions; and
- Project managers have met key implementation planning criteria to minimize risks likely to affect successful and timely implementation of the project.

While the process may seem extensive, each step of the process is justified and necessary as the process is designed to enhance the project's relevance to the overall UNEP programme, project implementation preparedness and rigour and overall success of the implementation.

A. Preparation of projects, costed work plans and revisions[18]

Once the concept proposals are accepted by the donors with necessary funding agreements (as set out in **section IV)** the following approval procedures usually take place within UNEP to prepare full project documents or activities funded through the costed work plan framework.

(a) Preparation of the project proposals or revision by the substantive office

This stage involves the first two phases of the project cycle – project identification and preparation **(see** section II). Preparation of project proposals involves consultation and collaboration with UNEP regional offices, cooperating agencies or supporting organizations, concerned Governments and other stakeholders, and the Budget and Financial Management Service (BFMS) of the United Nations Office in Nairobi.

Regional review

Regional Directors of regions where a project is to be implemented should be consulted to ensure that the regional offices collaborate in project implementation and the needs of the region are properly addressed.

Cooperating agency or supporting organization review

For external projects, comments should also be sought from cooperating agencies or supporting organizations to ensure that the proposal is consistent with their capabilities and that they understand the project requirements. Written agreement with the cooperating agencies or supporting organizations should be sought on the objectives, results, indicators, outputs and activities, budget and reporting requirements.

Budget and Financial Management Service review (BFMS)

The Chief, BFMS, requires the relevant fund management officer, on behalf of the fund, to ensure that:

- The budget information is supplemented with details and justification, and the budget is adequate and consistent with the project document (refer to section V for budgeting guidelines);
- All provisions for UNEP staff travel are related to project activities;
- The cooperating agency or supporting organization is in agreement with the project proposal;

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[17] For Global Environment Facility projects, the UNEP/Global Environment Facility project coordinating committee serves as a project approval body, and does not follow the procedures illustrated in this section (see section XI for detail).

[18] Section 6.1 details the process related to the Environment Fund, Trust funds (except trust funds covering multilateral environmental agreements) and other earmarked contributions.

- Approval has been secured from the Executive Director for establishment of new project posts (if any) or evidence is provided that approval has been sought from the Executive Director;

- Job descriptions, terms of reference, project travel plans and lists of non-expendable equipment, if any, are attached;

- If the project aims to produce publications, a completed "Proposal for a new publication" form is included for each publication (see annex V);

- Breakdown costing of publications for writing, editing, translating, printing and distribution is provided in a disaggregated format;

- Adequate funding is available. Written pledges are available for extra-budgetary earmarked or trust fund resources.

Project approval process

Figure 13: UNEP project approval process*

Flowchart content:

Substantive Office (DD, PM, FMO) Prepares and submits the Project Proposal/Revision

- Regional Directors review PP to ensure needs properly addressed
- Cooper. Agency/ Supporting Org. For external PP ensures consistency with capabilities&req.
- Chief and FMO BFMS/UNON Reviews and ensures that funds and rules are followed

Secretary of PAG Reviews consistency with UNEP's project design criteria & priorities

IDR technical and substantive review

Substantive Office for changes/amendments in the proposal

FMO/BFMS/UNON Prepares PP file "Pink File"

Size of project above threshold?
- No → PM&DD&RD/UNEP and FMO/ UNON Drafts and sign proposal/revision → Chief, BFMS, UNON Approves the PP
- Yes ↓

Submits to Sec. PAG by memo signed by DD & FMO

Secretary of PAG checks that all documents are provided and ensures PP meets requirements

PAG Reviews and discusses the proposal

Project Proposal/Revision approved?
- No → PCMU returns to DD for amendments
- Yes ↓

Amendments Required?
- Yes → Substantive Office for changes/amendments in the proposal
- No ↓

Chair, PAG Signs decision sheet; PCMU forwards to BFMS

BFMS For further action

Abbreviations:

BFMS	Budget and Financial Management Service, UNON
DD	Division Director
FMO	Fund Management Officer (BFMS/UNON)
IDR	Inter-Divisional Review
PCMU	Programme Coordination and Management Unit, UNEP
PM	Programme Manager
PP	Project Proposal
RD	Regional Director
UNEP	United Nations Environment Programme
UNON	United Nations Office at Nairobi

* Project documents submitted to the Administrative Service Centre (ASC)/Geneva should have the same procedures as the ones submitted to PCMU/UNEP, except that project budget threshold is US$500,000, rather than US$200,000.

(b)   Submission to the secretary of the Project Approval Group

The project document, with a cover memorandum from the division director indicating divisional approval of the project proposal, is submitted to the secretary of the Project Approval Group for review and initiation of the inter-divisional review process. Proposals are submitted through the division directors. The secretary of the Project Approval Group reviews the project format for consistency with the UNEP project design requirements, legislative mandates, programme priorities and overall quality requirements.

(c)   Inter-divisional review (IDR) [19]

In May 2004, the Project Approval Group approved the establishment of an IDR process to review all project proposals for technical and scientific integrity. The establishment of the IDR, which replaces the former technical peer review committee, is intended to improve the quality of project proposals developed by UNEP.

The IDR operational process involves the following steps:

(i)   The secretary of Project Approval Group e-mails the project proposal to all division directors (except the one who submitted the proposal) with a brief description of the proposal;

(ii)   Division directors send the proposal to one or more staff members in the Division who are best qualified to provide technical comments on it;

(iii)   The selected staff provide comments to the Project Approval Group secretary within four days after the e-mail request to the Directors;

(iv)   The Project Approval Group secretary collects, reviews and consolidates the comments with his or her own comments and advises the project proponent accordingly;

(v)   The project proponent responds to the comments and revises the proposal and re-submits it to the Project Approval Group secretary;

(vi)   The Project Approval Group secretary requests those who provided initial comments to review the revised proposal; [20]

(vii)   The Project Approval Group secretary clears the proposal after the IDR process.

(d)   Preparation of the pink file [21]

This is the beginning of the internal project appraisal phase (phase 3) of the project cycle described in section II. The UNEP project checklist is designed to minimize implementation delays and managerial risks that can affect timely and successful execution of projects. The division director signs and attaches the project submission checklist (see annex VII) in the pink file.

Projects, costed work plans and revisions thereof, funded from the Environment Fund, trust funds, earmarked contributions, with budgets of less than $200,000 are not submitted for approval to the Project Approval Group. In such cases, the project decision sheet is signed by the division director, and, if applicable, by the Regional Director (for projects with regional implications), the fund management officer, and the Chief of BFMS, UNON. Projects and costed work plans and revisions thereof, funded from trust funds covering multilateral environmental agreements do not require approval of the Project Approval Group (see Section E below).

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[19] Proposals that have already been screened through inter-divisional review process in the format of the project submission for sponsorship (Process elaborated in section III) do not need to go through the inter-divisional review process again at this point.

[20] The final decision on if and how the proposal should incorporate the comments is left to Programme Coordination and Management Unit and the proponents as the proponents have the most intimate knowledge about the feasibility, scope and constraints of the project.

[21] The term "pink file" comes from the colour code of the file that is used to submit new proposals and costed work plans for the Project Approval Group approval. The colour code for the revisions to the projects and costed work plans, however, is red rather than pink.

Project approval process

Projects, costed work plans, and revisions thereof, funded from the Environment Fund, trust funds and earmarked contributions, with budgets exceeding $200,000, are subject to Project Approval Group review and approval, whether they are internally-implemented or externally-implemented.

Project documents submitted to the Administrative Service Centre in Geneva follow the same procedure as those submitted to Programme Coordination and Management Unit, UNEP, except that the project budget threshold is $500,000, rather than $200,000.

Pink files are organized by the fund management officer with the following documents:

- Project document (see section V);

- Project submission checklist (see annex VII);

- Project submission form signed by the division director;

- Decision sheet for signature by the Project Approval Group chair (see annex VIII); and

- Background documentation (including documents stating the purpose of the trust fund, proof of donor pledge, job descriptions, terms of reference, project travel plans and lists of non-expendable equipment, and exchange of correspondence with implementing organizations and copies of comments received); and

- Approval by the Executive Director of new posts (if any).

B.   Review by the secretary of the Project Approval Group

The secretary of Project Approval Group of Programme Coordination and Management Unit (PCMU) receives and reviews the Pink file to ensure that the necessary review process has been undertaken, requirements and supplements are adequately included in the file, and comments by PCMU and the IDR are reflected in the revised project document.

The secretary of the Project Approval Group is authorized to return to project proponents any proposals that do not meet the guidelines laid down in this manual. The PCMU will, therefore, not forward any proposal to the Project Approval Group that is not properly formulated.

The secretary of the Project Approval Group arranges a meeting for the review and approval of the submitted project documents. Project Approval Group members require a minimum of five business days advanced notification about a meeting.

C.   Project Approval Group Approval

Project Approval Group membership includes the Deputy Executive Director as the chair, Chief of the Programme Coordination and Management Unit (PCMU) as the deputy chair, all division directors of UNEP stationed in Nairobi, Chief of the Evaluation and Oversight Unit, Chief of BFMS, UNON, and the secretary of the Project Approval Group.[22]

All proposals are presented at the Project Approval Group meeting by the relevant division directors. However, this responsibility can be delegated to the officer in charge of the Division with the support, if necessary, of the programme officer responsible for the project. The fund management officer of BFMS responsible for the project also needs to be present.

If there are no amendments, the Project Approval Group decision sheet is signed at the meeting by the chair of the Project Approval Group. The PCMU then forwards the project proposal file to the BFMS for further action. If there are amendments, the PCMU returns the project proposal file to the division director, care of the project manager responsible for incorporating appropriate amendments. The project manager consults with the fund management officer responsible for any modification in the budget information. Once the PCMU is satisfied with the amendments, it returns the project proposal file to the chair of the Project Approval Group for signature.

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[22] Quorum requirements: The chair or vice chair should be present to chair a Project Approval Group meeting. In the absence of the chair or vice chair the most senior member can chair the meeting. The Project Approval Group should have a minimum of four division directors present to form a quorum. In the absence of a minimum of four division directors, the meeting should be postponed.

When the Project Approval Group decision sheet has been signed by the chair of the Project Approval Group, the project proposal file is forwarded to the BFMS for the following actions:

(a) The relevant fund management officer of the BFMS checks that the final document is consistent with the proposal;

(b) The Chief, BFMS, verifies that the appropriate procedures have been followed and signs the project document on behalf of the UNEP;

(c) For projects, the Chief, BFMS, sends the project document to the cooperating agency or supporting organizations (if any) for signature; the signed project document is then countersigned by the Chief, BFMS on behalf of the UNEP;

(d) Once the project document is signed, it becomes an "approved project" and is allocated a project number and Integrated Management Information System identification. No financial obligations can be incurred against the project, formally or informally, until this stage has been reached and a project action sheet has been prepared by the fund management officer and subsequently issued by the Chief, BFMS. Further, all correspondence with cooperating agencies, supporting organizations, other relevant organizations and UNEP offices outside Nairobi, conveying details of approval of project commitments and new project activities, is issued by the BFMS.

The project managers need to be mindful that the lead-time for review by the PCMU and for IDR and approval of the project documents is normally four weeks. This, however, is dependent on prompt responses from the project managers to review comments and recommendations. Project managers further need to take into account that in cases where implementing partners need to approve the project, the lead-time may be several months longer, depending on the reaction time of the implementing partners.

Project managers should ensure that no project starts before it has been fully approved both internally and by all implementing partners (if any).

D.   Revisions of the projects and costed work plans

A review of project or costed work plan implementation may give rise to the need to revise a project document.

A project will be revised:

• To adjust budgets, extend project duration and reflect any changes in project implementation, including operational modality and changes in objectives, results, outputs or activities;

• On the closure of the UNEP annual accounts to reflect the actual expenditures incurred; and

• To close the project once all activities and reporting requirements are completed.

Where the revision involves additional funds less than $200,000, the programme officer should draft a revision, in consultation with the relevant fund management officer and in accordance with the guidelines set out in annex IX (Checklist for revising project documents).[23] The draft revision should be submitted to the Chief, BFMS, with the decision sheet prepared and signed as described above.

Revisions requiring additional funds of more than $200,000 should be drafted by the programme officer in consultation with the BFMS and presented to the Project Approval Group for approval according to the approval process illustrated in figure 13. The division director requesting revision to the projects or internally implemented activities within the costed work plan should justify the revision at the Project Approval Group meeting with necessary details on implementation.

Project revisions designed only to collect and disburse earmarked contributions without substantive changes in activities previously approved by the Project Approval Group may be approved by the chair of the Project Approval Group without going through the Group process, and submitted to the Chief of BFMS for signature.

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[23] Authority to approve revised projects and costed work plans emanating from UNEP units located in Europe and with budgets up to and including $500,000 has been delegated by the UNEP Executive Director to the head of Administrative Service Centre in Geneva.

The decision on whether a revised project or costed work plan should be reviewed by the Project Approval Group, however, will be made by the PCMU based on the size of the funding modification, duration of the requested extension and justification given for the continuation of project activities with a revised budget, and so on.

Project revisions should set out the rationale or justification for the revision and clearly state any changes in objectives, results, outputs or activities of the project. The purpose for which additional funding is required should be explained and the budget itemized in detail. The project document should also conform to the findings, if any, of the evaluation review exercise.

Revisions to the costed work plan with budgetary changes should clearly identify outputs affected and budgetary change and source for each output. Additional details are required for outputs with large additional funding and outputs with broad or generic descriptions in the existing costed work plan(see annex XIX).[24]

E. Projects, costed work plans and revisions of multilateral environmental agreements

    (a)   The project proposal is submitted by the head of the secretariat to the Chief, BFMS, for processing;

    (b)   The Chief, BFMS, requests the fund management officer to compile the project proposal file, including the decision sheet for the head of the secretariat, division director and, if applicable, the Regional Director and fund management officer to sign;

    (c)   The fund management officer checks to make sure that:

        •   The project document conforms with the approved programme and budget approved by the decision making bodies of the trust fund ;

        •   The job descriptions, terms of reference, project travel plans and lists of non-expendable equipment, if any, are attached;

        ▪   Budget presentation is consistent with the proposed activities in the document; and

        •   The project can be funded within the available allocations and earmarked contributions and the level of funding available for disbursement are specified.

    (d)   The decision sheet is signed by the head of the secretariat, secretariat administrative officer, division director and, if applicable, the Regional Director and the fund management officer;

    (e)   For internally implemented projects, once the Chief, BFMS, is satisfied that the requirements in (c) above has been followed, he or she signs the project document;

    (f)   For external projects, the Chief, BFMS, sends the project document to the cooperating agency or supporting organization for signature. Upon receipt, the signed project document is countersigned by the Chief, BFMS.

F. Projects financed from the Global Environment Facility trust fund

The programme officer prepares a project proposal in line with Global Environment Facility requirements. This proposal is submitted to the relevant UNEP and Global Environment Facility bodies for approval (section XI sets out the UNEP Global Environment Facility approval processes for Global Environment Facility activities).

Once the proposal has been approved and comments taken into account, the programme officer, in consultation with the Division of Global Environment Facility Coordination, finalizes the project proposal in line with the agreed format (adding the front page, budget and standard clauses) in line with UNEP requirements. The programme manager then submits the project proposal to the Chief, BFMS through the Global Environment Facility Coordination Unit for processing.

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[24] The additional details on outputs can be added, if necessary, under the existing output titles in the costed work plan without altering the existing titles as these output titles are approved by the Governing Council and the General Assembly and, therefore, should remain consistent with the approved text.

The decision sheet is signed by the Deputy Executive Director, Global Environment Facility Executive Coordinator, the relevant division director, and Chief, BFMS. Global Environment Facility projects, with Environment Fund money, like all such projects, once approved by the UNEP Global Environment Facility programme coordination committee and signed by the chair of the committee, are submitted for approval to the Executive Director.

VII. Monitoring and reporting

Project monitoring and reporting are essential com ponents of project management. The project coordinator and the project coordinator's supervisor are the principal beneficiaries of the monitoring information and should use it to ensure that projects are implemented as efficiently and effectively as possible.

A. Project monitoring

There is a growing emphasis on demonstrating performance rather than simply producing outputs, which changes the emphasis in monitoring and reporting requirements. Monitoring is the continuous process of assessing the status of project implementation in relation to the approved work plan and budget. Monitoring helps to improve performance and achieve results. The overall purpose of monitoring is to ensure effectively managed results and outputs through measurement and assessment of performance. If a project is poorly designed or based on faulty assumptions, however, even the best monitoring is unlikely to ensure its success. Particularly important is the design of a realistic chain of results, outcomes, outputs and activities.

Monitoring is the responsibility of the project coordinator and may be carried out informally (through weekly meetings) or formally (through written reports). Regular monitoring enables the project coordinator to identify actual or potential problems as early as possible in order to facilitate timely adjustments in project implementation.

Project coordinators should track the outputs and measure their contributions to results by assessing changes from baseline conditions. Project coordinators need to keep an ey e on key results because they can indicate whether a strategy is relevant and efficient or not. Relevance in a results-based context refers to whether or not a UNEP project intervention contributes to the achievement of key results and objectives.

Good monitoring consists of the following: [25]

(a) *Focus on results and follow-ups*: It looks for "what is going well" and "what is not progressing" in terms of progress toward the intended results;

(b) *Regular communication by the project coordinator or manager*: The project coordinator or manager should be dedicated to assessing progress, looking at the big picture and analyzing problem areas. They should ensure continuous documentation of the achievements and challenges as they occur and avoid having to try to remember the events some time later;

(c) *Regular analysis of reports*: The project coordinator or manager should review project-related reports, including financial reports, by the implementing partners to serve as a basis for their analysis;

(d) Use of participatory monitoring mechanisms to ensure commitment, ownership, follow-up, and feedback on performance: These include outcome groups, stakeholder meetings, steering committees, and focus group interviews;

(e) Ways to objectively assess progress and performance based on clear criteria and indicators stated in the logical framework matrix of the project document: The project team should agree on a performance measurement system by developing indicators and baselines;

(f) Active generation of lessons learned, ensuring learning through monitoring tools, adapting strategies accordingly and avoiding repeating mistakes from the past.

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[25] UNDP (2002), Handbook on monitoring and evaluating for results.

B.   Project reporting[26]

Project reporting is the formal presentation of monitoring information. The main reasons for reporting are the following:

(a)   *To formally inform management*: Reporting ensures that management, particularly the project coordinator's supervisor or project manager, is formally appraised of the progress made in project implementation and the supervisor or project manager is aware at an early stage of actual and potential problems and any remedial action taken;

(b)   *To validate requests for further funding*: Reporting ensures that the BFMS is kept informed of all aspects of project implementation. BFMS, together with project coordinators or managers, can then ensure that disbursed funds have been properly used before authorizing any further release of funds;

(c)   *To serve as an audit and evaluation trail:* Reporting maintains a record of all actions taken during project implementation. It therefore constitutes a vital resource for auditors and evaluators in assessing whether a project has been implemented in accordance with the rules and regulations and as efficiently and effectively as possible;

(d)   *To serve as a reference for future projects*: Reporting serves as a vital resource for ensuring that lessons learned (project successes, failures, best practices) through project implementation are available for consideration when formulating and implementing future projects;

(e)   *To report to the donors on the project's progress*: Often, reporting is requested by donors as they have shared interests with UNEP in the success of projects. Donors sometimes fund projects contingent upon satisfactory progress. They increasingly ask for progress and final reports at the results and objectives level rather than at the level of output or activity delivery.

C.   Reporting responsibility

The project coordinators, under the overall responsibility of their respective division directors, must ensure that all project reports are submitted on time. Projects can only be closed once all the reporting requirements have been met. Reporting on projects is part of the coordinator's tasks included in the performance appraisal system work plans, and forms part of the staff performance appraisals.

Project coordinators who have been reassigned within the organization, have to formally hand over their project responsibilities to the project manager taking over from them. Division directors have the responsibility to ensure that proper handing-over of projects takes place.

Submission of all outstanding reports for projects under their responsibility is part of the signing-off requirements that have to be fulfilled before staff who are leaving the organization can be given formal clearance from the Human Resource Management Service (see annex XVI on signing-off requirements related to projects).

D.   Reporting requirements

Reports need to be sent to the BFMS, PCMU and Evaluation and Oversight Unit, under cover of a memorandum signed by the responsible division director. Reporting requirements differ depending on whether a project is external (table 1) or internal (table 2). The following tables contain summaries of the reporting requirements.

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[26] See also section IX on evaluation.

Table 1: Reporting requirements for external projects

Report type	Prepared by	Responsibility	Preparation frequency/period	Submission	Format [27]
Activity report	Cooperating agencies/ Supporting organizations	(UNEP) Project manager	Annually for Jan–June/ Due by 31 July (or as per reporting cycle agreed with the donor)	To Project manager cc: BFMS & PCMU	Annex X
Progress report	Project coordinator/ Cooperating agencies/ Supporting organizations	(UNEP) Project coordinator's supervisor/ Project manager	Annually for Jan–Dec/ Due by 31 Jan. (or as per reporting cycle agreed with the donor)	To division director cc: PCMU & BFMS	Annex XI
Final report	Project coordinator/ Cooperating agencies/ Supporting organizations	(UNEP) Project coordinator's supervisor/ Project manager	End of the project/ Due within 60 days of completion	To division director cc: PCMU & BFMS	Annex XII
Self-evaluation fact sheet (EFS)	Project managers	(UNEP) Project manager	Annually on each current or completed project/ by the end of January	To EOU cc: Project manager	http://www.unon.org/eou
Quarterly financial report and cash advance statement	Cooperating agencies/ Supporting organizations	(UNEP) Project manager	Quarterly report Due by 30 April, 31 July, 31 Oct, and 31 Jan.	To project manager cc: BFMS	Annexes XIII and XV
Audited financial report	Supporting organizations	(UNEP) Project manager	Biannually by 30 June/ Within 180 days of the completion of the project	To project manager cc: BFMS	
Final statement of account	Cooperating agencies	(UNEP) Project manager	Annually by 15 February/ Within 60 days of the completion of the project	To Project manager cc: BFMS	
Inventory of non-expendable equipment (items over $1,500)	Project coordinator/ Cooperating agencies/ Supporting organizations	(UNEP) Project manager	Annually by 31 January and within 60 days of the completion of the project/ to be attached to the progress report	To project manager cc: BFMS	

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[27] An electronic form for each report is available in the http://www.unep.org/project_manual. Standard paragraphs related to each reporting requirements are available in annex V.

Table 2: Reporting requirements for internal projects and internally implemented activities

Report type	Prepared by	Responsibility	Preparation Frequency/period	Submission	Format
Progress report	Project coordinator	Project coordinator's supervisor/ Project manager	Annually for Jan–Dec/ Due by 31 Jan.	To division director cc: PCMU & BFMS	Annex IX
Final report	Project coordinator	Project coordinator's supervisor/ Project manager	End of the project/ Due within 60 days of the completion	To division director cc: PCMU & BFMS	Annex X
Self-evaluation fact sheet (EFS)	Project managers	Project manager	Annually on each current or completed project/ by the end of January	To EOU cc: Project manager	http://www.unon.org/eou

(a)   Activity report

For externally implemented projects, project coordinators or the implementing agencies should submit an annual activity report for the first half of the calendar year (from January to June). The activity report for the second half of the year is not necessary as the annual progress report (from January to December) is inclusive of the activities implemented for the entire year, including the second half of the year. The activity report is intended to reduce the reporting requirement on activities for the second half of the year and look at the progress report for the entire year together with the matching activities for the same period. Information on the activities implemented in the second half of the year, therefore, needs to be extracted from the progress report. Annual activity reports are due by 31 July. Due to varying reporting cycles of different donors, however, the reporting dates may differ. For the projects with donor-determined progress reporting cycle, the activity reporting date will usually fall at the mid-point of the progress reporting date.

(b)   Progress report

The progress report is required for all projects and internally implemented activities with earmarked funding.[28] The report provides a framework for assessing status and a record of project implementation at any given time. Its primary purpose is to ensure that the project coordinator's supervisor or project manager is formally appraised of the status of project implementation and that the decisions or actions necessary for successful implementation of the project have been or are being taken and documented in a timely manner.

The report should provide information on the status of delivery of project activities, outputs, results and impacts (if possible); as well as information on any actual or potential problems and deviations from the approved work plan and budget. The report should also indicate any agreed upon changes to the approved work plan and any decisions or actions regarding the future direction of the project.

Usually, progress reports are due by 31 January, especially for United Nations Fund and Development Account funded projects. For projects with donor-specific progress reporting cycles progress reports should be submitted on donor-determined reporting dates.

Although progress reports are required to be produced on a yearly basis, more frequent reports can be produced as the project coordinator's supervisor deems necessary.

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[28] See B.(c) costed work plan, projects and memorandums of understanding and letters of agreement in section I for the definitions of project and internally implemented activities.

(c)   **Final report**

The final report is required on completion of all projects and internally implemented activities with earmarked funding. The final report should be prepared by the project coordinator and should contain information on the achievement of objectives, results and outputs. It should clearly explain any variances from the originally approved project in terms of duration, cost, results and outputs or service s. The final report is similar in content to the progress report, except that it has added information on lessons learned and project sustainability and replicability.

Attention should be given to the requirements for project closure (see annex XVII). Thes e may include the requirement for an audit certificate. It should also be noted that for projects implemented by supporting organizations, the absence of a final report, inventory of non-expendable equipment or the audit certificate, will result in the final payment to the supporting organization being withheld.

The final report should be submitted within 60 days of completion of the project.

(d)   **Self-evaluation report**

Self -evaluations should be submitted by project managers annually to the Evaluation and O versight Unit on all projects and internally implemented activities with earmarked and trust fund contributions. These evaluations determine the extent of achievement of results, status and challenges of project implementation, budget management issues, gender issues, sustainability arrangements, impacts and risks.

(e)   **Financial reports**

Cooperating agencies:

Project expenditure statements: Cooperating agencies should submit to the Chief, BFMS, UNON, quarterly project expenditure statements and final account statements for each project, showing the amount budgeted for the year, amount expended since the beginning of the year and, separately, the unliquidated obligations (see the standard text in annex V and formats in annexes XIII and XIV).

Cash advance statements : A statement of advances of cash provided by UNEP should be submitted to the Chief of B FM S, UNON, quarterly (in the format shown in annex XV) together with the project expenditure statement .

Supporting organizations:

Project expenditure statements : Supporting organizations should submit to the Chief, BFMS, UNON, quarterly project expenditure statements and final account statements for each project, showing the amount budgeted for the year, amount expended since the beginning of the year (see the standard text in annex V and formats in annex XIII). The expenditure statements as at 31 December for projects with annual budgets of $50,000 and above, certified by a duly authorized official, should be dispatched to the Chief of B FM S, UNON within 15 days (see the standard text in annex V and format in annex XIII).

Cash advance statements : A statement of cash advances provided by UNEP should be submitted to the Chief of B FM S, UNON quarterly (in the format shown in annex XV) together with the project expendit ure statement .

VIII. Evaluation

A. Introduction

The objective of evaluation in the United Nations is defined as "to determine as systematically and objectively as possible the relevance, efficiency, effectiveness and impact of the organizations' activities in relation to their objectives"[29]. It provides recommendations and lessons learned for improving future policy, programmes and projects and establishe a basis for accountability.

In UNEP, evaluation provides information to firstly, programme or project managers to provide guidance to tackle problem areas and to determine whether adjustments are required for continuation, and whether programme or project activities should be expanded or replicated, and secondly to Governments and senior management to enable them to examine the validity of programme orientation.

Evaluation activities in UNEP are mandated and regulated by various General Assembly decisions that are summarized in ST/SGB/2000/8[30] and require all United Nations programme activities to be evaluated. In addition, a number of UNEP Governing Council decisions (75 (IV) 6/136, 13/1 and 14/1) also regulate evaluation in UNEP.

The Evaluation and Oversight Unit is charged with the responsibility for conducting, coordinating and overseeing evaluations within UNEP. This mandate covers all programmes and projects of the Environment Fund, related trust funds, earmarked contributions and projects implemented by UNEP under the Global Environmental Facility.

The activities of the Evaluation and Oversight Unit to cover this mandate comprise management studies, in-depth subprogramme evaluations, project self-evaluations, and project evaluations, conducted with the lead of the Unit. The Evaluation and Oversight Unit also prepares an annual report to provide a synthesis of the evaluation findings and conclusions in a specific year. This section of the manual concentrates on project evaluations.

B. Evaluation criteria

The decision on when and how a project will be evaluated is based on three criteria:

- What type of evaluation is suitable for the project?
- When is the evaluation required in the life of the project?
- What is the total budget of the project?

C. Types of evaluation

Four types of evaluations are used in UNEP: desk evaluations, in-depth evaluations, impact evaluations, and self-evaluations.

(a) Desk evaluations

Desk-evaluations focus on the process– the planning and implementation of activities and outputs – and less on results. Desk evaluations are limited to the review of existing data and information; no field visits take place.

(b) In-depth evaluations

In-depth evaluations are comprehensive and examine a programme or a project in its entirety by using multiple data sources and methods, such as desk evaluations, field visits and interviews. Usually, these evaluations address the process – the planning and implementation of activities and outputs – as well as the overall effectiveness, efficiency and impact.

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[29] ST/SGB/2000/8, "Regulations and rules governing programme, the programme aspects of the budget, the monitoring of implementation and the methods of evaluation".

[30] Ibid.

(c) **Impact evaluations**

Impact evaluations are concerned with the entire range of effects of the programme or project activity, including unforeseen and longer term impacts as well as impacts on affected people outside the immediate target groups. They are particularly useful in assessing the overall performance of the project in achieving long-term improvements in the quality of the environment and sustainability of the impacts against the stated objectives.

(d) **Self-evaluations**

Self-evaluations are assessments of programme or project activities carried out by individuals who manage implementation of the activities. These evaluations determine the extent of achievement of results, status and challenges of project implementation, budget management issues, gender issues, sustainability arrangements, impacts and risks. For detailed information, consult http://www.unon.org/eou/. In UNEP, self-evaluation reports are required annually for all projects (except UNEP Global Environment Facility project development grants PDF-A and B) which have been operational for more than six months.

D.   Timing

All evaluations (except self-evaluations which are conducted on an annual basis) can be undertaken at any point in the life of a project or programme and can be divided into four main categories: mid-term, terminal, spot checks and ex-post evaluations.

(a) **Mid-term evaluations**

Mid-term evaluations are undertaken approximately halfway through project implementation. These evaluations analyze whether the project is on track, what problems and challenges the project is encountering and what corrective actions are required. For mid-term evaluations, either in-depth evaluations or desk evaluations can be used.

(b) **Terminal evaluations**

Terminal evaluations are undertaken at the end of a project. They assess whether the objectives and goals were achieved in an effective and efficient manner, and provide recommendations and lessons learned from project implementation in order to assist in determining whether to continue, replicate or expand a project. Terminal evaluations can be undertaken as both in-depth and desk evaluations.

(c) **Spot checks**

Spot checks are normally done when progress is in doubt or when there is lack of information about a problem the project is facing. Spot checks are intended to identify causes and effects of the problems in order to provide solutions during project implementation. Spot checks can be requested by a programme or project manager.

(d) **Ex-post evaluations**

Ex-post evaluations are normally conducted two or more years after the programme or project was completed in order to assess its success or failure, to ascertain the sustainability of results and impacts, and to draw conclusions that may inform other projects. Most ex-post evaluations are carried out as impact evaluations.

E.   Budget

The size of the total budget of the project has an impact on determining the evaluation type.

(a)   Projects with budgets between $250,000 and $500,000 are subject to terminal evaluations conducted either as desk or in-depth evaluations.

(b)   Projects with a budget of over $500,000 are required to have terminal in-depth evaluations and the necessary amount for the in-depth evaluation should be included in the project budget.

(c)   Mid-term evaluations are applicable to projects with long implementation duration, normally 5–6 years, but do not have budgetary criteria per se. Mid-term evaluations are conducted as in-depth or desk evaluations.

Evaluation

F.   Evaluation process

All evaluations in UNEP are conducted within the framework of an annual plan prepared by the Evaluation and Oversight Unit in consultation with UNEP senior management and programme or project managers. The actual evaluation process consists of several distinct and important phases: planning and budgeting; data collection and analysis; reporting and implementation of recommendations; as well as follow-up of implementation of recommendations. Self-evaluations are conducted annually following a standard reporting structure and are, therefore, not part of this process.

UNEP employs a participatory evaluation methodology when conducting in-depth evaluations. Participatory evaluation involves several key steps outlined in section G.

G.   Planning for and costing of evaluations

(a)   Planning

The first step in planning is to determine which type of evaluation should be undertaken. After that, the exact nature and scope of the project evaluation itself is determined by developing terms of reference. This phase mainly concerns the programme or project manager and Evaluation and Oversight Unit, but should ideally involve representatives from all the different stakeholder groups in deciding the purpose of the evaluation, who will conduct the evaluation, how and when it will be conducted, and how the results will be reported and disseminated.

It is the responsibility of the programme or project manager, in consultation with the organization implementing the project, to draft the terms of reference for the evaluation. The Evaluation and Oversight Unit reviews and finalizes the terms of reference . A standard terms of reference document includes:

- *Background*: brief programme or project description; legislative mandate;

- *Scope*: geographic coverage and timeframe to be covered by the evaluation;

- *Objective*: the objective is formulated by asking questions pertaining to relevance, effectiveness, efficiency, and performance. In addition, performance indicators, if available, can assist in establishing the evaluation criteria;

- *Methodology*: normally, the evaluators are responsible for the research methods to be used. It is, however, advisable to describe the minimum expectations with respect to methods, for example, interviews, desk evaluation, and so on;

- *Report format*: structure and main contents of the evaluation report;

- *Timing and resources* : deadlines are established for submission of draft and final reports that clarify the cost projections based on activities, time, number of people, professional fees, travel, and other related costs. This section also specifies if field visits are required;

- *Qualifications of evaluator*: education, experience, skills and abilities required to conduct the evaluations.

For further guidance on how to write terms of reference, please refer to the sample terms of reference in http://www.unep.org/EOU/ or contact the Evaluation and Oversight Unit for specific examples.

The programme or project manager participates in the selection process of consultants by suggesting potential candidates to undertake the evaluation. The Evaluation and Oversight Unit is responsible for finally selecting the consultants based on the following main elements: specific qualifications and experience in the specific subject area, experience in evaluation in general and within the United Nations, and familiarity with United Nations, and UNEP specifically. The Evaluation and Oversight Unit also handles contracting and travel logistics.

(b)   Costing for evaluations

UNEP requires all projects to include the cost of evaluations in the project budget. The following elements should be considered when formulating the budget:

Evaluation

- *Consultant's fees*: duration of the evaluation and the level of qualifications and experience of the consultant. For further guidance please refer to the UNON inter-office memorandum of May 2004 [31] concerning procedures to follow in the recruitment of consultants;

- *Travel*: distance to locations and number of sites to be visited, mode of transport and daily subsistence allowance;

- *Communication and dissemination*: editing, printing, postage, telephone calls, and so on.

In addition to the above, costs of evaluations also depend on the type of evaluation to be undertaken. While an evaluation usually costs 5–7 per cent of a project's total budget, the following guidelines are based on experience with evaluations in UNEP:

- $5,000 for desk evaluation;

- $15,000 for in-depth evaluation (where a consultant will visit several countries in the region);

- $20,000 – 25,000 for an in-depth evaluation with multi-regional visits; and

- $75,000 for an impact evaluation.

(c)   Conducting the evaluation

During this phase the evaluator gathers and analyzes data and, depending on the type of evaluation, uses various methodologies, including:

- Review of project documents;

- Interviews with project managers and other individuals involved in the implementation of the project, such as Government representatives, non-governmental organizations, the private sector, donors, and so on, and project beneficiaries;

- Surveys or questionnaires; and

- Site visits.

The Evaluation and Oversight Unit and the programme or project manager should meet with the evaluator at the beginning of the evaluation to provide and share information and facilitate the mission. For larger evaluations, it is also recommended that the programme or project manager, together with the evaluator, establish a procedure to keep the programme or project manager informed of the progress and findings during the evaluation in order to ensure that the evaluator has all the collaboration and information available to conduct the evaluation.

H.   Reporting

A good evaluation report communicates findings, lessons learned and recommendations clearly, accurately and appropriately, and while being an objective presentation of the project, ensures that the concerns and comments of the involved parties are correctly reflected.

(a)   Report structure

The report elements presented below are standard and, except for self-evaluations, applicable to all evaluations; they should be included in UNEP evaluation reports.

- *Executive summary*: provides a brief overview of the main conclusions and recommendations of the evaluation;

- *Introduction or background*: gives a brief overview of the evaluated programme or project, for example, objective and status of activities;

- *Scope and objective*: presents the evaluation's purpose, evaluation criteria used and questions to be addressed;

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[31] UNON Inter-office memorandum, "Procedures to follow in the recruitment of consultants and individual contractors in UN-Habitat/UNEP/UNON", 12 May 2004.

Evaluation

- *Findings*: provide factual evidence relevant to the questions asked by the evaluator and interpretations of such evidence;

- *Evaluative conclusions*: give the evaluator's concluding assessments of the programme or project against given evaluation criteria and standards of performance. The conclusions provide answers to questions about whether the programme or project is considered good or bad, and whether the results are considered positive or negative;

- *Lessons learned*: present general conclusions, based on established good and bad practices, with a potential for wider application and use;

- *Recommendations*: suggest actionable proposals regarding improvements of current or future programmes or projects. They may cover resource allocation, financing, planning, implementation, and monitoring and evaluation. They should always be specific in terms of who would do what and provide a timeframe; and

- *Annexes*: include terms of reference, list of interviewees, and so on.

Once the draft report is ready the following steps are taken to finalize the report:

(i) The draft report is submitted by the evaluator to the Evaluation and Oversight Unit, the corresponding programme or project officer and his or her supervisor for initial review and consultation. This consultation is intended to confirm the facts and assess whether the report covers the terms of reference in a satisfactory manner and answers all the questions asked. The consultation also seeks agreement for the findings and recommendations;

(ii) After the comments from step (i) are incorporated, the report is sent for a second round of comments to the executing agency and to the division director of the programme or the project officer to seek their perspectives o n the overall management of the programme the project belongs to;

(iii) The Evaluation and Oversight Unit then finalizes the report and sends it for editing.

(b)   Dissemination

When the final edited report has been approved by the Evaluation and Oversight U nit, it is distributed to all relevant stakeholders and internally within UNEP to division directors, regional offices and out-posted offices. The programme or project manager decides if the report should be translated into other languages. All project evaluations are uploaded in full text on the Evaluation and Oversight Unit's website www.unep.org/eou.

(c)   Implementation and follow -up

Follow-up of evaluation recommendations is done through the preparation of implementation plans. These plans represent the programme or project manager's commitment to ensure that recommendations made by evaluations are implemented.

There are four steps in the implementation and follow up:

(i) Evaluation and Oversight Unit prepares the project implementation plan indicating the findings and recommendations stated in the evaluation report and sends it to the programme or project manager for completion;

(ii) The programme or project manager indicates whether the recommendation is accepted or not, whether any action has already been taken to implement it, what actions will be taken and the corresponding deadline as well as the responsibility for implementation;

(iii) Evaluation and Oversight Unit reviews the implementation plan and checks whether the recommendations have been addressed comprehensively and sends comments back, if needed;

(iv) Evaluation and Oversight Unit monitors the progress made in completing the implementation plan every six months and reports to the Deputy Executive Director.

(d)   Roles and responsibilities

The respective roles and responsibilities in conducting an evaluation are summarized in the table below.

Evaluation

UNEP programme or project manager	➢ Drafts terms of reference for evaluation team; ➢ Suggests potential candidates to undertake the evaluation; ➢ Reviews evaluation report, consulting with evaluators, Government and project team, ensuring accuracy of facts and technical quality; ➢ Prepares implementation plans and convenes processes to follow up on recommendations.
Evaluation and Oversight Unit	➢ Prepares annual evaluation work plan; ➢ Conducts evaluations; ➢ Finalizes terms of reference for evaluation team; ➢ Selects consultants and handles recruitment and mission logistics; ➢ Reviews evaluation report, consulting with the evaluator and the UNEP programme or project manager, ensuring that the report reflects a qualitative satisfactory response to the evaluation; ➢ Provides guidance on implementation plans and follow-up stages for implementation; ➢ Based on lessons learned and recommendations, provides analysis for management; ➢ Disseminates evaluation reports.

I.   Other evaluation and oversight activities

(a)   Subprogramme evaluations

Subprogramme evaluations are in-depth evaluations conducted every 4–5 years and cover all activities and projects within a subprogramme. The evaluation process follows that of project evaluation. The implementation of recommendations of the subprogramme evaluation is monitored by the senior management group and the Evaluation and Oversight Unit.

(b)   Management studies

Management studies focus on cross-cutting issues to improve management practices and tools. The specific areas of study are identified by management and Governments.

(c)   Annual evaluation report

The annual evaluation report aims to provide Governments, UNEP senior management and UNEP partners as well as other United Nations agencies with an assessment of the programme performance of UNEP, based on a synthesis of all evaluation activities carried out during the year. It is meant to be used as a tool to determine the direction of the UNEP programme. The report is an inter-sessional UNEP Governing Council document.

The report highlights key findings and recommendations and identifies lessons learned to help UNEP improve its programme performance. The senior management group and Evaluation and Oversight Unit monitor the implementation of recommendations in the annual evaluation report.

Evaluation

(d) **Oversight**

The Evaluation and Oversight Unit is also the focal point for internal and external audits and other oversight activities, including activities of the Joint Inspection Unit.

Evaluation

IX. Projects funded by the United Nations Foundation

A. United Nations Foundation operations

The United Nations Foundation is a public charity established in 1998 by Ted Turner to support the United Nations. Funds of the Foundation are released to implementing agencies through the United Nations Fund for International Partnerships.

United Nations Fund for International Partnerships was established by the Secretary-General on 1 March 1998 to provide a central administrative mechanism within the United Nations system for working with the Foundation, to identify and select projects and activities, and to disburse, monitor and report on the use of funds. United Nations Fund for International Partnerships is also responsible for the final formulation of projects.

The primary goals of the United Nations Foundation and the United Nations Fund for International Partnerships include:

- Facilitating the development of high impact programmes for channeling United Nations Foundation funds, with a special emphasis on the United Nations' work on behalf of economic, social, environmental and humanitarian causes;

- Enhancing the effectiveness of programmatic work;

- Helping forge new public–private partnerships among United Nations agencies, the private sector and non-governmental organizations to demonstrate what can be accomplished when public and private sectors cooperate and co-invest;

- Building support for the Millennium Development Goals;

- Educating the United States public about the United Nations' unique role in addressing global issues and forging international cooperation.

The focal point and secretariat for United Nations Foundation and United Nations Fund for International Partnerships issues at UNEP headquarters is the Programme Coordination and Management Unit (PCMU). Further guidance on the preparation and management of United Nations Foundation projects is available on the UNEP United Nations Foundation and United Nations Fund for International Partnerships website at: http://www.pcmu.unep.org/unf.

B. Key funding criteria

(a) Prerequisites

- *Programme priorities of the United Nations Foundation*: All proposals to the United Nations Foundation and United Nations Fund for International Partnerships should fall under one of the United Nations Foundation's general programme areas: the environment (including climate change, sustainable energy, and biodiversity); women and population; children's health; and peace, security and human rights;

- *Relationship agreement:* Proposals should conform to objectives laid down in the relationship agreement between the United Nations and United Nations Foundation. They should be innovative, forward-looking and proactive, and should make contributions to the collective future and wellbeing of the planet;

- *National development plans and priorities*: Proposals should support broad national development plans and priorities;

- *Supplementary funding:* United Nations Foundation resources are intended to supplement the regular, assessed or voluntary resources for mandated programmes of the United Nations and its departments, agencies and funds.

- *Mandate of United Nations agency:* Proposals should fall within the mandate and capacity of the implementing agency.

(b)   Essential characteristics

- *Results-based management:* Defines realistic expected results; monitors progress toward the achievement of those results; and integrates lessons learned into management decisions;

- *Partnerships:* Provide a framework for collaboration with civil society and private sector partners; afford the opportunity to attract significant additional resources, including funds from multilateral and bilateral aid donors; and offer the means to expand these partnerships;

- *Impact:* Offers a high probability of significant impact (relative to the funds required);

- *Advancing the Millennium Development Goals:* Contributes, in a tangible way, to the furtherance of the Millennium Development Goals;

- *Innovation:* Demonstrates innovative approaches to specific global problems;

- *United Nations added value:* Optimizes United Nations agency resources and strengthens the institutional capacity of the United Nations;

- *Strategic communication:* Includes an effective communication strategy, including a well-defined process for identifying, developing and disseminating messages, stories, best practices and lessons learned.

(c)   Other desirable characteristics

- *Demonstrates cost effectiveness:* Proposals must demonstrate financial and programmatic feasibility and should yield good value for money in relation to alternative approaches;

- *Ensures sustainability:* Proposals should seek to ensure sustainability from an economic, financial, environmental, and social perspective;

- *Focuses on prevention:* Proposals should, whenever feasible, anticipate/pre-empt problems before they occur;

- *Gender equity:* Gender equity considerations should be integrated into the programme design and policies of a funded proposal. Proposals should demonstrate sufficient awareness of the practical and strategic needs of women in the programme area;

- *Promotes local participation and ownership:* Proposals should, as applicable, reflect local priorities and needs, and be rooted in the community they are intended to benefit. Furthermore, the beneficiaries must be clearly defined, demonstrating that they consider the proposal as addressing their priorities and needs. Proposals must outline mechanisms to actively involve local beneficiaries (women and men) in planning, implementation and evaluation;

- *Enabling environment:* The enabling environmental (economic, political, social policy, and legal framework) of the host country should be conducive to the achievement of project objectives. Risks and assumptions associated with projects should be clearly identified in a project risk assessment, including steps to mitigate risks.

- *Commitment of national counterparts:* Proposals should demonstrate the commitment of national counterparts in the form of tangible contributions to the inputs and support necessary for successful operation;

- *Counterpart support capacity:* The scale and pace of activities should be commensurate with the organizational and institutional capacity of partners. Proposals should seek to strengthen capacity where it is found to be insufficient;

- *Lending visibility to the United Nation's work:* Proposals should raise the public profile of the United Nations and be of interest to the media;

- *Fosters inter-agency cooperation:* Proposals should promote inter-agency cooperation in support of common policies and goals;

Projects funded by the UN Foundation

- *Relevance to United Nations programming framework:* Development requirements and project identification should, wherever appropriate, find a place in country strategy notes and United Nations development assistance frameworks. The resident coordinator system should be closely involved in this regard.

(d)   Undesirable characteristics

Funding will generally not be considered for:

- Programme mandates entailing financing of core operating costs of United Nations system agencies or proponent institutions;
- "Add-on" funding for current development cooperation and humanitarian activities;
- Public infrastructure and projects involving a high element of capital investment and equipment costs; and
- Non-applied research.

C.   Grant proposal process and procedures

(a)   Overview of proposal development

The United Nations Foundation proposal development process can be broken down into two distinct phases as shown in figure 14.

Phase I: Preparing concept proposals based on expressed United Nations Foundation or the United Nations Fund for International Partnerships interest

The United Nations Foundation and the United Nations Fund for International Partnerships hold periodic consultations with United Nations agency partners to discuss and agree upon strategic programme priorities for the coming year. Following such consultations, United Nations Fund for International Partnerships welcomes receipt of short concept proposals from the United Nations system agencies that comply with the Foundation's strategic grant-making priorities. Concept proposals are jointly reviewed on a rolling basis by the Fund and Foundation staff to determine whether they merit further development as full proposals. United Nations agencies are strongly encouraged to develop concepts in close collaboration with civil society partners, including non-governmental organizations and the private sector.

Concept proposals should not exceed four pages and should follow the format prepared by the United Nations Foundation and the United Nations Fund for International Partnerships which is available on the UNEP website at http://www.pcmu.unep.org/unf.

Concept proposals must undergo an interdivisional review and must be formally submitted to the United Nations Fund for International Partnerships by the Deputy Executive Director. In addition, the Foundation project coordinator must be kept informed of any informal consultations with the United Nations Foundation or the United Nations Fund for International Partnerships programme staff regarding the development of concept proposals.

Phase II: Preparing comprehensive grant proposals for funding consideration

Each year a handful of exceptional concept proposals are endorsed by the United Nations Foundation for further development as comprehensive proposals for funding consideration. These full proposals should be no longer than twenty pages and developed in accordance with the detailed guidelines provided by United Nations Foundation and the United Nations Fund for International Partnerships which are available on the UNEP website at http://www.pcmu.unep.org/unf.

In addition to complying with the United Nations Foundation and the United Nations Fund for International Partnerships guidelines, proposals should include:

- Clear reference to the UNEP mandate for carrying out the proposed activities: This would normally be references to the work programmes for the bienniums covered by the proposed activities;

- Programme support cost clause: The project budget must include a separate line for programme support cost at 5 per cent to be added under the project total. Thus, the resulting grand total (comprising project cost and project support cost) would represent the amount to be requested for funding from the United Nations Fund for International Partnerships. Five per cent programme support cost is also applicable to all matching funds flowing through the Foundation;

Figure14: UNEP approval process applicable for projects funded by the UNF

PHASE I

Mid January or Mid June

| Informal Consultations (Prog. Officer/UNF Co-ordinator/UNF/UNFIP) | → | Preparation of concept proposal on request by UNFIP | → | Inter-Divisional Review | → | UNF Coordinator | → | ODED | → | UNFIP |

PHASE II

Mid March or Mid August — Early April or Early September — Mid April or Mid September — Mid June or Mid November

| Preparations of comprehensive proposal | → | PCMU Review | → | PAG | → | UNF Coordinator | → | UNFIP Review | → | UNF Coordinator |

* IDR process is not repeated for the project documents that already underwent the process in

- A budgetary provision of approximately 2 per cent should be included under staffing costs which will be used by Programme Coordination and Management Unit (PCMU) in administering the UNEP United Nations Foundation portfolio.

Full proposals must be reviewed by the PCMU or BFMS and the Project Approval Group before being formally submitted to the United Nations Fund for International Partnerships by the Deputy Executive Director. The Fund will formally present the proposals at the meetings of its advisory board and Board of Directors.

(b)   Proposal development timetable

The United Nations Fund for International Partnerships advisory board and the United Nations Foundation Board of Directors meet twice each year in June and November to consider proposals for funding. Proposals need to be received by the Fund at least two months prior to the board meetings. In view of this, figure 14 shows the approval process and timetable for preparation of United Nations Foundation proposals.

D.   Reporting requirements

(a)   Activity reports

Activity reports are required for externally implemented projects. Activity reports covering the first half of the year (1 January–31 June) are due by 31 July. Activities for the second half of the year are reported within the context of the annual progress reports.

(b)   Progress reports

Annual progress reports are due for any project that has received funding during the reporting year, prior to the end of the third fiscal quarter (on or before 30 September).

Progress reports are not required in the following cases:

- For projects of 12 months or less in duration, one final report satisfies all reporting requirements;
- For projects scheduled to end during the last or first quarter of a given year, a final report that clearly and adequately describes the activities of the final year of project activities satisfies the reporting requirements.

Progress reports should follow the format prepared by the United Nations Foundation and the United Nations Fund for International Partnerships which is available on the UNEP website at http://www.pcmu.unep.org/unf. Reports should be submitted electronically by 31 January to the Chief, PCMU with copies to the Chief, Evaluation and Oversight Unit and the Chief, BFMS. The PCMU will review and submit reports for all UNEP United Nations Foundation funded projects to United Nations Fund for International Partnerships by 15 February.

(c)   Financial reports

See details in section VII.D.(e) and annex XIII of this manual, and on webpage www.unep.org/pcmu/project manual on the financial report and format. Details of project expenditures should be reported, as at 31 March, 30 June, 30 September and 31 December each year, providing details of unliquidated obligations separately.

All United Nations Foundation project documents are required to include a standard paragraph on financial report as follows:

"Chief, BFMS, UNON will submit to United Nations Fund for International Partnerships, the unaudited financial utilization reports within 45 days after the end of the reporting periods, for example, as of 30 June and 31 December and an annual financial report certified and audited as appropriate within 90 days following the end of the year in line with existing memorandum of understanding or basic implementation agreement, as applicable, with United Nations Fund for International Partnerships."

(d)   Final reports

See details in section VII.D.(c) and annex XII of this manual and on webpage www.unep.org/pcmu/project manual on the final report and format. Within 60 days of the completion of the project, a final report is to be submitted to the Chief of PCMU with copies to the Chief of Evaluation and Oversight Unit and the Chief of

BFMS The PCMU provides a final report to United Nations Fund for International Partnerships in accordance with the existing memorandum of understanding with the Fund.

E. Operational modalities of United Nations Foundation funded project

(a) Procedure

The standard operating procedure for receiving funds for implementing a project embraces the following steps:

(i) After the project document is approved by United Nations Foundation and the United Nations Fund for International Partnerships, the Foundation transfers funds to a Fund account;

(ii) UNEP submits to Budget and Administration Unit, United Nations Fund for International Partnerships a cash request form approved by Chief, BFMS, UNON for review;

(iii) The office for programme, planning, budget and accounts transmits notification of funding to UNEP/UNON;

(iv) UNEP/UNON pay cash advance to the implem enting agency on the basis of notification of funding issued by the office for programme, planning, budget and accounts.

Internally, projects funded by United Nations Foundation operate under the established QGA Trust Fund and expenditures are recorded against the UNEP project budget approved by United Nations Foundation and the United Nations Fund for International Partnerships. The notification for funding covers funds required in the first year of the project and expires on 31 December. On the basis of t he expenditure report submitted by UNON/UNEP to United Nations Fund for International Partnerships, after the closure of the accounts, any unspent balance is rephased to the next year. The revision of the project document reflecting the rephasal of funds and activities is submitted by UNEP to United Nations Fund for International Partnerships by end of May.

X. United Nations Development Account

A. Guidelines for the preparation of proposals, financing and reporting

The General Assembly in its resolution 54/15 of 29 October 1999 established the United Nations Development Account, a multi-year account for supplementary development activities and approved modalities for its operation.

The resolution also stressed the need for emphasis to be placed on the promotion of development activities and national capacity-building in the implementation of the projects, particularly in developing countries and in countries with economies in transition. In addition, particular attention should be paid to the use of technical, human and other resources available in developing countries.

Projects are executed by the entities of the executive committee on economic and social affairs. The Under-Secretary-General for Economic and Social Affairs acts as programme manager for the account.

The website http://www.un.org/esa/devaccount/contains more information and updated guidance on the development account.

For the account's fifth tranche (launched in 2004) guidelines issued by the programme manager specified that successful projects would:

- Contribute to the achievement of the Millennium Development Goals and implementation of major United Nations conferences;

- Be oriented towards having an impact at field level;

- Use knowledge management;

- Use networking of expertise at subregional, regional and global levels;

- Build national capacities;

- Use technical and human resources in developing countries;

- Lead to multiplier effects;

- Have good demonstration effects;

- Promote economic and technical cooperation among developing countries at regional or inter-regional levels;

- Result in durable, self-sustaining initiatives;

- Create synergies with capacity-building interventions of the United Nations secretariat;

- Benefit from partnerships with non-United Nations stakeholders;

- Be innovative;

- Draw on existing knowledge in UNEP;

- Take advantage of information communication technology; and

- Require not more than $600,000.

B. Modalities for operating the account

In accordance with General Assembly resolution 54/15, the United Nations Development Account operates in accordance with the financial regulations of the United Nations and the regulations and rules governing programme planning, the programme aspects of the budget, the monitoring of implementation and the methods of evaluation. Reports on project implementation are submitted to the General Assembly in accordance with the relevant regulations and rules.

Projects operate on sub-allotment basis. The amounts approved by the General Assembly for development projects are allotted from the special account by the Programme Planning and Budget Division to the relevant departments and offices responsible for implementation of the development projects.

Every six months, the Accounts Division issues a separate financial statement for the special account for supplementary development activities.

Expenditures from the United Nations Development Account are subject to the same modalities and procedures that govern the regular budget of the United Nations. As the United Nations Development Account is a multi-year account, any balance within a project at the end of the biennium can be carried forward to the next biennium.

Allotments issued for the current biennium lapse on 31 December of the second year of the biennium. Obligations incurred are valid for twelve months following the end of the financial period to which they relate. Any unencumbered balances at the end of the biennium are rephased to the forthcoming biennium by the issuance of related allotments under the special account for supplementary development activities.

Because the United Nations Development Account is governed by the procedures of the regular budget of the United Nations, no funds from the account can be used for support costs. Therefore, the resource requirements of the projects should be sufficient to achieve anticipated results, with the ongoing maintenance costs funded from the projects' approved budgets.

C. Preparation of proposals

(a) Procedure

Entities of EC-ECA, upon request of the programme manager of the account, submit project concepts for each tranche. The programme manager reviews these proposals and makes, jointly with members of the EC-ESA, selections based on predefined criteria and the resources available for the next budget period. The programme manager, jointly with the programme planning and budget division, finalizes the projects selected for review by an inter-governmental process.

Entities of EC-ESA develop the approved project concepts into full-scale project documents, with detailed budgets, for final submission to the programme manager.

(b) Submission of proposals

The latest format for concept proposals as well as full-scale project documents can be obtained on the webpage http://www.un.org/esa/devaccount/.

Project concepts can be prepared according to the format suggested on the webpage mentioned above. However, full-scale project documents should satisfy the requirements of both UNEP and the development account.

Proposals and subsequent related information should be submitted to the PCMU, UNEP for review, selection and recommendation to the Executive Director or Deputy Executive Director for submission to the programme manager of the account (see figure 15 for development account projects approval process).

Concerning budgetary requirements, it should be noted that only short-term temporary personnel components can be financed from the development account in accordance with the provision of related instructions for obtaining the services of individuals on behalf of the organizations (ST/SGB/177, ST/IA/295 and ST/AI/297). Upon approval of the project proposal by Department of Economics and Social Affairs, the Budget and Financial Management Service requests the Programme Planning and Budget Division in New York headquarters to issue an allotment advice based on the approved budget.

The issuance of the allotment advice by Programme Planning and Budget Division is the authority for UNEP to incur expenditures. Any reallocation of funds requires the issuance of a revised allotment advice by the Programme Planning and Budget Division. The request of the revised allotment advice is prepared by the Budget and Financial Management Service and should be accompanied by proper justification by the project manager.

D. Reporting requirements

The required reports should be prepared by the respective programme coordinator or head of the division responsible for the implementation of individual development account funded projects. These reports have to be sent electronically to the UNEP Programme Coordination and Management Unit for submission to the Under-Secretary-General of Department of Economics and Social Affairs and the programme manager of the development account.

(a) Activity reports

For externally implemented projects, project coordinators, cooperating agencies or supporting organizations should submit the annual activity report for the first half of the calendar year (from January to June). See details on reporting requirements in section VII.

Figure 15: Approval process applicable for projects funded under development account

Phase I	Phase II

Phase I:
- Concept proposal
  ↓
- DA Project coordinator/PCMU ↔ Inter-divisional review (IDR)
  ↓
- ED/DED
  ↓
- Division of Economic and Social Affairs (DESA)
  ↓
- Approval/Rejection

Phase II:
- Project document and elaboration of detailed funds requirement
  ↓
- Project approval process illustrated in figure 13
  ↓
- Issuance of allotment advice/Registering the allotment advice in UNEP
  ↓
- Signature of implementing agency (External projects only)
  ↓
- Signature of Chief BFMS/UNON

(b) **Progress reports**

Progress reports are required once a year and serve as a basis for the report to be submitted to the General Assembly. The reports should cover the period from 1 January to 31 December.

It should be noted that, in 2004, the United Nations Department of Economics and Social Affairs reviewed the development account's monitoring and evaluation system, including reporting. The outcome of this review and the new guidelines are available on website http://www.un.org/esa/devaccount/.

Progress reports should be submitted in the format requ ired for UNEP projects (see anne x XI) and completed with the relevant paragraphs specific to United Nations Development Account funded projects.

The progress report should include information on:

(i) Collaboration with partners and leveraged resources;

(ii) Delivery of planned activities or outputs and results of the project measured against the performance indicators stated in the project document;

(iii) Accumulated impact of the project (paragraphs specific to United Nations Development Account funded projects);

(iv) Possible delays in project delivery vis-à-vis remedial actions to be taken; and

(v) Project budget performance.

In assessing effects and accumulated impacts of project implementation, progress reports should address the extent to whi ch the criteria set out in the relevant General Assembly resolutions have been met, particularly with a view to:

• Demonstrating the benefits accruing in building national capacities;

• Using the technical, human and other resources available in developing countries;

• Having multiplier effects and promoting capacity-building in developing countries;

• Promoting regional and inter-regional economic and technical cooperation among developing countries.

Such dimensions as sustainability (the extent to which the project leads to some durable, self-sustained process) and synergies with other development interventions should also be reflected in progress reports. The electronic version of the progress report format specific to United Nations Development Account funded projects is available at website http://www.unep.org/pcmu/project manual.

The mid-year and end -of-year information on project budget performance should be summarized in a tabular format, including the total financial allocation for the life of the project by budget line (object of expenditure), up-to-date obligations and disbursements, total resources committed, and the remaining balance. Data for each budgeted activity should be provided separately. In cases of deviations of actual expenditures from the requirements indicated in the initial allotment request (cost plan), explanations should be provided. In preparing these reports, programme managers should obtain the most recent financial data available at the time of the reporting.

Observations by project managers provide valuable feedback and thus facilitate assistance or intervention by the programme manager or the central administration, as required.

(c) **Final report**

A final report is required on the completion of all projects using the format given in annex XII and on webpage http://www.unep.org/pcmu/project manual.

The final report should be submitted to the PCMU, UNEP within 60 days of completion of the project.

(d) **Reports to the General Assembly**

The programme manager of the United Nations Development Account (Under-Secretary -General of Department of Economics and Social Affairs) prepares, jointly with the Programme Planning and Budget Division, Department of Management, reports on the operation of the United Nations Development Account and submits them for consideration by the advisory committee on administrative and budgetary questions and then to the General Assembly. These reports are based on progress reports and other inputs prepared by the entities of EC -ESA responsible for the respective projects.

XI. Global Environment Facility projects

Annexes

Annex I: Sample project proposal for sponsorship

United Nations Environment Programme
برنامج الأمم المتحدة للبيئة · 联合国环境规划署
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT · PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE
ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ
UNEP

Our Ref:

Project submission for sponsorship

UNEP subprogramme and programme element:	Technology, Industry and Economics (Production and Consumption Branch) and Environmental Policy Implementation
Title of project:	Building national and local capacity for dangerous goods transport emergency planning implementation (TransAPELL)
Legislative authority:	UNEP/GC.21/3/Add.1 (Environmental Emergencies) *21/17* *Further improvement of environmental emergency prevention, preparedness, assessment, response and mitigation*
Geographical scope:	Global/regional (project implementation in three countries)
Co-operating agency/ Supporting organization	The United Nations Economic Commission for Europe, Governments and national institutions in countries selected for implementation in Asia-Pacific, Africa, Latin America.
Duration of the project:	Three years
Project coordinator:	Mr Fritz Balkau Chief, Production and Consumption Branch Division of Technology, Industry and Economics (DTIE) Telephone: + 33.1.01 44 37 14 40 and Fax + 33.1.01 44 37 14 74 e-mail: fritz.balkau@unep.fr
Cost of project:	**Total: $ 1,182,850** (Expressed in US$)

Activity	2005	2006	2007	Total	%
(a) Consultants and subcontractors	85,000	120,000	115,000	320,000	27,05
(b) Meetings/workshops (in selected countries)	60,000	90,000	100,000	250,000	21,14
(c) Travel (for meetings/ workshops)	40,000	40,000	50,000	130,000	10,99
(d) Reporting costs (production and dissemination of publications)	15,000	15,000	15,000	45,000	3,80
(e) Personnel (project coordinator)	75,000	75,000	75,000	225,000	19,02
(f) Evaluation			15,000	15,000	1,27
(g) Project support cost (13%)	35,750	44,200	42,900	122,850	10,39
Funding requested from donor(s):	**310,750**	**384,200**	**412,900**	**1,107,850**	**93,66**
Cost to UNEP (cash and in-kind), including staff-time, logistic support	25,000	25,000	25,000	75,000	6,34
Total costs	**335,750**	**409,200**	**437,900**	**1,182,850**	**100.00**

Project summary:

This proposal outlines a project aimed at helping selected national governments to improve their own ability to manage safely the transportation of dangerous goods by raising awareness and building capacity of national and local institutions that deal with emergency preparedness and response, through the "transAPELL" approach. The scope of this project is inland transportation of dangerous goods, including rail, road and pipeline transportation.

Based on existing demands, activities will be carried out at the national level in three selected countries one from each of the following regions: Africa, Latin America, Asia-Pacific – to be jointly selected with donors reflecting the intention of UNEP and donors to increase specific countries' safety levels.

This project aims to build capacity on the safe transportation of dangerous goods at national and local levels. National capacity building will be carried out through workshops and training while local capacity building will be carried out through demonstration projects in a selected vulnerable community (hot spot) in each country.

Background:

Increased industrialization has also brought a similar increase in the transportation of hazardous materials. The local customs, skills and information for safe transport often are inadequate. Lack of familiarity with chemical substances means that local populations behave inappropriately in case of an accident. Consequently, the risk of accidents during the transport of dangerous goods has also increased in both industrialized and developing countries.

The terrorist attack on September 11 also gave the transportation of dangerous goods a different perspective. Huge tanks of concentrated deadly gases that the chemical industry transport near densely populated areas can be considered as "prepositioned weapons of mass destruction" for terrorists and should be protected so as not to be seen as "easy" targets.

Apart from deliberate acts, usual transportation accidents were also in the news recently. The train blast in Iran in February 2004 had a devastating effect on the villages that bordered the railroad. The explosion resulted in 328 deaths and approximately 460 injuries. The derailed cars contained a variety of mixed dangerous chemicals including solid sulphur, gasoline and fertilizers.

The North Korean accident in April 2004 also gave rise to some questions regarding how to transport ammonium nitrate, which was the chemical involved in the accident. This accident killed 161 people and injured more than 1,000. The blast obliterated the station and the immediate vicinity, causing damage within a radius of four kilometres.

These accidents triggered UNEP Division of Technology, Industry and Economics (DTIE) to invest again in the area of transportation of dangerous goods. It is clear that the risk of transportation accidents involving hazardous substances is serious and should be integrated into local emergency preparedness planning, and capacity should be built at national level.

This proposal has already been discussed with the Swiss Agency for the Environment, Forests and Landscape (SAEFL) and Switzerland might be in a good position to share its experiences in the management and control of the transportation of dangerous goods within the country.

This project will be built on the expertise drawn from the APELL programme and from expertise in safe transportation from some developed countries that have advanced in this area such as Switzerland, Canada, United States and the Netherlands.

Proposal:

This project aims to improve the ability of selected national governments to deal with risks arising from the transportation of dangerous goods. To do so, the following is needed:

- To build capacity of relevant national and local institutions to improve their knowledge and effective use of prevention and preparedness procedures to manage the risks arising from the transportation of dangerous goods (the idea is to build capacity on the existing material developed already by the United Nations Committee on the Transportation of Dangerous Goods) – perhaps even linking this phase with the UNCTDG secretariat for a joint initiative;

- To undertake three demonstration projects in each of the selected countries to allow local authorities and institutions to also build capacity and be trained on how to manage transportation risks (based on the transAPELL approach).

Objectives:

- Reduction of human injuries and deaths related to transportation of dangerous goods in the selected countries;

- Overall reduction of accidents related to the transportation of dangerous goods in the selected countries;

- Local level demonstration of the applicability and usage of national frameworks;

- Increased capacity of local institutions to deal with the prevention, preparedness and response to transportation accidents involving dangerous goods.

Results:

- Increased public awareness of overall risks of transportation of dangerous goods and related prevention measures;

- Enhanced management of transportation of dangerous goods by national institutions of the selected countries;

- Enhanced government and local readiness to reduce overall accidents related to transportation of dangerous goods.

Outputs:

- Effective delivery of training for the safe transportation of dangerous goods.

- Development and dissemination of procedural guidelines for safe transportation of dangerous goods for worldwide use and adaptation by other national or institutional partners.

- Establishment of multiplication strategy for local community institutional capacity building for safe handling of dangerous goods.

Activities:

Initial phase – national capacity building

    1.   Set up a steering committee for the project;

2.   Develop a detailed project plan of action with specific activities, specific budget, timeline and responsibilities;

3.   Develop, together with the steering committee, project performance criteria and indicators to evaluate whether the actions proposed are leading to improvements in reducing the likelihood of transportation accidents (prevention), in improving preparedness (reducing the vulnerability);

4.   Identify a Government focal point in each of the selected countries to participate in the project;

5.   Assess in each country governance structures, policies, tools and practices related to the transportation of dangerous goods. Existing good practices will be the basis for suggestions and recommendations together with expert consultations;

6.   Develop a training package to train national and local institutions on the safe transportation of dangerous goods;

7.   Undertake national awareness raising activities and training in each of the three countries;

8.   Hold one project progress review meeting where inter-regional or inter-country consultation with stakeholders and implementers will take place to discuss the lessons learned, best approaches, and a flexible framework for countries to follow;

Implementation phase – Demonstration projects

1.   Identify, together with the steering committee and the government focal point, a "hot spot" in each country to demonstrate the project (through undertaking transAPELL implementation);

2.   Form in each hot spot local committees to participate in the demonstration project implementation;

3.   Train all local institutions in the three hot spots with the same training package developed in the initial phase;

4.   Implement the transAPELL process in each of the hot spots – this phase will last two years and will involve four visits to each selected hot spot plus one full scale drill;

5.   Collect project indicators;

6.   Promote public awareness campaigns to communicate with a larger regional community the findings and changes implemented during the project and how these actions can possibly reduce the likelihood of transportation accidents or their impact on property, life and environment;

7.   Prepare a national meeting to show overall project results and propose a multiplication strategy in the country;

8.   Document all project-related documentation, methodologies and reports both in English and the national language so that after completion the whole initiative can be multiplied in other countries.

Annex II: Situation analysis

Prior to the project formulation and construction of the logical framework matrix, structured analysis of the existing situation should be conducted. This comprises stakeholder analysis, problem analysis and objective analysis. The analysis facilitates formulation of the logical framework elements as well as defining the scope of the project. Stakeholder, problem and objective analyses are an iterative and simultaneous process.

A.   Stakeholders analysis

The analysis of stakeholders, their needs and interests, is an important part of the situation analysis. The purpose of the stakeholder analysis is to gain an overview of important groups or players who have or may develop vested interests in a certain situation or working context. Core stakeholders are those who are well-informed and can help to analyze and discuss the main issues that the analysis will focus on. The main purposes of stakeholder analysis are:

- To better address and manage the distributional and social impacts of projects, programmes and policies; and

- To identify existing or potential conflicts of interest and to factor appropriate mitigation strategies into activity design.

Procedure:[32]

1. Identify the principal stakeholders at various levels – local, national, regional and international;

2. Investigate their roles, interests, and relative powers and capacities to participate;

3. Identify the extent of cooperation or conflict in the relationships among stakeholders; and

4. Interpret the findings of the analysis and define how they should be incorporated into project design.

B.   Problem analysis and the problem tree

Problem analysis

In order to understand a situation to be influenced by a project, it is essential to be aware of problem conditions which constitute development constraints as well as their causes. Precise description of problems as deviations between some desired conditions and the status quo, and the major root causes of the situation need to be identified in order to devise effective ways of dealing with them. Problems and their inter-relationships can be identified and visualized using the so-called "problem tree". The problem tree is a diagram showing the cause–effect relationships between problem conditions in a defined contest (see figure 16 for an example of a problem tree).

Procedure[33]

1. Define precisely the situation (sector, subsector, area, and so on.) to be analyzed;

2. Define some (approximately five) major problem conditions related to the selected situation;

3. Organize the problem conditions according to their cause–effect relationships;

4. Add additional problems, thus describing causes and effects; and

5. Check the diagram (tree) for completeness (most relevant conditions) and logical order.

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[32] Australian Agency for International Development (2003), *Logical framework approach*, the AusGuidelines.

[33] UNESCAP (2003). Project planning, monitoring and evaluation, training guide.

C.   Objectives analysis and the objective tree

Objectives analysis

It is important to identify, on the basis of the problem analysis, the objectives and results that the project is intended to achieve. If there is no secure commitment from all the parties concerned to the project's objectives and results, then friction may occur among stakeholders, leading to poor project implementation. The problem structure shown in the problem tree can serve as a basis to identify and visualize potential objectives a project might want to achieve. The objective tree is created by transforming the hierarchy of problems into a hierarchy of objectives describing future conditions which are desirable and realistically achievable. The objective tree can form the basis for further decision-making on alternative interventions (projects) that would aim to influence a given situation (see figure 17 for an example of an objective tree).

Procedure

1.   Reformulate the problems as objectives;

2.   Check the logic and plausibility of the means-to-ends relationship;

3.   Adjust the structure wherever necessary and revise statements;

4.   Delete objectives that are not desirable;

5.   Check whether rewording will lead to meaningless or ethically questionable statements; in that case, reformulate the objective or indicate that this problem cannot be solved in the given context; and

6.   Add new objectives if they appear to be relevant and necessary in order to achieve the stated objective at the next higher level.

Figure 16: Example of a problem tree: from the project entitled "Development of national legal databases for capacity-building to enhance access to environment law Inform ation in Africa"

Effects

Environmental degradation due to inability to protect the environment

Low quality education due to inadequate reference materials

Poor judgements and plaints and access to justice in environmental matters

Low public participation in decision-making due to lack of information

Inappropriate/in adequate decision-making and implementation of environment Conventions

Poor access to materials for environmental management for all users.

Inability to rely on credible sources of environmental information.

Reaches less people in the country and beyond with the right information

Lack of access to environmental information by information technology

Lack of capacity to store and retrieve information electronically

Causes

Figure 17: Example of an objective tree: from the project entitled "Development of national legal databases for capacity-building to enhance access to environment law information in Africa".
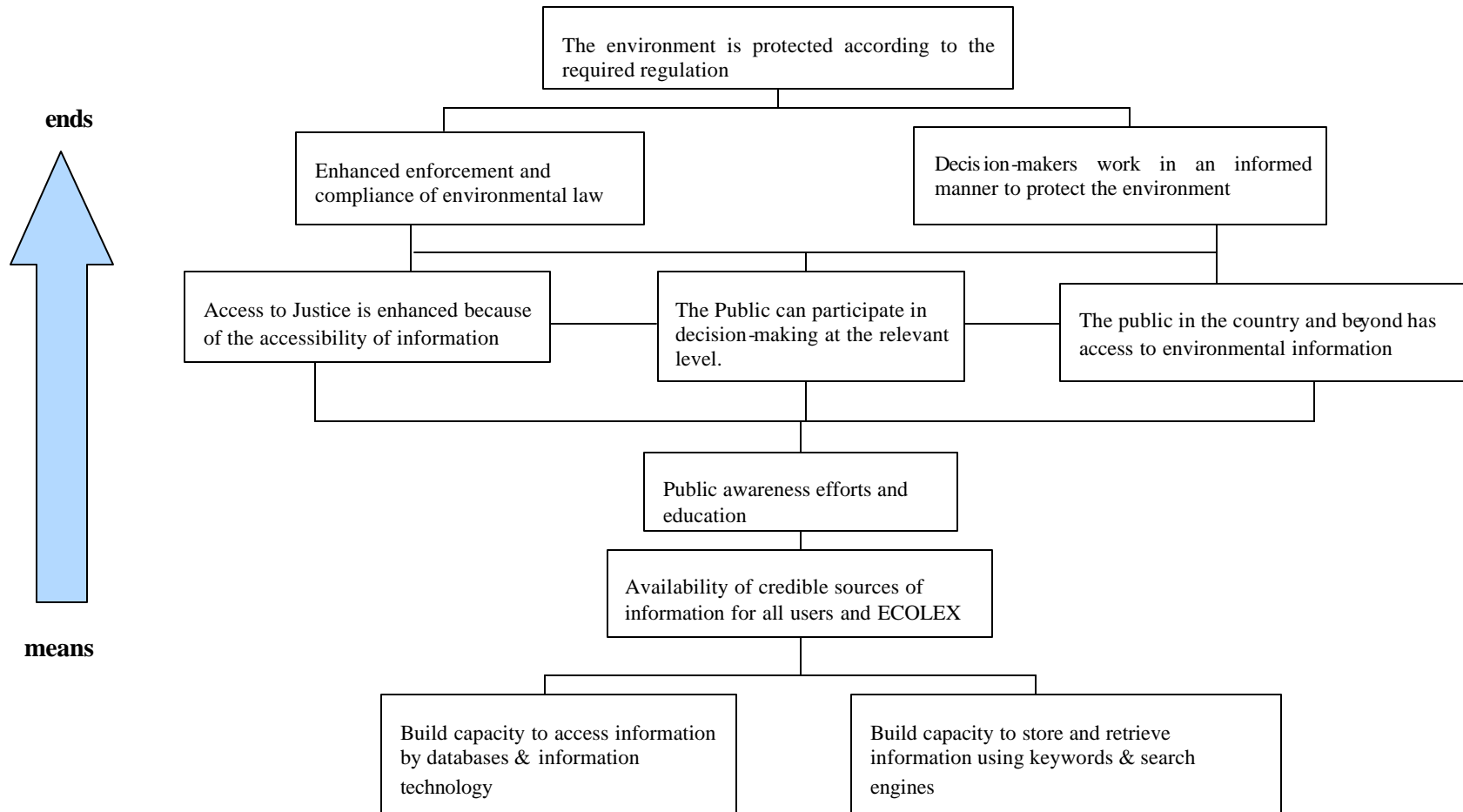
Annex III: Project impacts on poverty alleviation and gender-equality

Thematic issues such as poverty alleviation and gender-equality should be taken into account and mainstreamed in every project or programme in UNEP. Poverty and gender issues surrounding the key subject area of project intervention should be part of the situation analysis. This annex provides brief guidelines for project managers on how to incorporate these essential thematic issues in project development, planning and implementation.

A   Poverty alleviation and environment[34]

It is increasingly accepted that poverty cannot be adequately measured by taking into account only baseline indicators, such as income. Rather, a multidimensional approach that considers poverty in terms of constituents and determinants of wellbeing better encapsulates the experience of poverty. These constituents and determinants of wellbeing greatly enhance the freedom or ability of individuals to carry out specific sets of actions that contribute to their wellbeing. These include, for instance, being able to be adequately nourished or being able to be free from avoidable disease. The absence of such constituents is defined as poverty.

For the poor, many constituents of wellbeing are closely linked with ecosystem services – the benefits people obtain from ecosystems. Ecosystems provide a flow of goods such as food, fresh water and fuels; they also provide services which regulate ecosystem processes in support of human wellbeing through, for example, the purification of air and water, and the renewal of soils and soil fertility; and they enrich society by contributing to a community's spiritual and cultural identity.

It is well documented that the poor suffer disproportionately when environmental degradation limits the capacity of ecosystems to provide such services. For example, destruction of watersheds causes serious disruption to the provisioning of water by ecosystems. Because the poor often do not have the resources to purchase clean drinking water when the water supply is degraded, they have no option but to drink contaminated water or to spend a larger portion of time collecting water. Both alternatives affect their level of wellbeing and poverty. Figure 18 details the close relationship between many constituents of wellbeing and ecosystem services.

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[34] Poverty-environment references:

Andy Norton, A rough guide to PPAs: An introduction to theory and practice, 2001.
http://www.worldbank.org/participation/web/webfiles/ppaguide.htm

Millennium Ecosystem Assessment, Ecosystems and human wellbeing: A framework for assessment, Island Press, 2003.

UNEP and IISD, Exploring the links: Human wellbeing, poverty, and ecosystem services, 2004.

Figure 18: Poverty-ecosystem linkages[35]

Ecosystem Services

PROVISIONING
- Food
- Micro-organisms, plant and animal product
- Genetic material, biochemicals and pharmaceuticals
- Fuels/energy
- Fiber
- No-living materials
- Fresh water

REGULATING
- Purification of air and water
- Mitigation of floods and droughts
- Detoxification and decomposition of wastes
- Generation of renewal of soil and soil fertility
- Pollination of crops and natural vegetation
- Control of a vast majority of potential agricultural pests
- Dispersal of seeds and translocation of nutrients
- Maintenance of biodiversity, from which humanity has derived key elements of its agricultural, medicinal and industrial enterprise
- Protection of the sum's harmful ultraviolet rays
- Partial stabilization of climate
- Moderation of temperature extremes and the force of winds and waves

ENRICHING
- Spiritual uses and relationship of people to land and water
- Aesthetic values
- Social relations and values
- Education and scientific value

Being able to be adequately nourished.

Being able to be free from avoidable disease.

Being able to live in an environmentally clean and safe shelter.

Being able to have adequate and clean drinking water.

Being able to have clean air.

Being able to have energy to keep warm and cook.

Being able to use traditional medicine.

Being able to have cultural and spiritual practices using ecological systems respected.

Being able to cope against extreme natural events like floods, tropical storms and land slides.

Being able to make sustainable management decisions with respect to the use of natural resources in order to achieve a sustainable income stream.

B.   Project intervention strategies for poverty alleviation

Ensuring that certain instrumental freedoms exist or are developed increases the likelihood of a project capturing and addressing the links between poverty and the environment. These freedoms or enabling conditions are: participative freedom; access to economic facilities and social opportunities; the existence of transparency guarantees; protective security; and ecological security. These freedoms are explained below and are combined with strategic interventions. Including such strategic interventions in a project will ensure that the poverty–environment links are duly captured and addressed.

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[35] UNEP and International Institute for Sustainable Development (IISD) (2004), *Exploring the links: human well-being, poverty and ecosystem services*.

a. Participative freedom

Participative freedom allows the poor and the marginalized to take an active part in deliberations on the use of ecosystems in which they live, reflecting the ways that they value these ecosystems.

Strategic interventions include:

- Establishing democratic processes to allow individuals to decide on issues related to well-being and ecosystem management;
- Allowing a process for value formation and the creation of an environmental ethic through public discussion;
- Providing the means by which the poor and the impoverished can organize and articulate their views and position on ecosystem management.

b. Economic facilities

Economic facilities – which consist of having clear ownership rights and reduced transaction costs – facilitate the conversion of provisioning services for production or exchange, providing increased opportunities and choices to the poor.

Strategic interventions include:

- Clear ownership or user rights and transparent access to ecosystems and ecosystem services;
- Reduced transaction (processing, administrative, information) costs for converting ecosystem goods into economic products;
- Availability of financial resources in the form of micro-credit; and
- Access to information on prices, technology and market opportunities in a timely and consistent format.

c. Social opportunities

Social opportunities help to engage marginalized groups in decisions about the use of ecosystem services. This contributes to both the well-being of the marginalized and potentially more sustainable ecosystem management decisions.

Strategic interventions include:

- Promoting women's agency by providing support for women's networks and the creation of informal institutions;
- Providing basic health facilities;
- Providing clean water;
- Providing safe and clean shelter; and
- Providing basic education on ecosystems and their links with human well-being.

d. Transparency guarantees

Transparency guarantees contribute to sustainable ecosystem management by decreasing corruption and inefficiency.

Strategic interventions include:

- Reducing corruption in public and private sectors;
- Increasing efficiency and effectiveness in the bureaucracy, policy-making circles and judiciary; and
- Improving policy coherence among local, national and international environmental, economic and social policy frameworks.

e. Protective security

Protective security is defined as safety nets against adverse events that may render individuals helpless. Protective security contributes to human well-being and sustainable ecosystem management.

Strategic interventions include:

- Creating formal safety nets that automatically provide benefits during times of stress;
- Maintaining existing informal safety nets used by communities;
- Recognizing and formalizing existing informal safety nets when private land tenure systems are being formulated; and
- Creating work (restoration of ecosystems) for food programmes during times of extreme distress.

f. Ecological security

Ecological security is the provision of ecological safety nets to individuals who depend on ecosystem services for achieving many of the constituents of well-being.

Strategic interventions include:

- Allowing communities greater participative freedom to determine strategic options for sustainable management of ecosystems and ecosystem services;
- Establishing formal institutions to protect ecological safety nets established by local communities;
- Ensuring coherence among multilateral environmental agreements with national and local environmental policies;
- Building capacity among local communities for achieving ecological security and ecological safety nets; and
- Promoting institutions to ensure fair distribution and use of ecological safety nets by local communities.

It is necessary to treat the environment as having the dual purpose of providing commodities as well as life-supporting services. This is a gap that UNEP proposals should address, given its mandate and its comparative advantage in the field of environmental resources management and ecological systems.[36]

C. Gender analysis within the social and economic context

Understanding of different cultures and regions would be the first step towards identifying gender–equality issues in localities where the project is taking place. This would provide basic conceptual guidance for incorporating the gender issues. Also, sex-disaggregated statistics help project proponents understand the gender issues as well. Some examples of useful statistics are listed in Box 1. An outline of recent sex-disaggregated statistics to illustrate the status of women in a country includes reference to the human development index (HDI) and gender development index (GDI), with a comparison with neighboring countries and other countries of the region. Additionally, most countries have at least developed a national policy or reports to implement the Beijing Platform for Action (1995) and the Outcome Document from the Beijing +5[37] Review session (2000).

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[36] Anantha Kumar Duraiappah (2001), *Poverty and the environment: A role for the United Nations Environment Programme (UNEP),* Concept paper written for UNEP in preparation for Guideline on Poverty and the Environment, UNEP.

With the basic understanding of gender issues on a national level, the next step would be a further look into gender-specific issues. Based on cultural, social and economic data on the region, project proponents should be able to go further into gender roles and needs. This would be materialized when matched with project success factors. Different gender roles and needs are expected in different regions.

Box 1: Examples of sex-disaggregated statistics[38]

- **Education**: literacy rates, school enrolment rate, drop-out rate;

- **Health**: life expectancy, maternity mortality, fertility rates, contraceptive prevalence, rate of anemia, HIV/AIDS, malnutrition;

- **Leadership and decision-making**: percentage of women at local to national government levels, women in government appointed and elected bodies, women in United Nations agencies;

- **Employment**: rates of poverty, employment/unemployment rates, compositions of men/women in major employment areas (agriculture and food, manufacturing, tourism, health, construction, banking, forestry);

- **Legal rights**: property/asset ownership rights, rights in marriage, divorce, raising children, and other family decisions;

- **Environment**: access to and ownership of environmental resources, participation in decision making and implementation;

- **Other indicators**: rates of violence.

D. Gender inclusive project management

After going through gender and project analyses, project proponents should be able to identify how to achieve better project performance and how the project can contribute to gender equality. UNEP projects should empower and improve livelihoods of those most marginalized, for example, women living in poverty, minorities, and indigenous women.

- *When gender issues are critical to the project's success*: The key gender issues identified should be presented as indicators and should be monitored;

- *When the project contributes to gender equality*: Project proponents should be able to establish in the project proposal how the project aims to assist in achieving gender equality and monitor progress.

The following guidelines offer strategic approaches for gender mainstreaming, dealing with environment and sustainable development.[39] Project managers will benefit from reviewing and responding to these guidelines throughout the project management cycle.

1. Policy level

- Encourage Governments to honour international and national commitments and implement policies that have been agreed to in the area of women and the environment;

- Promote gender mainstreaming in the policies and operations of all natural resource management institutions, and ensure that women's and men's concerns and experiences are fully integrated;

- Make monitoring and evaluation gender-specific, and collect gender-specific data.

2. Sensitization

- Recognize that women and men have different types of vulnerabilities, strategies and responsibilities in environmental change and impact mitigation; integrate gender issues in vulnerability and risk analysis;

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[38] Source of most information: Guide to developing a UNDP country gender briefing kit.

[39] United Nations Environment Programme (2004), *Women and the environment*, UNEP Policy Series.

- Enhance awareness-raising on women's roles in biodiversity use, desertification control and integrated water resources management.

3. Participation

- Ensure full and active participation of women, together with gender equity, in natural resource management, research, planning and decision-making at all levels. In this context also consider active participation of different social classes;

- Promote the use of participatory methodologies;

- Ensure that benefits from interventions accrue to both women and men.

4. Technical and financial support

- Assist women in their role as local natural resource managers and identify strategies to help rural women achieve sustainable livelihoods;

- Allocate adequate technical and financial resources to support women directly in natural resource management and control of environmental degradation, and ensure sustainability of finances;

- Ensure women's access to education, training, finances and appropriate technologies;

- Create more jobs for women but also account for their nature and terms, including whether they offer sustainable livelihoods;

- Link natural resource programmes and policies to poverty eradication.

5. Empowerment

- Empower women as resource managers through capacity-building of individuals and organizations, and increase access to educational opportunities;

- Empower women's access to information, management processes, training and legal systems;

- Engage women in leadership-building and leadership practices;

- Support, strengthen and involve women's organizations and networks working on environmental issues.

Annex IV: Logical framework matrix

The logical framework matrix or "logframe" is a planning, management, monitoring and evaluation tool adopted by the United Nations within the results based management paradigm. The matrix helps to provide a standardized summary of the project and its logic, which can be understood across United Nations agencies, implementing agencies, other stakeholders, and donor Governments although the specific matrix formats and terms may be slightly different.

The focus of UNEP projects has increasingly shifted from output delivery to achieving results and objectives. This is in line with the shift towards results-based management in the United Nations. The matrix challenges the project teams to systematically organize objectives, results, outputs and activities into logical relationships and assists them to focus their efforts on the achievement of agreed goals. The logical framework matrix is required for all UNEP projects.

The logical framework matrix

•   Describes how exactly a programme/project would practically work to achieve results;

•   Identifies the components that would ensure achieving the stated results/objectives;

•   Points to specific indicators that would be used to measure actual project performance.

The benefits of formulating a logical framework matrix for a project are:

•   It can improve the preparation of a programme/project by clarifying the programme/project design and facilitate the measurement of progress to be made towards achieving expected results and objectives;

•   It makes the project transparent to donor Governments, managers, cooperating agencies, and supporting organizations;

•   It increases the sense of ownership and improves the relevance and quality of the project; and

•   It communicates the details of complex programmes clearly and understandably.

The logframe format includes four main elements, namely: objectives, results, outputs and activities. Each of these needs to be related by a cause-and-effect relationship. In other words, each component constitutes a necessary condition for achieving the next component. Thought must be given to the logical flow of the project and the linkages between each logic element. Keys to formulating a sound logical framework are linkages and alignments among objectives, results, outputs and activities (the flow of logic is illustrated in Figure 19).

Figure 19: Linkage between elements of the logical framework

Project planning flow

| Objectives | Results | Outputs | Activities |

Implementation flow
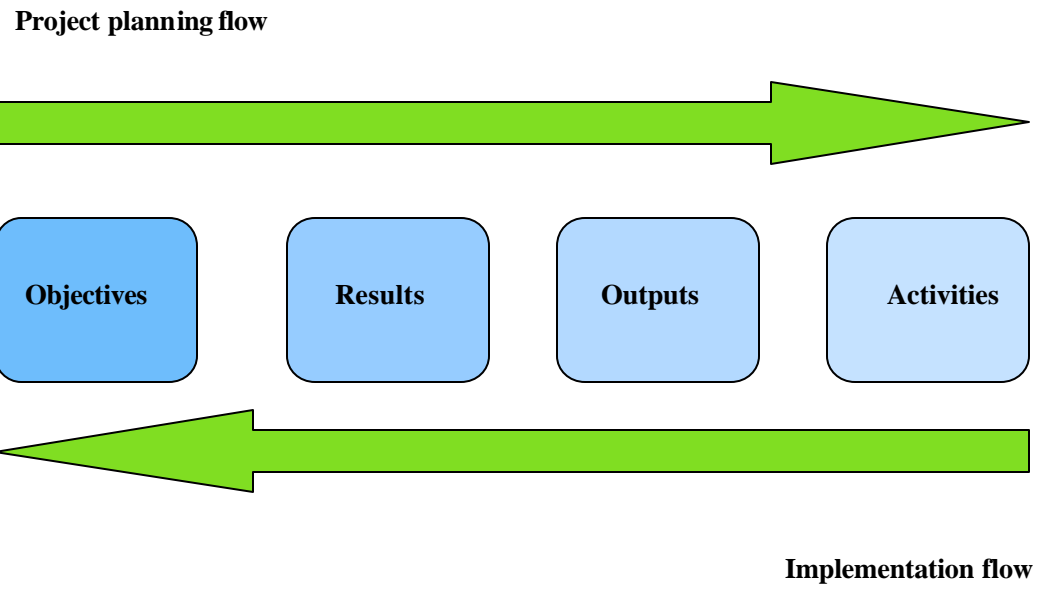
Figure 20: UNEP logical framework example

Project title: Strengthen environmental policy and management capacity on poverty alleviation and sustainable development in Africa

Overall objectives: Improved policy coherence within national development and poverty reduction strategies and the national implementation of multilateral environment agreements.

	Intervention logic	Objectively verifiable indicators	Means of verification	Assumption
Results	*Improved inter-ministerial cooperation* to ensure the integration and coherence of policies within national development and/or poverty reduction strategies and the national implementation of MEAs	*Level of inter-ministerial cooperation* reflected in PRSPs and other development plans on poverty reduction strategies and MEAs	*Survey* of relevant ministries of selected countries; Document review of PRSPs and MEAs in the areas of energy, water and agricultural sectors.	Resources and time by all stakeholders to contribute to the process; Official communication links are established between formal representatives.
Outputs	Agreement and support for *inter-ministerial strategies* on the incorporation of key sectoral policies such as energy, water, agriculture in PRSPs and other development plans.			
Activities	*Establishment* of an inter-ministerial forum; *Facilitation* of the establishment and management of coordinating institutional frameworks; *Coordination/drafting* of inter-ministerial strategies on the incorporation of key sectoral policies on energy, water, agriculture in PRSPs and other development plans.			

Annex V: Standard paragraphs for project document[40]

A. Management reports

This section describes the reports which the (cooperating agency/supporting organization)***** will present to UNEP. The standard paragraphs to be inserted in project documents are as hereunder:

1. Activity reports

Cooperating agencies/Supporting organizations

Within 30 days of the mid-point of the annual progress reporting period (or as at 30 June, depending on the annual reporting cycle), the (...*..../....) will submit to UNEP, using the format given in annex VIII, activity reports. [41]

2. Progress reports

Cooperating agencies/Supporting organizations

Within 30 days of the end of the reporting period, the (...*..../....) will submit to UNEP, using the format given in annex IX, annual progress reports as at 31 December.42

3. Final reports

Cooperating agencies/Supporting organizations

Within 60 days of the completion of the project, the (....*....) will submit to UNEP a final report using the format given in annex X.

4. Substantive reports

Projects supported by UNEP will normally have one or more substantive publication components. Where this is the case, one of the following paragraphs will be inserted, as appropriate:

Cooperating agencies

(a)   Where there **is budgetary provision** for publications in the UNEP contribution to the budget:

    (i)   The (....*....) will submit to UNEP three copies in draft of any substantive project report(s) for clearance prior to their publication in final form. UNEP's views on the report(s) and any suggestions for amendments of wording will be conveyed expeditiously to (...*....) with an indication of any disclaimer or recognition which UNEP might wish to see appear in the publication. (See appendix ... for distribution list);

    (ii)   Both the cover and the title page of all substantive reports will carry the logo of UNEP (if they are issued as publications) and the title "United Nations Environment Programme", together with that of the cooperating agency publishing the report;

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[40] There is discretion to adopt clauses from cooperating agencies as long as no conflict rises against the United Nations Financial Regulations and Rules, with the approval of the DED and Budget and Financial Management Service.

[41] Usually, activity reports are due by 31 July especially for UNF and development account funded projects. Due to varying reporting cycles of different donors, however, the activity report due date may vary for other earmarked donor contributions.

[42] For projects of short duration (one year or less), a progress report need not provide the progress report. New projects with less than three months of implementation by the end of the calendar year need not provide the progress report. Usually, progress reports are due by 31 January, especially for UNF and development account funded projects. However, some donors request progress reports on different dates. Although progress reports are required to be produced on a yearly basis, more frequent reports can be produced as the project coordinator's supervisor deems necessary.

(iii) Copyright and royalties will normally be claimed by UNEP on publications produced under a UNEP Project and financed by UNEP; the rate of royalties payable to UNEP will be … (insert percentage);

(iv) UNEP will receive … (state number) free copies of the published work in each of the agreed languages for its distribution purposes. Alternatively, UNEP will provide its own distribution list to the (....*....) in cases where (....*....) is solely or partly responsible for the distribution;

(b)   Where there is no budgetary provision in the UNEP contribution:

(i) At the appropriate time, the (....*....) will submit to UNEP three copies in draft of any substantive project report(s) and, at the same time, inform UNEP of its plans for publication of that report(s). UNEP will give (....*....) substantive clearance of the manuscript, indicating any suggestions for change and such wording (recognition, disclaimer, etc.) as it would wish to see figure in the preliminary pages or in the introductory texts;

(ii) It will equally consider the publishing proposal of (....*....) and will make comments thereon as advisable. It may request (....*....) to consider publication on a joint imprint basis. If (....*....) is solely responsible for publishing arrangements, UNEP will nevertheless receive (insert number) free copies of the published work in each of the agreed languages, for its purposes. (See Appendix ... for distribution list).

Supporting organizations

(a)   Where there is budgetary provision for publications in the UNEP contribution to the budget:

(i) The project document provides in paragraph ... for the preparation of a manuscript text as an output of the project. By including provision for publication in the UNEP component of the appropriate budget line, UNEP thereby affirms itself as copyright-holder of that text, and equally expresses its intention to consider the text for inclusion in its publications programme;

(ii) Upon completion of the manuscript, (....*....) will surrender the text to UNEP for publication. Should UNEP not publish the text within one year, (....*....) may request UNEP's authorization to publish the text itself or through its agent. Such authorization will not be unreasonably withheld by UNEP, and will consist of a cession of copyright to (....*....) or of a license to publish under contractual arrangements, at UNEP's discretion. Authorization will be accompanied by editorial clearance from UNEP, and may include a request to change certain wordings (recognition, disclaimers, etc.) in the preliminary or introductory texts;

(iii) Copyright and royalties will normally be claimed by UNEP on publications produced under a UNEP project and financed by UNEP, the rate of royalties payable to UNEP will be … (insert percentage);

(iv) Both the cover and the title page of all substantive reports will carry the logo of UNEP (if they are issued as publications) and the title "United Nations Environment Programme", together with that of the supporting organization publishing the report;

(v) UNEP will receive … (insert number) free copies of the published work in each of the agreed languages for its own distribution. Alternatively UNEP will provide its own distribution list to (....*....) in cases where (...*...) is solely or partly responsible for the distribution.

(b)   Where there is no budgetary provision for publications in the UNEP contribution:

(i) At the appropriate time, the (....*....) will submit to UNEP three copies in draft of any substantive project report(s) and, at the same time, inform UNEP of its plans for publication of that text. UNEP will give (....*....) substantive clearance of the manuscript, indicating any suggestions for change and such wording (recognition, disclaimer, etc.) as it would wish to see figure in the preliminary pages or in the introductory texts.

(ii) It will equally consider the publishing proposal of (....*....) and will make comments thereon as advisable.

(iii) It may request (....*....) to consider publication on a joint imprint basis. Should (....*....) be solely responsible for publishing arrangements, UNEP will nevertheless receive (insert number) free copies of the published work in each of the agreed languages, for its own purposes.

B.   Financial reports

The standard paragraphs to be inserted in project documents, adapted as appropriate, are as follows:

Cooperating agencies

(a)   Project expenditure accounts

(....*....) shall submit to UNEP quarterly project expenditure accounts and final accounts, as follows:

(i)   Details of project expenditures, on a project-by-project basis, reported in line with project budget codes as set out in the project document, as at 31 March, 30 June, 30 September and 31 December each year, providing details of unliquidated obligations separately (see formats in annexes 11 and 12). The expenditure accounts will be dispatched to UNEP within 30 days after the end of the quarter to which they refer;

(ii)   The expenditure account as at 31 December is to be received by UNEP by 15 February each year;

(iii)   A final statement of account, in line with UNEP project budget codes, reflecting actual final expenditures under the project, when all obligations have been liquidated.

(b)   Cash advance accounts

A statement of advances of cash provided by UNEP will be submitted quarterly (in the format shown in **annex XIII**) at 31 March, 30 June, 30 September and 31 December.

Cooperating agencies* (except in the case of the United Nations secretariat and subsidiary bodies including regional economic commissions) will be provided with cash advances on the basis of three months' requirements. The standard paragraph to be inserted in the project document is:

Taking into account all its signed projects with UNEP, (......*.....) will estimate its aggregate cash requirements for each quarter, including a reasonable amount to cover "lead time" for the next remittance, and send a request accordingly to the Chief, Budget and Financial Management Service. In addition, the (....*....) will submit a project expenditure account showing expenditures incurred for the past quarter for each project. On the basis of the expenditure account and the request for an additional advance, UNEP will remit through UNON, funds to (...*...) in the form of a lump sum for all projects combined (see annexes XI and XIII)

United Nations secretariat and subsidiary bodies including regional economic commissions: The standard paragraph to be inserted in the project document is:

UNEP will issue sub-allotments to (...*...) on a yearly basis for each project separately. The sub-allotment will be amended from time to time, based on project budget revisions. The (....*....) will submit status of allotment reports to UNEP on a monthly basis in accordance with the United Nations financial procedures.

Supporting organizations

(a)   Project expenditure accounts

(i)   Details of project expenditures will be reported on a project-by project basis, in line with project budget codes as set out in the project document, as at 31 March, 30 June, 30 September and 31 December (see annex XII). All expenditure accounts will be dispatched to UNEP within 30 days of the end of the quarter to which they refer, certified by a duly authorized official of (....*....);

(ii)   In addition the total expenditures incurred during a biennium ending 31 December 200X*[43] certified by a duly authorized official, should be reported in an opinion by a recognized firm of public accountants (for a Government, by Government auditors), and should be dispatched to UNEP within 180 days, i.e. by 30 June. In particular, the auditors should be asked to report whether, in their opinion:

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[43] X* A year which is the second year of a UNEP biennium

- Proper books of account and records have been maintained;

- All project expenditures are supported by vouchers and adequate documentation;

- Expenditures have been incurred in accordance with the objectives outlined in the project document.

(i)   Within 180 days of the completion of the project, (....*....) will supply UNEP with a final statement of account in the same format as for the quarterly statement, certified by a recognized firm of public accountants (for a Government, by a Government auditor)*[44]. If requested (....*....) shall facilitate an audit (by the United Nations Board of Auditors and/or the Audit Service) of the accounts of the project.

(ii)   Any portion of cash advances remaining unspent or uncommitted by the (...*....) on completion of the project will be reimbursed to UNEP within one month of the presentation of the final statement of accounts. In the event that there is any delay in such disbursement, (....*....) will be financially responsible for any adverse movement in the exchange rates.

(b)   Cash advance accounts

Supporting organizations will be provided with cash advances for each project separately on the basis of three months' requirements as at 31 March, 30 June, 30 September and 31 December. The standard paragraph to be inserted in the project document is:

An initial cash advance from the UNEP contribution will be made upon signature of the project document by both parties and will cover expenditures expected to be incurred by the supporting organization (....*....) during the first three mont hs. Subsequent advances are to be made quarterly, subject to:

(i)   Confirmation by the (....*....), at least two weeks before the payment is due, that the expected rate of expenditure and actual cash position necessitate the payment, including a reasonable amount to cover "lead time" for the next remittance, (see format of request in annex 13);

(ii)   The presentation of:

- A satisfactory financial report showing expenditures incurred for the past quarter, under each project (see format in annex 11);

- Timely and satisfactory progress reports on project implementation.

Earmarked funds

For projects where UNEP is the custodian of a cash earmarked contribution made by a Government or organization towards a project or group of projects, a financial expenditure account shall be submitted to the Government or organization in accordance with the terms of the financial agreement made between UNEP and the counterpart donor:

(i)   For meetings or conferences hosted by a Government, UNEP shall submit the financial expenditur e account to the Government within 90 days of the end of the meeting or conference, in accordance with the host Government agreement and normal United Nations practice;

(ii)   UNEP shall submit annual or semi-annual expenditure accounts to the counterpart donor and a final expenditure account within 180 days of the end of the project.

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[44] For projects with budgets not exceeding $100,000 a final statement of accounts can be certified by a duly authorized officer. However, (....*....) shall retain, for a period of three years, all supporting documents relating to financial transactions under the project. If requested, (....*....) shall facilitate an audit by the United Nations Board of Auditors and/or the Audit Service of the accounts of the project.

C.   Terms and conditions

Non-expendable equipment

The standard paragraph to be inserted is:

Cooperating agencies/Supporting organizations

(....*....) will maintain records of non-expendable equipment (items costing US$1,500 or more as well as items of attraction such as pocket calculators) purchased with UNEP funds (or with trust funds or earmarked funds administered by UNEP), and will submit an inventory of all such equipment to UNEP once a year indicating description, serial number (if any), date of purchase, cost and present condition of each item attached to the activity report submitted as at 30 June (or mid-point of the project cycle year). Within 60 days of the completion of the project (....*....) will submit to UNEP a final inventory of all non-expendable equipment purchased under the project indicating description, serial number (if any), date of purchase, cost and present condition, together with (....*....) proposal for the disposal of the equipment. Non-expendable equipment purchased with funds administered by UNEP remains the property of UNEP until its disposal is authorized by UNEP, in consultation with (....*....). (....*....) shall be responsible for any loss of or damage to equipment purchased with UNEP funds. The proceeds from the sale of equipment (duly authorized by UNEP) shall be credited to the accounts of UNEP, or of the appropriate trust fund or earmarked fund.

UNEP Programme Unit

(....*....) will maintain records of non-expendable equipment (items costing US$1,500 or more as well as items of attraction such as pocket calculators) purchased with UNEP funds, and will submit an inventory of such equipment to the Chief, Budget and Financial Management Service, once a year, attached to the activity report submitted as at 30 June (or mid-point of the project cycle year). A final inventory of equipment will be submitted to the Chief, Budget and Financial Management Service, within 60 days of the completion of the project.

Responsibility for cost overruns

Cooperating agencies

The following standard paragraphs should be inserted:

(....*....) is authorized to enter into commitments or incur expenditures up to a maximum of 20 per cent over and above the annual amount foreseen in the project budget under any budget subline, provided the total cost of the UNEP annual contribution is not exceeded. This may be done without prior authorization, but once the need for these additional funds becomes apparent, a revised budget request should be submitted to UNEP immediately. Cost overruns are the responsibility of (....*....), unless a **revised budget** has been agreed with UNEP.

Any cost overrun (expenditure in excess of the budgeted amount) on a specific budget subline over and above the 20 per cent flexibility mentioned above should be met by the organization which originally assumed responsibility for authorizing the expenditure, unless a **revision** has been agreed to by UNEP prior to the authorization to cover it. Savings in one budget subline may not be applied to overruns of over 20 per cent in other sublines, even if the total cost to UNEP remains unchanged, unless this is specifically authorized by UNEP upon presentation of the request. In such a case, a revision to the project document amending the budget will be issued by UNEP.

Supporting organizations

The following standard paragraph shall be inserted:

Any cost overrun (expenditure in excess of the amount budgeted in each budget subline) shall be met by the organization responsible for authorizing the expenditure, unless written agreement has been received in advance, from UNEP. In cases where UNEP has indicated its agreement to a cost overrun in a budget subline to another, or to increase the total cost to UNEP, a revision to the project document amending the budget will be issued by UNEP.

Claims by third parties against UNEP

Cooperating agencies

The following standard paragraph should be inserted:

> (....*....) shall be responsible for dealing with any claims which may be bro ught by third parties against UNEP and its staff, and shall indemnify UNEP and its staff against any claims or liabilities resulting from operations carried out by (....*....) under this project document, except where such claims or liabilities arise from negligence or misconduct of the staff of UNEP.

Supporting organizations

The following standard paragraph should be inserted:

> (....*....) shall be responsible for dealing with any claims which may be brought by third parties against UNEP and its staff, and shall hold UNEP and its staff non-liable in case of any claims or liabilities resulting from operations carried out by (....*....) under this project document, except where it is agreed by (....*....) and UNEP that such claims or liabilities arise from gross negligence or willful misconduct of the staff of UNEP.

D.   Publications

This project document provides for the preparation, printing, distribution or sales of UNEP publications emanating from UNEP programmes.

All publications must be produced or published, according to the UNEP publishing policy (on-line and in manual form) with the approval of the UNEP Publishing Board to ensure peer review of manuscripts, and distribution and marketing strategies. UNEP thereby affirms itself as copyright -holder of the s aid manuscripts.

Funds for printing or publishing will only be released upon approval by the UNEP Publishing Board. The new publishing proposal form (A. Form 6.1), as well as annexes to the project file, should be countersigned by the Chief, [Information Centre] and the fund management officer.

For publications issued under the sole imprint of UNEP and printed internally, both the cover and the title page of the publication will carry the 'cover branding strip' (logo of UNEP and the title United Nations Environment Programme).

For publications issued with cooperating and supporting agencies, both the cover and the title page of the publication will carry the logo of UNEP and the title United Nations Environment Programme, together with that of the cooperating or supporting agencies. The cooperating or supporting agency will submit three copies of any manuscript prepared under the project for clearance prior to their publication in final form. The view of UNEP on the publication and any suggestions for amendments of wording will be conveyed expeditiously to the agency, with an indication of any disclaimer or recognition which UNEP might wish to see appear in the publication.

Copyright and royalties, as well as free copies, will normally be claimed by UNEP on publications produced under a UNEP project and financed by UNEP; the rate of royalties payable to UNEP and the number of free copies, will be negotiated with each individual commercial publisher. Royalties received from commercial publishers will be deposit ed in the UNEP revolving fund (information).

Attention: *Two copies* of each publication need to be deposited by the responsible division in the UNEP library, two copies need to go to the United Nations library in New York and to the United Nations library in Geneva. Five copies need to be sent to the Division of Communications and Public Information (DCPI), which is the first port of call for requests on publications.

Proposal for new publications

The publishing proposal form is shown below.

This form should be seen as a guiding tool to help divisions assess and plan proposed publications. It is to be completed by the proposer (the substantive unit) for submission to the publishing board.

The publishing board is here to advise and guide divisions on the UNEP publishing programme. Submissions should be forwarded to the secretary of the publishing board (Room S213, DCPI).

When approved by the publishing board, the proposer will be informed.

Form 1: Publishing proposal form

This form is to be completed by th e originating unit and then submitted to the Publishing Board (UNEP's policy-setting body with regard to publishing). Submissions should be forwarded to the Secretariat of the PB (Room S213, DCPI).

Proposed title: ------------------------------------ --------------------------------

Date of submission: --

Submitted by*:*   --- (Unit/Division)

                ---------------- (Contact person) ---------------------- (Contact details)

Category: Publication ð Information material ð Document ð

Details: Author --

            Editor/Institution   --

            Series (if applicable)   ---

            Languages   ---

            Expected date of publication --

Medium: Book ð   CD ROM ð Videoð   Web pages ð Electronic diskette ð

     Length (No. of pages) --

      Format/Size --

Peer review: To whom and when will the publication be submitted for peer review?

Summary/catalogue entry --

Annex VI: UNEP budget format[45]

		Year	Year	Total
	Project No:	US$	US$	US $

10   Project personnel component

1100	Project Personnel Title Grade w/m			
1101				
1102				
1103				
1104				
1181 - 1187	UNEP participation component[46]*			
1188	Prior years' adjustment			
1199	Total			

1200	Consultants (Description of activity/service) w/m			
1201				
1202				
1203				
1220	Unspecified (no terms of reference available)			
1281 - 1287	UNEP Participation component			
1288	Prior years' adjustment			
1299	Total			

1300	Administrative support Title Grade w/m			
1301				
1302				
1303				
1304				
1320	Overtime			
1321	Temporary Assistance			
1322	Conference Services			

---

[45] The electronic format is available in http://www.unep.org/project_manual.

* This component is directly controlled by UNEP headquarters.

		Year	Year	Total
	Project No:	US$	US$	US $
1381 - 1387	UNEP participation component[**]			
1388	Prior years' adjustment			
1399	Total			

1400	Volunteers w/m			
1401				
1402				
1481 - 1487	UNEP participation component			
1488	Prior years' adjustment			
1499	Total			

1600	Travel on official business			
1601				
1602				
1681 - 1687	UNEP participation component			
1688	Prior years' adjustment			
1699	Total			

1999	Component Total			

20   Subcontract component

2100	Sub-contracts (MOUs/LOAs for cooperating agencies)			
2101				
2102				
2103				
2104				
2181 - 2187	UNEP participation component			
2188	Prior years' adjustment			
2199	Total			

2200	Sub-contracts (MOUs/LOAs for supporting organizations)			
2201				
2202				

[**] These lines should also be used to budget for administrative support costs like UNOG and so on.

		Year	Year	Total
	Project No:	US$	US$	US $
2203				
2204				
2281 - 2287	UNEP participation component			
2288	Prior years' adjustment			
2299	Total			

2300	Subcontracts (for commercial purposes)				
	2301				
	2302				
	2303				
	2381 - 2387	UNEP participation component			
	2388	Prior years' adjustment			
	2399	Total			
2999	Component total				

30 Training component

3100	Fellowships	
	3101	Total stipend/fees/etc.
	3102	Total travel costs
	3181 - 3187	UNEP participation component
	3188	Prior years' adjustment
	3199	Total

3200	Group training (Title)	
	3201	Group training (study tours, field trips workshops, seminars)
	3220	Unspecified
	3281 - 3287	UNEP participation component
	3288	Prior years' adjustment
	3299	Total

		Year	Year	Total
	Project No:	US$	US$	US $
3300	Meetings/conferences (Title)			
3301	Meetings/conferences, etc.			
3302	Expert group meetings			
3303	Intergovernmental meetings			
3381 - 3387	UNEP participation component			
3388	Prior years' adjustment			
3399	Total			
3999	Component Total			

40   Equipment and premises component

4100	Expendable equipment (items under $1,500 each)			
4101	Office supplies			
4102	Library acquisitions			
4103	Computer Software			
4120	Unspecified			
4181 - 4187	UNEP participation component			
4188	Prior years' adjustment			
4199	Total			

4200	Non-expendable equipment (see items listed on budget worksheet)			
4201	Computer hardware			
4202	Office equipment			
4220	Unspecified			
4281 - 4287	UNEP participation component			
4288	Prior years' adjustment			
4299	Total			

4300	Premises (rent)			
4301	Office rental			
4302	Maintenance of premises			
4381 - 4387	UNEP participation component			
4388	Prior years' adjustment			
4399	Total			
4999	Component Total			

		Year	Year	Total
	Project No:	US$	US$	US $

50   Miscellaneous component

5100   Operation and maintenance of equipment

    5101   Rental and maintenance of computer equipment

    5102   Rental and maintenance of

          photocopying equipment

    5103   Repair and maintenance of vehicles and insurance

    5104   Rental and maintenance of other

          office equipment

    5105   Rental of meeting rooms and equipment

    5181 - 5187   UNEP participation component

    5188   Prior years' adjustment

    5199   Total

5200   Reporting cost

    5201   Publication of news letter

    5202   Printing of Thematic maps

    5220   Unspecified

    5281 - 5287   UNEP participation component

    5288   Prior years' adjustment

    5299   Total

5300   Sundry

    5301   Communications (telex, telephone, fax)

    5302   Postage and pouch charges

    5303   Freight and port clearance charges

    5304   Other

    5381 - 5387   UNEP participation component

    5388   Prior years' adjustment

    5399   Total

5400   Hospitality and entertainment

    5401   Hospitality reception

    5481 - 5487   UNEP participation component

		Year	Year	Total
	Project No:	US$	US$	US $
5488	Prior years' adjustment			
5499	Total			

5500 Monitoring and Evaluation *

5501	Evaluation Consultant (fees, travel & DSA)			
5502	Administrative support			
5581-5587	UNEP participation component			
5588	Prior years' adjustment			
5599	Total			

5999 Component Total

* This subline should be used to cover evaluation cost of internal projects (if any) while lines 5581-5587 should be used for external projects as appropriate.

99 GRAND TOTAL

PREVIOUS BUDGET SCHEDULE

INCREASE/DECREASE

NOTE :

(a) A budget worksheet should be attached to all budgets of new projects and project budget revisions.

The budget worksheet should provide detailed breakdown for sub-contracts, fellowships, group training, meetings, non-expendable equipment, and reporting costs.

(b) A project budget summary should be included at the end of the budget indicating the total commitments for each year under each source(s) of funding.

Annex VII: Project submission checklist[47]

Project title:

Project number:

		Yes	No	Comments [48]
1.	Have all relevant UNEP divisions and regional offices been consulted and are they fully familiar with the project document?			
2.	Have the possible duplications or complementarities with the existing or former GEF/UNEP projects been examined?			
3.	Have the roles and responsibilities of the implementing partners, including UNEP divisions, cooperating agencies or supporting organizations, been clearly established and agreed upon?			
4.	Do the implementing partners have administrative, technical and human capacities to undertake the project?			
5.	Do the UNEP divisions involved have technical and human capacities to undertake the project?			
6.	Have the priorities and needs of the countries selected for the project been identified and incorporated in the project?			
7.	Do relevant governments support/endorse the project?			
8.	Has gender analysis been conducted and incorporated in the project document?			
9.	Has the linkage to poverty alleviation been analyzed and incorporated in the project document?			
10.	Have all key stakeholders been identified and included in the partnership for project management?			

Division director's name: _____   Signature: _____

Date: _____

---

[47] The project submission checklist should be attached in the pink file. This checklist will be reviewed along with the project document by the Project Approval Group members. The form is available in http://www.unep.org/project_manual

[48] Indicate "N/A" if the question is not relevant to the project.

Annex VIII: Project Approval Group decision form[49]

Project title:

Project number:

Subprogramme(s):

Recommendation:

Approved by the secretary to the Project Approval Group

Ms. Y. Yi
Signature: _____

Date: _____

Approved by the Chair of the Project Approval Group

Mr. S. Kakakhel,
Deputy Executive Director
Signature: _____

Date: _____

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[49] The electronic format is available in http://www.unep.org/project_manual.

Annex IX: Checklist for revising project documents

1.   The information necessary to prepare a project revision should come from the originator. Programme officers should ensure that the points raised below are considered, together with the relevant fund programme management officer, when preparing a revision.

2.   Whenever the budget of a project is revised (whether increase, decrease or rephasing), the following points must be checked:

   (a)   If the budget is being increased at the request of a cooperating agency or supporting organization, have they been asked to increase their own contribution by the same percentage?

   (b)   Are the reasons for the budget increase clear and explicit?

   (c)   Why are funds being rephrased, if they are?

   (d)   Are the activities still valid, or should new ones be added or previous ones dropped?

   (e)   Has the work plan or timetable changed?

   (f)   Are the outputs still valid or should new ones be added or previous ones dropped?

   (g)   If new outputs are added or existing ones changed, has their use been clearly spelled out?

   (h)   Are the objectives still valid considering the amendments made?

3.   Whenever new activities are added, or old ones modified, this will usually mean a new timetable and revised or additional outputs. In this case, the following checklist must be followed:

   (a)   Is the new timetable realistic?

   (b)   Are the additional outputs clearly stated and quantified?

   (c)   Is the use of outputs clearly stated?

   (d)   If one of the additional outputs is a report or publication, are the relevant standard clauses/requirements as well as a completed "Proposal for a new publication" form (see annex VI) included in the project revision document?

   (e)   If one of the additional outputs is a training course/seminar, ensure that the course/seminar is not undertaken as an end in itself but is a necessary component of the project to achieve the short-term objective(s);

   (f)   Are the new outputs relevant to the short-term objective(s)?

   (g)   Are the objectives still valid, considering the amendments made?

   (h)   Is the budget still valid?

   (i)   If the project budget (UNEP contribution) has surpassed US$500,000, has an evaluation component been introduced?

   (j)   Is it clear who is responsible for each of the activities being carried out by the project?

Annexes

Annex X: Activity delivery report[50]

1.1   Project title:

1.2   Project number (if applicable*)*:

1.3   Responsible division(s)or unit(s) in UNEP:

1.4   Project starting date:

1.5   Project completion date:

1.6   Reporting period: From ......mm/yy........................ to ....mm/yy.....................

2.1   Output/activity delivery status[51]

	Activities / Outputs (For example, meetings, publications, training, technical information, technical cooperation and so on)	**Status** (Complete / current)	**Comments**
1.			
2.			
3.			
4.			

2.2   If the project activities and outputs listed in the project work plan for the reporting period have not been completed and/or changes/delays in project delivery are expected, provide reasons and details of remedial action to be taken.

Name and title of official of cooperating agency/ supporting organization: Name of the agency (organization):	Name of project coordinator:
Signature: ……… Date: …………	Signature: ………… Date: ……………

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[50] The electronic format is available in http://www.unep.org/project_manual.

[51] List outputs and activities delivered or under preparation i) since the submission of the last progress report, ii) for the last six months or iii) since the commencement of the project, in case of a new project.

Annex XI: Annual progress report [52]

United Nations Environment Programme

1. **Background information**

    1.1   Project title:

    1.2   Project number (if applicable*)*:

    1.3   Responsible division(s)/unit(s) in UNEP:

    1.4   Project starting date:

    1.5   Project completion date:

    1.6   Reporting period:

    1.7   Reference to UNEP subprogramme(s) and expected accomplishment(s):

    1.8   Overall objective(s) of the project: (maximum quarter of a page)

    1.9   Total budget (US$):(specify contributions by donor/s)

    1.10   Partners and leveraged resources :

    Describe collaboration with partners. Specify implementing agencies as well as cooperating organizations and state their role.

    List the additional resources leveraged (beyond those committed to the project itself at time of approval) as a result of the project (financial and in-kind).

2. **Project status**

2.1 Information on the delivery of the project		
Activities / Outputs (as listed in the project document)	**Status** (complete / ongoing)	**Results/Impact** (measured against the performance indicators stated in the project document)
1.		
2.		
3.		
4.		
5.		

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[52] The electronic format is available in http://www.unep.org/project_manual.

Annexes

2.3 If the project activities and outputs listed in the Project Work plan for the reporting period have not been completed and/or changes/delays in project delivery are expected, provide reasons and details of remedial action to be taken.

3.   **List of attached documents**

(for example, publications, reports of meetings/training seminars/workshops, list of participants)….

(a)   …..

(b)   …..

Project effectiveness or impact

For United Nations Development Account funded projects:

1.   How relevant is the project in terms of (national) capacity building objectives and the utilization of the technical, human and other resources available in the country (countries)?

2.   How relevant is the project in promoting regional and/or interregional economic and technical cooperation among the countries involved with the project?

3.   Has the project been able to lead to durable, self-sustained processes and synergies with other development interventions?

Name and title of project coordinator:	Name of division director:
Signature: …………… Date: ……………	Signature: ……………… Date: ……………

Annexes

Annex XII: Final report [53]

United Nations Environment Programme

1.   Background information

1.1   Project title:

1.2   Project number (if applicable) :

1.3   Responsible divisions/units in UNEP:

1.4   Project starting date:

1.5   Project completion date:

1.6   Reporting period:

1.7   Reference to UNEP Subprogrammes and expected accomplishments:

1.8   Overall objectives of the project: (*maximum quarter of a page*)

1.9   Total budget (US$): (specify contributions by donor/s)

1.10   Partners and leveraged resources :

Describe collaboration with partners. Specify implementing agencies as well as cooperating organizations and state their role.

List the additional resources leveraged (beyond those committed to the project itself at time of approval) as a result of the project (financial and in-kind).

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2.   Project status

	2.1 Information on the delivery of the project		
	Activities / Outputs (as listed in the project document)	**Status** (Complete / ongoing)	**Results/Impact** (measured against the performance indicators stated in the project document)
1.			
2.			
3.			
4.			
5.			

2.3   List lessons learned and best practices: **2.4   State how the project has nurtured sustainability. Is the project or project methodology replicable in other countries or regions? If yes, are there any concrete examples or requests?**

3.   List of attached documents

(for example, publications, reports of meetings/training seminars/workshops, list of participants)**....**

Project effectiveness/impact

For United Nations Development Account funded projects:

1.   How relevant is the project in terms of (national) capacity building objectives and the utilization of the technical, human and other resources available in the country (countries)?

2.   How relevant is the project in promoting regional and/or interregional economic and technical cooperation among the countries involved with the project?

3.   Has the project been able to lead to durable, self-sustained processes and synergies with other development interventions?

Name and Title of Project Coordinator:	Name of division director:
  Signature: …………… Date: ……………	 Signature: ………..…… Date: ………….…

Annexes

Annex XIII: UNEP quarterly expenditure report[54]

United Nations Environment Programme

Quarterly project statement of allocation, expenditure and balance (in US$) covering the period --------- to --------------

Project number:

Name of the agency (or organization):

Project title:

Project commencing (date):

Project ending (date):

		Project Budget Allocation for year	Expenditure incurred				Cumulative Expenditures for the Year	Project Budget Unspent Balance for year
1100			Jan-Mar Qtr 1	Apr-Jun Qtr 2	Jul-Sep Qtr 3	Oct-Dec Qtr 4		
1200	Project personnel							
1300	Consultants							
1400	Administrative support							
1600	Volunteers							
2100	Travel							
2200	Subcontracts							
2300	Subcontracts							
3100	Subcontracts							
3200	Fellowships							
3300	Group training							
4100	Fellowships							
4200	Expendable equipment							
4300	Non-expendable equipment							
5100	Premises							
5200	Operation							
5300	Reporting costs							
5400	Sundry							
99 GRAND TOTAL	Hospitality							

Name and title of official of cooperating agency/ supporting organization:	Name of project coordinator:
Name of the agency (organization):	
Signature: ……… Date: …………	Signature: ………… Date: ……………

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[54] The electronic format is available in http://www.unep.org/project_manual.

Annex XIV: Quarterly financial statements reporting unliquidated obligations[55]

United Nations Environment Programme

Agency name: _____

Unliquidated obligations during _____ (Period covered)

Expressed in US$

UNEP project No.	Abbrevia-ted Title	UNEP allocation	1100 1200 1300 1400 1600 2100 2200 2300 3100 3200 3300 4100 4200 4300 5100 5200 5300 5400	Total 99
				0
				0
TOTAL				0

NB: The unliquidated obligations should be reported in line with the specific object of expenditures as per project budget.

---

[55] Unliquidated obligations should be reported **only** by the cooperating agencies, not by the supporting organizations. The electronic format is available in http://www.unep.org/project_manual.

Annex XV: Cash advance statement[56]

United Nations Environment Programme

Statement of cash advance as at ....

And cash requirements for the quarter of ....

Name of cooperating agency/
Supporting organization: _____

Project number: _____

Project title: _____

I.   **Cash statement**

1. Opening cash balance as at ....   US$ _____

2. Add: cash advances received:

Date   **Amount**

....

....

3. Total cash advanced to date   US$ _____

4. Less: total cumulative expenditures incurred   US$ (_____)

5. Closing cash balance as at ....   US$ _____

II.   **Cash requirements forecast**

6. Estimated disbursements for quarter

 ending ....   US$ _____

7. Less: closing cash balance (see item 5, above)   US$ (_____)

8. Total cash requirements for the

 quarter ....   US$ _____

Prepared by_____ Request approved by_____
                                                                               Duly authorized official of
                                                                               cooperating agency/
                                                                               supporting organization

---

[56] The electronic format is available in http://www.unep.org/project_manual.

Annex XVI: Project-related sign-off requirements for staff[57] leaving UNEP

The completed form needs to be provided to Human Resource Management Service before staff can obtain formal clearance from Human Resource Management Service.

1.   If you have been responsible for the management of projects, please make a list of all projects that are under your responsibility at the time that you are leaving the organization.

2.   Please ensure that all due reports on projects under your responsibility have been prepared and submitted to BFMS/UNON.

3.   Please submit the list of projects mentioned under paragraph 1 to BFMS/UNON, which will verify that all due project reports have been submitted.

Chief, BFMS, certifying that all due project reports have been submitted.

Signature: ---------------------------

Name:

Date:

4.   Please hand over all relevant project documents pertaining to the projects under your responsibility, listed as per paragraph 3, to the project manager who is taking over from you, and have this certified below.

Project manager, certifying that the documents relevant to the listed projects have been handed over to him or her.

Signature: ---------------------------

Name:

Date:

Division director, certifying that the documents relevant to the listed projects have been handed over to the above-named project manager.

Signature: ---------------------------

Name:

Date:

---

[57] Project managers who have been reassigned within the organization, have to formally hand over their project responsibilities to the project manager taking over their project responsibilities. Division directors have the responsibility to ensure that proper handing-over of projects takes place. Submission of all outstanding reports of projects under their responsibility, is part of the signing-off requirements that have to be fulfilled before staff that are leaving the organization can get formal clearance from HRMS.

Annex XVII: Procedures covering the completion and closure of projects

Completion of projects

1. A project shall be regarded as operationally (technically) completed when:

    (a) All activities listed in the project document are satisfactorily completed;

    (b) The envisaged output(s) are produced, for example, when:

        (i) A substantive report specified in the project document is received, reviewed in draft, accepted and, where appropriate, published;

        (ii) A training programme is concluded;

        (iii) A network or centre is established;

    (c) Follow-up activities have gathered enough data to allow for the preparation of the final report.

2. The completion date shall be noted in the next project revision. The note should appear as the last item under *Amendments* and should read as follows:

> Note: Completion date:
>
> Since all activities listed in the project document are satisfactorily completed including follow-up and the output(s) listed below have been produced, the project is now deemed operationally completed on … (date)

The project will be officially closed upon receipt of:

    (a) The final progress report*;

    (b) The final audited statement of account*; and

    (c) Completion of disposal of non-expendable equipment in accordance with the financial rules*.

    (*Delete as appropriate)

Outputs (List in a tabular form the foreseen outputs versus actual outputs):

Foreseen outputs	Actual outputs

3. In case the project is not revised within three months of the project being deemed operationally completed, a "note to the file" should be drafted by the fund. This should take the same form as the note above and should appear in the next project revision.

Closing of projects

4. A project shall be closed by revision termed "project closing revision" when:

    (a) All activities listed in the project document, including follow-up, are satisfactorily completed;

    (b) The envisaged output(s) are produced [see 1(b) above]. A table of outputs should be prepared comparing **foreseen** outputs versus **actual** outputs;

    (c) No further expenditure is envisaged in relation to the output(s), and even when further expenditure is envisaged, when these expenditures are accounts payable and known with reasonable precision and can be set up as unliquidated obligation of less than $10,000;

    (d) The final report required, as set out in the project document is received;

    (e) The equipment purchased under a project has been disposed of according to the financial rules;

    (f) For projects exceeding US$100,000, a final audited statement of account is received from the supporting organization that is implementing the project.

5. In cases where the cooperating agency or supporting organization has failed to comply with the requirements of 4(d) and 4(f) above, within 60 days and 180 days respectively of the completion of the project, a follow-up reminder will be sent quarterly to the cooperating agency or supporting organization for the next two years. At the end of this period, the project will be officially closed even if these two requirements are not met.

Note:

The above paragraphs imply that:

(a)   No special revision is required to reflect the "completion" date of a project, but when the project is next revised (for example, end-year revision) it should reflect paragraph 2 above;

(b)   The "completion" date shall be used as the official completion date of the project, instead of the date when the project closing revision is signed;

(c)   Any credit resulting from the cancellation of unliquidated obligations after the closure of the project shall be credited to the miscellaneous account.

Annex XVIII: UNEP costed work plan

The costed work plan of a division constitutes the overarching framework for all activities[58] to be implemented by that division during the biennium. At the beginning of each biennium, divisions prepare their respective costed work plans on the basis of the biennial programme of work approved by the Governing Council.

The costed work plan lays out the activities in the biennial programme of work in an operational structure, such as budget, staff responsible, duration, any partnership arrangements, and so on. It serves as the legal basis for the disbursement of Environment Fund (EF) resources for (i) meeting the core operational needs of the divisions, including staff costs and other indirect costs of implementing the programme of work and (ii) financing the direct cost of activities of the programme of work that are implemented internally, with or without any memorandums of understanding or letters of agreement. For internally implemented activities, memorandums of understanding or letters of agreement can and are often used as a means of engaging cooperating agencies or supporting organizations. This section provides guidance on the structure, requirements and conditions of the costed work plan.

A. Relationship between project and costed work plan

When earmarked contributions (trust funds and earmarked contributions) are provided by donors towards the implementation of specific outputs or activities, it is useful (but not mandatory) to create separate projects so that the use of such additional donor funds can be effectively monitored and reported on, as is often required by donors. In any event, the earmarked contributions should be reflected in the costed work plan against corresponding outputs or activities. Divisions should recognize the importance and support the creation of separate projects, when this is required, to ensure better management and control of activities and resources. BFMS and Programme Coordination and Management Unit (PCMU) offer advice for determining the necessity for the creation of separate projects.

Every project, memorandum of understanding or letter of agreement, except framework agreements that have no cost implications, are therefore essentially created to further elaborate the funding and/or implementation mechanism of certain outputs/activities of the costed work plan. This relationship between costed work plan and projects, memorandums of understanding or letters of agreement should be reflected through appropriate cross-references as they are very useful in monitoring and reporting of the subprogramme delivery.

B. Work plan

At the subprogrmame (division) level, overall objective, expected accomplishments, indicators of achievement, and measurement date (in this sub-section divisions should indicate the measurement data source and the collection method) should be presented in a table format.

For each major programme area within the subprogramme, following information is required:

Programme strategy and external partners;

- Outputs and work plan, including outputs, the start and end dates; staff responsible; role of internal partners; method of implementation – memorandum of understanding, project, and so on. if implemented externally; cost to the Environment Fund, particulars of external funding, if any;

- List of all memorandums of understanding and letters of agreement which are either already in place or planned for the future that have cost implications;

- List of all projects which are either in progress or planned for the future which would implement parts of the costed work plan.

Preparation of the work plan should take into account the financial situation. Divisions should prioritize outputs or activities in accordance with the expected income from all sources, including the Environment Fund allocation. Outputs or activities whose implementation is subject to either the full release of the

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[58] Regardless of its funding source, every activity implemented by a division has an indirect cost to the Environment Fund.

Environment Fund allocation or the availability of additional funds, should be clearly identified in the costed work plan.

C.   Budget

The costed work plan budget accounts for resources from all sources where the Environment Fund will be one component.

The content and magnitude of the Environment Fund budget is governed, on the one hand, by decisions of the UNEP Governing Council and, on the other hand, by the allocation issued by the Executive Director. In the implementation of costed work plans, division directors are authorized to enter into commitments or incur expenditures up to a maximum of 20 per cent[59] over and above the annual amount committed in the budget under any budget subline provided the total cost is not exceeded. This may be done without prior authorization, but once the need for these additional funds becomes apparent, the respective division director shall inform, within 30 days, the Chief, BFMS about shifts made, and ensure that they are reflected in a revision to the budget not later than three months after the shifts have been made. Any deviation more than 20 per cent of the annual amount committed under any budget subline should be reflected in a revision to the budget and submitted to the Project Approval Group for review and endorsement.

Divisions are required to maintain (i) records of consultancies and contracts and (ii) inventories of non-expendable equipment, as they will be required to account for expenditures incurred.

D.   Revisions to the costed work plans

The costed work plans are subject to revisions from time to time: as additional funding becomes available; when re-allocation of funds is required; for the reflection of actual expenditure; and any other programmatic reason that may arise. During the course of the biennium, the costed work plan may be amended, in other words outputs may be added, reformulated or postponed, in order (i) to respond to new mandates or specific requests of Governments, (ii) to incorporate changes in programme delivery mechanisms, or (iii) to take into account increases or decreases in the funding available, and so on. After the initial review and approval of the costed work plan for the biennium, proposed revisions to the internally implemented activities are reviewed and approved by the Project Approval Group in the form of revised costed work plans.

The format of the outputs and work plan table of revised costed work plan should be as following:

- Changes in funding should be reflected in a newly created column titled "New funding". This new column should be inserted as the second to the last column on the right (right of the "Details of external funding" column);

- Changes in funding and funding sources in the new column should be highlighted in bold characters for the appropriate outputs;

- Output information in association with the changes in funding should be detailed under the existing output description. Additional information should be highlighted with bullet points and bold characters.

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[59] The ceiling of budget flexibility for the Executive Director of UNEP will be reduced from 20 per cent to 10 per cent starting from the biennium 2006-2007.

Table 3: Example of the format of the output and work plan table of the revised costed work plan

**Outputs and Work plan**
Out-put #	Output description	Quant-ity	planned Start	Delivery Date	Staff	GC.22 and recent GA Decisions	Inter-linkages: Role of internal partners	Method of external implementation	Details of external funding	**New funding**	Cost to the EF
	Technical materials:										
7	Advisory and information (clearing house) service on persistent organic pollutants, heavy metals and other chemicals. o *Additional funds for Information Exchange Network*	1	JAN 2004	DEC 2005		GC 4(I)-(V)	n/a	PO/3100-97-50 PP/3100-99-04		*$42,950*	nil
	International Cooperation:										
12	Strategic approach to international chemicals management. ▪ *Funding received and programmed for SAICM PrepCOm III*		JAN 2004	DEC 2005		GC 22.4(IV)	n/a	CP/4030-00-62	$4,145,000 (SAICM steering committee estimate)	*$474,600*	$250,000

E. Substantive reporting on the implementation of the costed work plan

Substantive reporting on the implementation of the costed work plan is done continuously through the integrated monitoring and documentation information system (IMDIS) by project and programme officers, and is provided to the members of the Governing Council every six months. Financial reporting on the availability of resources and their use is done quarterly to the committee of permanent representatives. Both substantive and financial reports of internally implemented activities are produced six-monthly and they serve as input to substantive reporting on the costed work plan.

Annex XIX: Guidelines for memorandums of understanding and letters of agreement[60]

1.   Memorandum of understanding or letter of agreement are essentially instruments covering one-time activities for up to 12 months (for a maximum of $200,000 with cooperating agencies and a maximum of $100,000 with supporting organizations), while a project has flexibility to cover the undertaking, coordination and management of a set of activities over a longer time period and with a larger budget. Memorandums of understanding and letters of agreement are subset agreements, used either for project documents or internally implemented activities in the costed work plan.

2.   A memorandum of understanding or letter of agreement is used to implement an activity or group of related activities, (for example, support to a meeting, production of a technical report or publications relevant to UNEP programme areas; support to participants or experts from developing countries to attend training workshops, seminars, expert group meetings, conferences, and so on) which are already included and budgeted for within an approved (umbrella) project.

3.   The activities described in the memorandum of understanding or letter of agreement is implemented by United Nations bodies or by non-profit organizations – both governmental and non-governmental – usually of world or regional character and audience, or by governmental institutions, departments and organizations which exercise specific functions in the environmental field. [61] For non-profit organizations (non-governmental organizations) with whom UNEP concludes a memorandum of understanding or letter of agreement for the first time, a copy of their *Charter of incorporation* or *Articles of association* is required.

4.   The memorandum of understanding or letter of agreement should clearly spell out what UNEP requires the other party to undertake, including:

> (i)   UNEP work programme;
>
> (ii)   Outputs and services;
>
> (iii)   Work plan and timetable;
>
> (iv)   Budget; and
>
> (v)   Duration of the memorandum of understanding or letter of agreement.

2.   The funding for the memorandum of understanding or letter of agreement should not be considered as grants but must be based on actual cost and should be reported in a proper expenditure statement, details of which should be set out clearly in the financial auditing clauses of the memorandum or letter.

3.   All memorandums of understanding or letters of agreement should contain all aspects of a model agreement to ensure that they are consistent with the financial regulations and rules of the United Nations. In this connection memorandums of understanding or letters of agreement should include the standard United Nations clauses on legal status, obligations, title rights, indemnification, privileges and immunities, arbitration, termination and amendments, where applicable.

4.   All externally implemented projects, and memorandums of understanding or letters of agreement using the Environment Fund require approval of the Deputy Executive Director regardless of the amounts involved. [62] Memorandums of understanding or letters of agreement using earmarked funds or trust funds require

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[60] Reference IC/UNON/2002/07.

[61] Institutional or corporate contracts with profit-making organizations (commercial contracts) do not follow memorandum of understanding or letter of agreement procedure, but follow the procurement procedure guided by the United Nations financial regulations and rules. All institutional or corporate contracts with profit-making organizations using the Environment Fund need to be submitted to Deputy Executive Director for his review before processing. In the event that a waiver of exceptions to calling for bids or proposals is necessary, appropriate reasons should be forwarded to Deputy Executive Director for his approval. Deputy Executive Director's approval, however, is not required for programmes for conventions, protocols, Regional Seas and other independently managed programmes which are guided by their own policy-making bodies; and also not for trust funds and earmarked contributions.

[62] This procedure does not apply to programmes for conventions, protocols, Regional Seas and other independently managed programmes which are guided by their own policy-making bodies. It also does not apply to trust funds and earmarked contributions.

approval of the Deputy Executive Director if their budgets are equal to or exceed $200,000 for cooperating agencies and $100,000 for supporting organizations. If the amounts involved do not exceed the thresholds, the memorandums or letters need to be cleared by BFMS. However, regional directors or heads of UNEP outposted offices and convention secretariats have the delegated authority to sign memorandums of understanding or letters of agreement after written clearance by the BFMS.

5.   Once the memorandum of understanding or letter of agreement is signed by both parties, it becomes a binding document. A copy of the duly signed documents must be sent to the Chief, BFMS by the regional or outposted offices and convention secretariats.

6.   A corresponding miscellaneous obligating document should be raised within the limits of a sub-allotment or approved budget in order to obligate funds.

7.   Under the memorandum of understanding or letter of agreement, an initial payment (up to maximum of 75 per cent of the commitment, if necessary) may be made after the signing of the memorandum of understanding or letter of agreement by both parties while the balance of payment should be subject to receipt of a substantive report (for example, a final report/proceedings of a meeting together with a list of UNEP-sponsored participants where appropriate; copy(ies) of technical report or publications) and detailed expenditure statement, details of which should be spelt out clearly in the memorandum of understanding or letter of agreement.

8.   In any other case, when activities to be implemented by cooperating agencies or supporting organizations are costed over and above the prescribed cost ceiling to UNEP (as indicated in paragraph 7 above), the activities should be implemented through a project document.

9.   In the case of the implementing party being a profit-making organization or commercial entity (for example, a private consulting firm), a corporate contract should be used.

10.   The following paragraph should be included in all new memorandums of understanding or letters of agreement signed between UNEP and its partners.

Measures against sexual exploitation or sexual abuse

"(*Name of an organization*) is aware of the standards of conduct listed in section 3 of the United Nations Secretary-General's Bulletin (**ST/SGB/2003/13 of 9 October 2003**) and by signing this memorandum of understanding or letter of agreement (*Name of an organization*) confirms that it accepts these standards. The failure of (*Name of an organization*) to take preventive measures against sexual exploitation or sexual abuse, to investigate allegations thereof, or to take corrective action when sexual exploitation or sexual abuse has occurred, shall constitute grounds for termination of this memorandum of understanding or letter of agreement."