



a manual of

PROJECT IMPLEMENTATION GUIDELINES

for **Non-Governmental Organizations (NGOs)**

a summary of requirements for
implementing projects funded by
UNDP and other **UN** agencies



Table of Contents

Preface	
Acknowledgements	
1. Introduction	1
2. Reporting Guidelines	3
3. Instructions for Contracting Implementing Partners	6
4. Mainstreaming Gender in Project Implementation	8
5. Procurement Guidelines	11
6. Oversight and Implementation	14
7. Annexes	15

Preface

This manual is meant to be a simple reference document for organizations such as non-governmental organizations (NGOs) and community-based organizations (CBOs) which, from time to time, form partnerships with the United Nations Development Programme (UNDP) and other United Nations agencies in the implementation of development projects.

The greater part of the information included here is derived from an orientation workshop on the project implementation guidelines that NGOs and CBOs must follow in projects with the United Nations Trust Fund for Human Security (UNTFHS).

Throughout the region, significant issues such as HIV/AIDS, poverty, gender inequality, lack of empowerment, environmental degradation and disaster mitigation create extreme challenges for the Governments and people. In the case of Grenada, two hurricanes over 2004 and 2005 served to significantly exacerbate the human security concerns of the island with ongoing repercussions even in 2007.

The need to sustain the post-Ivan activities and multi-sectoral thrust, and to engage more seriously on the issue of human security and how the issues highlighted above hinder its achievement, was the main impetus for the UNDP-led process to mobilize resources for the project ***Restoring Livelihoods to Grenada after Hurricanes Ivan and Emily*** for which the Government of Japan approved funding. A multi-sectoral and multi-agency approach is fundamental to the issue of human security and UNDP is working closely with the Government, civil society organizations and key sister agencies, including the United Nations Development Fund for Women (UNIFEM), the Food and Agriculture Organization (FAO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

The UN Subregional Team (UNST) hopes that this document will strengthen and facilitate the implementation and execution of the UNTFHS project. Outside of the UNTFHS project, we feel this is a useful overall document to guide local counterparts in the Caribbean in their collaborations with the UN System. Both the substantive and the financial guidance are critical to ensuring that UN-funded projects and activities will realize their overall objectives and, ultimately, provide concrete results for the beneficiaries.

Acknowledgements

The preparation of this manual has been led by the UNDP Barbados and the OECS in its role as coordinator of the joint project funded by the UN Trust Fund for Human Security to restore livelihoods in Grenada as well as its role as an administrative agent and partner across many activities for human development. This manual was developed in recognition of confusion and lack of clarity on the part of NGOs on the requirements of UN agencies for execution of projects and also in an effort to harmonize and present one framework for reporting. Though developed in the context of and in response to the UNTFHS project, it is anticipated that this guide will serve broadly for all partnerships with the UN System.

The manual was developed by the UNDP Barbados Poverty Reduction Unit, with the main work on the drafting of the document done by the Grenada project team under the supervision of the Programme Manager, Poverty Reduction, Ms. Leisa Perch. The Grenada team consisted of Mr. Terry Moore and Ms. Sandra James.

The content was provided from the material prepared for a March 2007 training workshop for NGOs and partners of the UNTFHS project and UNDP Barbados acknowledges the significant contributions of the following persons: Ms. Elaine King (UNICEF), Ms. Sandra Edwards (UNIFEM) and Mr. Emmerson Beckles (FAO) who all serve on the Inter-agency Steering Committee for the project. We also benefited from the support of the Heads of the respective agencies and the more recent inputs on Children and Youth by the Deputy Representative, UNICEF, Ms. Niloufar Pourzand and Ms. Elaine King. Ms. De-Jane Gibbons (UNDP) contributed the information on the Harmonized Approach to Cash Transfers (HACT) to Implementing Partners.

Thanks are also expressed to Ms. Kemberley Gittens and Mr. Andy Taitt for finalizing the manual for publication and printing. We finally express our thanks to the stakeholders in Grenada through their feedback, comments and questions which assisted in the finalization of the main content.

It is our anticipation and hope that this manual serves to provide needed guidance and facilitates improved implementation and draw down of resources which assure support to those who most need our assistance.

1 Introduction

1.1 Introduction and Rationale

This manual arises out of the joint experiences of the collaboration strategies adopted by four UN Agencies - UNDP, FAO, UNICEF and UNIFEM - to effectively and efficiently deliver the United Nations Trust Fund for Human Security (UNTFHS) project, *Restoring Livelihoods to Grenada after Hurricanes Ivan and Emily* - hurricanes that devastated the island in 2004 and 2005 respectively.

The Grenada project complemented ongoing initiatives by the UN Subregional Team (UNST), and other agencies that collaborated in this project, to empower people and communities to act on their own behalf - or on behalf of others, which is another key to human security. The team approach to implementation is designed to create greatest impact and has produced useful lessons learnt for future strategies to project implementation.

1.2 Background

The United Nations Trust Fund on Human Security (UNTFHS) is a funding mechanism to support and address issues relating to human security. The project is expected to respond to current poverty reduction priorities of the Government and the UN System Team. UNTFHS is administered by a unit based in New York and funding is provided by the Government of Japan.

The Human Security Goal is to improve human security (physical, social and economic security in particular) in Grenada by improving livelihoods on a sustainable basis for all.

The project is managed and coordinated by UNDP and executed over a period of eighteen months. This joint project will:

- Facilitate the improvement of increased livelihood options and opportunities for farmers and rural households;
- Improve access to microfinance and business development opportunities and facilitate the identification of new income-generating opportunities;
- Improve disaster preparedness at the community level through ameliorating readiness, response frameworks, shelter capacity and management as well as planning;
- Expand the availability and capacity for counselling at the national level, thereby facilitating the medium and long-term recovery process; and
- Mainstream gender in disaster risk reduction and livelihoods approaches, and strengthen state responses to end gender-based

The project will be implemented as a Joint UN Joint Programme, linked to UNDP Poverty and Social Development Programme.

1.3 Selection Criteria for Beneficiaries

The selection criteria for beneficiaries of projects of this nature are very clearly delineated to ensure that the project reaches persons whom it is designed to benefit. The main criteria adopted were as follows:

- Incidence of extreme poverty and or lack of access to resources as identified by the CWIQ survey of 2005;
- High levels of damage to houses and loss of other services as identified by the various post-hurricane impact assessments;

- Inadequate protection of children's and women's rights as identified in the gender impact assessment of the hurricane, particularly as it relates to services provided by shelters;
- Significant challenges to communities in terms of repair and rehabilitation of livelihoods; and
- National priorities as expressed by the Government in its budget, or identified in respective UN agency programming frameworks, UNDP Country Programme Action Plan or the existing disaster management plan.

1.4 Implementation Strategy

The approach to implementation was based on the principles of transparency, participation and consultation. More specifically,

- This project assisted vulnerable sectors of the society to gain access to resources and to begin their own recovery efforts at the household and community levels. Employment creation and income generation for civil society are therefore the main thrusts of the project.
- The activities are community specific, designed to address concerns in communities selected based on the involvement of the implementing partners' pre-disaster involvement in Grenada, recommendations of Government officials and the NGO community, and the level of destruction to these communities caused by the hurricanes.

1.5 Programme Governance including M&E

As in all well managed projects, the UNTFHS includes in its design monitoring and evaluation (M &E) components to ensure proper accountability.

In this respect the following M&E measures are taken:

- Regular and timely monitoring of activities;
- A Project Steering Committee (PSC), based on representation from amongst partners, will oversee implementation;
- The UN System will create a Technical Advisory Group (TAG) to ensure coordination and joint reporting;
- Quarterly project reporting to be shared with the Government of Grenada;
- Half-yearly reporting to UNTFHS; and
- A beneficiary survey to be implemented on completion of project activities.

1.6 Structure of Manual

The present manual will focus on the steps taken to introduce all stakeholders and NGO implementers to the expectations of the project, the procedures to be adopted, timing and extent of reporting, and financial accounting and record keeping, to name a few.

The rationale is for the manual to serve as a template for similar projects which are designed to support the eradication and alleviation of poverty, gender equity and the restoration of livelihoods in a sustainable manner.

The guide seeks to summarize the information on procurement procedures, gender mainstreaming, and the role of the steering committee, which was given to stakeholders in a UNTFHS Orientation Workshop in March 2007.

2 Reporting Guidelines

Regular and timely reporting may be considered the wheel that will steer the project to a successful conclusion. Without timely information, managing the project becomes subjective and may result in wrong decisions being made.

Reports also allow donors and other participants to get a sense of what is happening in the project cycle.

2.1 Reasons for Reporting:

Reports that are well prepared assist the project by

- Providing evidence of progress towards expected results re quality, timeliness and quantity;
- Identifying issues requiring resolution – new or related issues with a bearing on the result and outcome of the project may arise;
- Creating a sense of achievement in beneficiaries and implementers of the project as milestones are recognized; and
- Serving as a basis for further disbursements - a well managed and implemented project that meets targets in a timely manner and delivers good outcomes serves as a marketing tool for future funding.

2.2 Reporting Requirements

- Regularly and timely (within two weeks of end of agreed period) – the frequency of the reports may differ depending on the terms of the original agreement and the type of project.
- Narrative – description of activities done and challenges faced
- Financial - such as accounting for the money received, type of expenses, balances, etc
- According to agreed formats – usually the report will be structured according to an agreed format, which makes it easy to follow each report and compare across reports.

2.3 Narrative Report Format

The narrative report gives a written description of the project status during implementation, and will include:

- Background - includes setting, context, purpose, scope or reference to previous work or reports;
- Main accomplishments in the reporting period – highlight achievements/results, beneficiaries, quantified wherever possible (e.g., male/female, age) especially against work plan objectives;
- Activities carried out - specific actions taken to reach objectives, either in procurement, hiring, facilitating, training or capacity building (necessary, sufficient to produce the results at least cost);
- Challenges/problems faced - implementation and operational problems in the field (strategic);
- Mitigation steps;
- Lessons learnt - solutions to problems that may be replicated or issues to be considered for

future follow up;

- Follow up plan for addressing issues, including sustainability, for next reporting period; and
- Financial Summary - narrative expenses, actual, committed and planned - with summary table.

2.4 The Financial Report

The aim of the financial report, as currently practised, is to facilitate the management of the budgets and expenditures of programmes and projects, and the review and approval of the consolidated delivery reports (CDRs). The financial report provides information on cash disbursements by the designated institution and by the contractors (except United Nations agencies) and incorporates a request for advance of funds. It also allows for the reconciliation of outstanding advances of funds.

The financial report must be submitted to the UNDP country office no later than 15 days after the end of the quarter. The designated institution must submit the financial report to the UNDP country office every calendar quarter at a minimum and whenever an advance of funds is required. More frequent reporting is encouraged if agreed to by the UNDP country office and the designated institution.

Annex 1 details the financial format and the instructions for preparing the report.

A transfer is imminent to the **Harmonized Approach to Cash Transfers (HACT) to Implementing Partners** as part of the continuing efforts of the United Nations aimed at reforming and building national capacity. HACT introduces a new simplified way of managing the process of transferring cash to partners of the UN. At present, this Approach is outlined in a framework that applies to United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF) and the United Nations World Food Programme (WFP) – the United Nations Development Group Executive Committee Agencies.

The harmonized approach to cash transfers will reduce the complexity of procedures and lower transaction costs for governments. The approach will also help to improve the capacity of national partners to manage aid.

Currently, most UN agencies rely on what we refer to as a “system of controls”, where checks are implemented to ensure that funds given to partners are spent appropriately. Implementing partners who work with a variety of UN agencies might have to submit vouchers for all expenditures for one agency; produce expenditure reports after an advance for another; or undergo frequent project audits.

Harmonized Approach to Cash Transfers (HACT), relies on a “risk management” approach, recognizing that there is risk involved in cash transfers and that the level of risk varies.

The main provisions of this approach are Macro Assessments, Micro Assessments, methods for maintaining assurance, including audits and the Funding Authorization and Certificate of Expenditures (FACE) Report.

The Macro Assessment is a review of existing assessments of the national public financial management system. The two objectives of the Macro Assessment are:

- Development: It describes the strengths and weaknesses of the public financial management system, and identifies opportunities for capacity-building
- Financial management: To help the UN understand more fully the financial environment within which they are operating. It provides background information for selection of appropriate cash transfer modalities and assurance activities.

The Macro Assessment does not provide a “pass or fail” to implementing partners, nor is it used to impose conditionality. It does however provide information about the national context and identifies key

risks that the public financial management might pose to the use of UN cash transfers.

There are two primary reasons for conducting a Micro Assessment with partners with whom we work:

- **Capacity Development:** to review the strengths and weaknesses of an implementing partner's financial management system and internal controls. The assessment should include recommendations to strengthen less robust areas. The information should then be fed into the overall capacity development plan.
- **Financial management:** to help UN agencies identify the most appropriate assurance methods, and best procedures to use for transferring cash.

The Micro Assessment should be open and transparent, the partner institution should be fully involved and the Government coordinating authority must be informed about the process. The Assessment is intended to help guide the procedures according to the differing level of risk.

All UN agencies conduct some form of assurance activities. Assurance is the term that is used to describe the process of determining whether expenditures that took place were for the purpose intended. Assurance requires that you are familiar with the internal controls and financial management practices of your implementing partners as they relate to cash transfers.

The key characteristic of the new approach to assurance is coordination. The aim is that assurance activities are carried out jointly, as this significantly reduces the burden on an implementing partner working with multiple UN agencies. The assurance activities that occur are based on the level of risk and the values of the cash transfers in question. As such, the strongest assurance activities will be used with implementing partners that have the weakest financial management practices. This is where the information from the Micro Assessments feeds in. The three main methods of maintaining assurance with HACT are: scheduled audits; on-site reviews (spot checks and special audits); and programmatic assurance, where agencies develop their own guidance on the types of checks, when they take place and how often.

The Funding Authorization and Certificate of Expenditures (FACE) is a form that is intended to reduce the complexity of procedures for managing transfers of cash to partners and reduce their transaction costs. It certifies expenditures and provides a basis for the disbursement of funds for the next period. It serves as a request to spend, a verification of what was spent, and an invoice, and permits disbursements on a quarterly rather than a transaction basis. FACE is to be used for direct cash transfers, reimbursements and direct payments. FACE requires no supporting documentation (for example, invoices and receipts), and cash that is disbursed but not utilized can be reprogrammed. FACE is aligned with the Annual Work Plan (AWP) and focuses on recording requests/expenditures at the activity level. The request for funding using a FACE form is accompanied by an itemized cost estimate based on individual agency guidelines.

HACT will assist in strengthening the national capacities of implementing partners to plan, manage, implement and account for programme results.

Annex 2 details the financial format (FACE form) along with samples of the completed form.

3 Instructions for Contracting Implementing Partners

3.1 Agreements

In implementing a project, it is necessary to first ensure that the Agreements with the UN Agency and the implementing NGO are in place. This sets the legal basis for the establishing the relationship between the UN Agency (or donor) and the NGO. Each Agency has its specific requirement and may use different terminology. The names of the agreements of the different agencies are listed below:

- FAO: Letter of Agreement
- UNDP: Project Cooperation Agreement
- UNICEF: Special Service Agreement (Institutional Contractor)
- UNIFEM: Institutional Contract

All Agreements must be signed before the project can be implemented and before any disbursement of funds can be made. This does not prevent NGOs from undertaking preparatory work in advance of disbursement of funds where such activity does not involve use of money.

3.2 Documents Required and Specified in Agreements

The Agreements specify the terms and conditions by which the project is expected to be managed and administered. Therefore NGOs are advised to become fully acquainted with the requirements of the agreements before start up.

Some of the basic requirements of these agreements are:

- Progress Reports (narrative)
- Periodical Financial Reports
- Project Work Plan – work plans are usually prepared in advance and attached to the Agreements. *Annex 3* shows a representation of the work plan format.
- Financial Report / Statement of Expenditure
- Request for Advance
- Final Report

3.3 Major Issues Relating to Documentation and Reports

- Timing – very essential for proper and effective project management. A report that calls for a critical decision to be made immediately will be useless if it arrives three months late.
- Accuracy and Quality – the information should always be precise and truthful and able to withstand rigorous scrutiny.
- Storage and Retrieval – the information must be easy to store and retrieve.
- Safety – documents need to be kept in safe and secure storage.
- Originals (invoices, bills, receipts) - all originals must be kept in a safe place.
- Availability for Audit – UN projects are subject to periodic audits and records must be kept with this in mind.
- Disposal of documents [3-5 years] – records are to be kept for at least 3-5 years before being disposed of.

3.4 Documentation Requirements

Financial disbursements normally take place according to the terms and conditions agreed and written into the project agreement. A summary of these conditions at the different stages of the project cycle are given below:

Disbursement Conditions

- **First Disbursement** - usually given after
 - Signature of Agreement
 - Approval of Work Plan (UNDP) – see Annex 3.
- **Second Disbursement** - [Request for Advance]
 - Progress Report cleared
 - Periodic Financial Report (UNDP)
- **Final Disbursement** - usually made after the project is completed on the following basis
 - Final Project Report cleared
 - Audited Statement of Expenditure
 - Final Financial Report

A Consolidated Report which includes a financial statement must be done prior to the final payment.

3.5 Operational Activities

During the implementation, a number of operational decisions or actions have to be taken. These may involve purchasing items or materials, recruiting personnel, negotiating labour contracts or other service contracts which are essential to the success of the project.

The procedures and conditions for the different types of transactions are given below:

- **For Purchases:**
 - Letters of Requests for quotation
 - Quotations
 - Evaluation of Quotations
 - Invoices, bills, receipts
- **Recruitments:**
 - Contracts
 - Reports of assignment
- **Works:**
 - Letter of recruitment
 - Attendance Record
 - Pay Sheets
 - Report on completion/quality
- **Other Features:**
 - Project Files – as a general guide, NGOs should implement a proper filing system for the storage of project documents.
 - Financial Records - a true and accurate documentation of financial transactions should be kept.

In summary, all transactions and activities must adhere to the principles of accountability and transparency. One of the ways to ensure this is to have proper documentation and good record keeping at all times.

4 Mainstreaming Gender in Project Implementation and Adolescent Input

4.1 What is Gender Mainstreaming?

For NGOs, CBOs and other implementing partners, it is important to understand that gender mainstreaming (GMS) is an integral part of project implementation, and even project design. Initially this concept was geared to support women but is now built in to ensure gender equity and balance.

At the 4th UN International Conference on Women in Beijing, in 1995, gender mainstreaming was established as an internationally agreed strategy through which governments and development organizations would promote gender equality. This development arose in response to consistent lessons emerging from at least 20 years of experience of addressing women's needs in development work.

- Gender mainstreaming is a commitment to ensuring that women's and men's concerns and experiences are integral to the design, implementation, monitoring and evaluation of all legislation, policies and programmes so that the concerns of women and men are equally addressed.
- The ultimate goal of gender mainstreaming is to achieve gender equity.
- Gender mainstreaming is integral to all development decisions and interventions; it concerns not only their programmes but the staffing, procedures and culture of all development organizations; and it forms part of the responsibility of all staff.

4.2 The Four Key Steps of Gender Mainstreaming

1. Sex disaggregated data and gendered analysis of information.
2. Both women and men influencing the development agenda.
3. Context-specific action to promote gender equality.
4. Gender-balanced organizational capacity-building and change.

4.2.1 Step 1: Sex disaggregated data and gender analytical information

- Gender analytical research and sex disaggregated statistical data (about "beneficiary" groups and management and implementation organizations) are essential to effective gender mainstreaming.
- Gendered analysis (an examination of the experiences, needs and priorities of women and men) should routinely be part of social and institutional appraisal and monitoring processes.
- Gender analytical studies should be commissioned to examine particular issues and address information gaps.

All of this information is necessary to:

- identify gendered differences and inequality;
- make the case for taking issues of gender seriously;
- design policies and plans that meet women's and men's needs;
- monitor the differential impact of policy, project and budget commitments on women and men.

4.2.2 Step 2: Women and men influencing the development agenda

Women and men can exert balanced influence on the development agenda when

- women and men are involved in decision-making at all levels, and men and women committed to the promotion of gender equality are influencing decision-making;
- “gender advocates” within government, civil society and donor organisations *work in collaboration*, identifying and developing strategic “entry points” for the promotion of gender equality.

4.2.3 Step 3: Context-specific action to promote gender equality

- Gender mainstreaming is a strategy to promote gender equality and end the imbalance in power that women experience.
- Action to promote greater equality of influence, opportunity and benefit should be devised on the basis of context-specific sex disaggregated data, gender analytical information and a clear understanding of women’s and men’s priorities.

4.2.4 Step 4: Organisational capacity building and change

- Gender mainstreaming as an organizational strategy to promote gender equality depends on the skills, knowledge and commitment of the project personnel involved in management and implementation.
- Appropriate capacity-building activities need to be explicitly included in policy and project documents and frameworks, backed up with staff and budgets, and monitored and reviewed through appropriate indicators of change.

4.3 How Project Personnel/Stakeholders Can Help Mainstream Gender in Project Implementation

Project personnel/stakeholders can make gender mainstreaming an integral part of project implementation by:

- understanding the different roles, responsibilities, and experiences of women and men in relation to the issue being addressed;
- seeking opportunities to actively involve women and men in consultation and decision-making processes;
- acting on women’s and men’s *priority* concerns;
- seeking ways to promote benefits for women and men; being personally informed about gender issues and gender mainstreaming, and seeking ways of promoting this understanding and commitment among colleagues and partner organizations; and
- being aware of personal attitudes and behaviour and the ways in which these affect communication with women and men and understanding of development and change.

In general, the issue of gender mainstreaming must be an integral part of project implementation, but must be sensitive to the actual situation and social positioning of the men or women in the beneficiary community.

4.4 Mainstreaming the Concerns of Youth and Adolescents

As with gender equity, it is also important to recognize that young people in the beneficiary community will have their own specific needs. If any development project is to be truly sustainable, it is important for young people to feel involved in the decision making, especially in those areas that most closely concern them. Bearing in mind also that approximately half of young people will be women, and that the priorities of young women and girls will differ from those of young men and boys, the integral involvement of young people is a necessary factor in meeting the fullest needs of the community and achieving gender equity.

4.5 Working with Adolescents: Some Points to Note

Where funding is being sought for projects to enhance the well-being of adolescents, the process of project development and implementation must ensure:

- Procedures to consult with adolescents are established and that meetings take place between adults and the adolescents;
- Information is provided to increase understanding among adolescents of the issues and in simple and easy to understand formats;
- The needs of the beneficiaries are identified prior to the start of the programme;
- Adolescents serve on decision-making committees;
- The views of the group are respected – time, space and resources must be provided for adolescents to develop and express their opinions;
- Self-governance of the beneficiaries should be promoted through responsibility, use of resources and accountability structures; and
- The beneficiaries assist with programme design, implementation (including monitoring) and evaluation

Indeed, all stakeholders in any project should be offered these considerations.

5 Procurement Guidelines - “Works” Contract

The aim of this chapter is to assist the collaborating NGO partners, CBOs and other related organizations to better understand how the UN Agencies treat “works” contracts.

The discussion will focus on the main criteria, the types of procurement, the main control factors, types of activities, and other related considerations in performing or procuring “works” contracts.

5.1 Main Criteria Governing Procurement in the UN System

There are three main criteria that govern the procurement of “works” in the UN System - competition, transparency and documentation.

The competitive criterion requires inviting at least 3 bids or tenders from potential suppliers of goods and services to ensure value for money. The transparency criterion ensures openness in the various activities, and a willingness to be open to scrutiny. The documentation criterion states that everything should be recorded for future reference, which also affords traceability.

5.2 Types of Procurement

The types of procurement in project implementation refer to:

- Goods (materials and equipment) – the project may have to purchase goods in order to meet its objectives;
- Services (consultancies through personnel) – local personnel with the skills and expertise may be hired to carry out certain kinds of studies, e.g., marketing surveys; and
- Works (construction, establishment of physical structures or activities) – contractors may have to be brought in to build a bridge or other structure.

5.3 Control Factors in Procurement

Control factors are the gamut of rules, regulations, standards or physical resources that tend to circumscribe the way in which the project can be implemented.

To effectively manage this aspect of the project, it is necessary to have a clear understanding of the control factors below.

- Budget Limit – the amount of money that is available or earmarked sets the limits to what can be done or purchased. It is useless to try to purchase a tractor to plough farmers’ lands when the budget may only allow for forks and hoes. As far as possible project overruns should be avoided.
- Specifications in Project Document or Agreement – the specifications as allowed in the project are what should guide the management of the project. Specifications should not be changed without prior approval as this will have an effect on the overall costs of the project.
- Work Plan or Schedules – as far as possible work plans and schedules should be adhered to. Cost overruns can occur when activities take longer to be accomplished than planned for. It is therefore essential to ensure that, barring unforeseen circumstances, work plans project realistic time frames.
- Consideration for standardization, repairs, parts, maintenance – in purchasing or in construction, it is necessary to bear in mind the question of sustainability of the project after initial funding is exhausted. Is the equipment purchased easy to repair? Are the necessary

skills available? Are the parts easy to find?

- Need for quotations - competitive bidding is a prerequisite condition. This procedure must always be considered in terms of time, quality and cost effectiveness.
- Guidelines provided through the Agreements - other conditions such as legal guidelines with respect to disputes, extensions and terminations are all part of the Agreements and must be learned.

5.4 Main Requirements for Typical “Works” Contract

In undertaking works contracts, the following basic tasks must be considered.

- Drawings, plans, designs – these refer to architectural designs or drafting sketches for the work to be done. Dimensions and measurements would be included here.
- Programme of Works – a programme of works refers to the list of activities to be carried out from the preparation to the completion and handover of the work.
- Bill of Quantities – this is a detailed account of the quantities of materials (brick, stone, sand, etc) that will be needed to complete the work.
- Tender Documents – a set of documents that prescribes what a contractor must include in a bid for a contract of works and how the bid must be prepared.
- Closed Bids – sometimes, in the interest of time it may not be possible to have open bids. Through a process of selection, potential persons with experience (at least three) may be asked to submit bids.
- Bid Evaluation and Evaluation Report – the process of selecting the best bid, often accompanied by an evaluation report.
- Selection, notification, negotiation - after bids are in, there is the process of selecting or choosing the most appropriate person. Usually this may be done by a committee of experts, or someone highly regarded in the field.
- Contract – the contract is signed, specifying the terms and conditions of the work, and the time frame within which it is to be done.
- Certificate of Completion – issued when the project is satisfactorily completed, usually by the consulting engineer after inspection.
- Hand Over – the handing over process refers to the formal giving of the keys or the legal transfer to the agency which contracted the works.

5.5 The Requirements of Implementing Partners for “Works” Contracts

The simple contract of labour to undertake certain jobs or tasks under the project may follow the procedures below:

- A simple letter of recruitment (to be signed by the worker);
- Register of attendance;
- Pay sheet for signature;
- Certification of completion and quality; and
- Final report, including statement of expenditure.

5.6 Major Considerations Related to Procurement

In general, stakeholders and project implementers need to have a general sense and appreciation of the following:

- Knowledge of the project and the agreement;
- Time when items or services would be needed;
- Nature of the items (high value or low value);
- Security and responsibility for items;
- Commissioning of equipment;
- Quality of “works”, services and materials;
- Installation and transportation as part of costs;
- Insurance;
- Sustainability of operations or “works”, and
- Possibility of Audit (documentation, transparency, competition).

6 Oversight and Implementation

6.1 Role of Steering Committee

Good and effective management and implementation strategies are critical to the successful outcome of a project.

One important element of the UN project implementation strategy includes a management steering committee for general oversight purposes.

These purposes are summarized below and include:

- Implementation oversight - the steering committee is expected to oversee the actual progress of the project, at least on a monthly basis.
- Review Progress in achieving targets – all projects are target specific. These targets are usually included from the design stages of the project. The Steering Committee must seek to ensure that the project meets its goals and objectives within the time frame, the cost, and to the specific beneficiaries as set out in the project document.
- Review of reports – the project report is the key instrument of monitoring which gives donors a sense of what is happening with the project in terms of meeting its objectives. Therefore reports are expected to be timely, objective and realistic.
- Problem solving – not all problems or challenges that a project will meet can be anticipated or foreseen. The Steering Committee is expected to assist the project implementation team or the Project Manager in troubleshooting and solving problems as they arise so that the integrity of the project is not compromised, and to ensure that activities run as smoothly as possible.
- Advise on support needs – sometimes the project does not have all the necessary resources internally. Agencies and other organizations not benefitting or directly involved may be called upon at specific times to interact or to support the project. This may include advice, decisions or actions, which though independently taken, may lead to the general realization of the project objectives.
- Support resource mobilization – wherever additional resources are needed the steering committee may bring this to the attention of the appropriate authorities.

6.2 Steering Committee Members

Membership is open to all implementing partners, as well as local governmental institutions which may have a bearing on or interest in the subject. Establishment of subcommittees is also possible according to the various components of the project. For example in the UNTFHS project for Grenada, five subcommittees have been established - Livelihoods, Business, Disaster, Counselling and Gender.

Annex 1: Financial Report Format

Instructions for the Designated Institution: How to fill out the top of the financial report

Field (a): Name of the designated institution and programme country.

Field (b): Number and title of the programme or project.

Field (c): Period for which expenditures are being reported. The period can be the quarter or a different period if advances are made on a more frequent basis.

Field (d): Source of funds according to the PSD/project document and budgets.

Field (e): Currency in which the advance from UNDP is requested. If the advance is received in US dollars, write US dollars in this field. If the designated institution receives advances in more than one currency for the same programme/project, complete the financial report for each advance.

Field (f): “Opening balance”: **Under ‘Total’ in Column III**, fill in the local currency amount of the advance outstanding at the beginning of the period. It must agree with the Closing balance (field j) of the last financial report. For new programmes or projects, this amount will be zero (See requesting an initial advance below).

Field (g): “Advance received”: **Under the appropriate ‘Month’ and ‘Total’ in Column III**, fill in the local currency amount of the advance received this period. Only one advance received is recorded for each financial report.

Field (h): “Available funds”: Under ‘Total’ in Column III, this is the sum of (f) Opening balance and (g) Advance received.

Expenditures by Sub-line: Based on its accounting books, the designated institution records the total expenditures **incurred each month** against each sub-line for the quarter/period. This includes all expenditures incurred since the last financial report to the date of the end of the quarter/period. All sub-lines in the approved budget must be included under Description (Column I) and component and budget line (CMBL) (Column II) even if there are no expenditures against the sub-line this quarter/period. No subtotals are required.

Field (i): “Total expenditures”: Add up all the expenditures by budget sub-line recorded above **under each ‘Month’ and Total** columns.

Field (j): “Closing balance”: **Under ‘Total’ in Column III**, calculate (h) Available funds minus (i) Total expenditures.

Field (k): “Outstanding obligations”: **Under ‘Total’ in Column III**, record all expenditures that the designated institution has a legal obligation to pay in the coming quarter or period but that are not yet paid. This will include any contract amounts to be paid for service rendered, any goods ordered and/or received, and invoices not paid, that will be paid in the next quarter.

Field (l): “Planned expenditure”: **Under ‘Total’ in Column III**, record here all cash expenditures planned for the next quarter/period according to the latest programme or project work plan. Do not include expenditures already reflected in (k) Outstanding obligations.

Field (m): “Total requirements”: **Under ‘Total’ in Column III**, this is the sum of (k) Outstanding obligations and (l) Planned expenditure.

Field (n) “Advance requested”: **Under ‘Total’ in Column III, shows the amount** of funds needed for the next quarter/period. It consists of (m) Total requirements minus (j) Closing balance. After review and approval, the UNDP country office will provide this amount as advance to the designated institution through a cheque/bank draft/wire transfer.

The responsible official of the designated institution, normally the National Director, must sign and date the financial report before sending it to the UNDP country office.

Requesting an initial advance

When the designated institution wishes to request an initial advance for a new programme or project, it fills out the top of the report and fields (l) Planned expenditure, (m) Total requirements, (j) Less closing balance (put zero), and (n) Advance requested of the financial report. All other lines and columns are left blank. The Total requirements (m) should cover:

- a) the first reporting quarter and
- b) the estimated time required for the subsequent cash replenishment (i.e. the period from the time the project submits a financial report to the time it receives the fund from the country office), which is about one month.

In essence, the initial advance needs to cover about 4 months of expenditure. This procedure, however, applies only for the initial cash advance. Subsequent advances should cover only 3 months of expenditure since the project is expected to always have outstanding funds that would reasonably cover anticipated disbursements until the next advance from the country office is deposited in the bank.

INSTRUCTIONS FOR THE UNDP COUNTRY OFFICE

Upon receipt of the financial report, the UNDP country office performs the following steps before submitting the financial report to UNDP headquarters no later than 30 days after the end of the quarter:

- Ensure that the opening balance agrees with the closing balance in the last Financial Report.
- Verify that the advance received agrees with the UNDP country office records.
- Validate the arithmetic of the report.
- Check the reasonableness of the outstanding obligations, planned expenditures and advance requested to the programme/project budget, work plans and other documentation available.
- Prepare and provide advances to the designated institution. Advances are transferred as agreed (bank account arrangements) for the programme or project in question. The designated institution and the UNDP country office may also agree to indicate banking arrangements on the financial report.
- Sign and date the country office approval/signature. The resident representative or another country office staff member to whom he/she has delegated approval authority signs the financial report.

INSTRUCTIONS FOR PREPARING FINANCIAL REPORTS FOR JOINT PROGRAMMING INITIATIVES¹

UNITED NATIONS TRUST FUND HUMAN SECURITY PROJECTS

- i. Specify the title of the Official responsible for reporting to the UN Controller on behalf of the UN implementing organization.
- ii. The reports must satisfy the following guidelines:
 - Be provided in summary, aggregating implementing partner reports in the case of joint programming;
 - Show interest earned on funds disbursed to the project;
 - Show any parallel funds received by the project; and
 - Align expense with activities and milestones.

Financial Report

(Sample information provided below)

(a) Designated Institution:

(b) Programme/Project number

Programme/Project title:

UNTFHS Restoring Livelihoods in Grenada

For the period: Year 2007

(c) Source of Funds: UNTFHS

(e) Currency: US\$

¹ Applicable until introduction of Harmonized Approach to Cash Transfers (HACT).

(I)	(II)			(III)
Item	Chart of Account			Amount
(f) Opening Balance:				
(g) Advance Received:				
(h) Available Funds:				58,500
<u>Detail Expenditures</u>	Account	Fund	Donor	
<u>Project ID: 00011322</u>				
Communication & Advocacy		30000	00112	1,000
(i) Total Expenditures				1,000
(j) Closing Balance:				57,500
(k) Outstanding Obligations:				57,500
(l) Planned Expenditures:				57,500
(m) Total Requirements:				57,500
(n) Advance Requested:				

FACE Sample 1 - For Direct Cash Transfer (DCT) Request

Funding Authorization and Certificate of Expenditures

Country: Bangladesh
 Program Code & Title: YE-202 - Basic Education
 Project Code & Title: E133 - Access to Education / Towards Universal Access
 Responsible Officer(s): XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
 Implementing Partner: Bangladesh Rural Advancement Committee (BRAC)

UN Agency: UNICEF

Date: DD/MM/YYYY

Type of Request:
 Direct Cash Transfer (DCT)
 Reimbursement
 Direct Payment

Currency: _____

Activity Description from AWP with Duration	Coding for UNDP, UNFPA and WFP	REPORTING		REQUESTS / AUTHORIZATIONS	
		Authorised Amount MM-MY-YYYY A	Actual Project Expenditure B	Expenditures accepted by Agency C	Balance D = A - C
Survey attitudes of families on girls education (Jan-Mar 2004)					
Workshop for 50 teachers to review survey results (Jan-Mar 2004)					
Train 1000 teachers in gender sensitive classroom skills (Jan-Mar 2004)					
Total		0	0	0	0

CERTIFICATION

The undersigned authorized officer of the above-mentioned implementing institution hereby certifies that:

The funding request shown above represents estimated expenditures as per AWP and itemized cost estimates attached.

The actual expenditures for the period stated herein has been disbursed in accordance with the AWP and request with itemized cost estimates. The detailed accounting documents for these expenditures can be made available for examination, when required, for the period of five years from the date of the provision of funds.

Date Submitted: _____ Name: _____ Title: _____

NOTES: * Shaded areas to be completed by the UN Agency and non-shaded areas to be completed by the counterpart.

FOR AGENCY USE ONLY:

FOR UNICEF USE ONLY		FOR UNPAUSE ONLY	
Liquidation Information		New Funding Release	
Account Charges	DCT Reference	Activity 1	Activity 2
Cash Transfer Reference	CFO ref. no. Liquidation ref. no.		
GL codes:			
Training			
Travel			
Meetings & Conferences			
Other Cash Transfers			
Total		0	0

FACE Sample 2 - For Direct Cash Transfer (DCT) Liquidation

Funding Authorization and Certificate of Expenditures

UN Agency: UNICEF

Date: DD/MM/YYYY

Country: Bangladesh
 Programme Code & Title: YE-202 - Basic Education
 Project Code & Title: E133 - Access to Education / Towards Universal Access
 Responsible Officer(s): XXXXXXXXXXXXXXXXXXXXXXXXXXXX
 Implementing Partner: Bangladesh Rural Advancement Committee (BRAC)

Type of Request:
 Direct Cash Transfer (DCT)
 Reimbursement
 Direct Payment

Currency: _____

Activity Description from AWP with Duration	REPORTING				REQUESTS / AUTHORIZATIONS		
	Authorised Amount Jan-Mar 2004 A	Actual Project Expenditure B	Expenditures accepted by Agency C	Balance D = A - C	New Request Period & Amount MMMM.YYYY E	Outstanding Authorised Amount F	G = D + F
Survey attitudes of families on girls education (Jan-Mar 2004)	1,000	1,000	1,000	0			
Workshop for 50 teachers to review survey results (Jan-Mar 2004)	1,000	500	500	500			
Train 1000 teachers in gender sensitive classroom skills (Jan-Mar 2004)	500	500	500	0			
Total	2,500	2,000	2,000	500	0	0	0

CERTIFICATION

The undersigned authorized officer of the above-mentioned implementing institution hereby certifies that:

- The funding request shown above represents estimated expenditures as per AWP and itemized cost estimates attached.
- The actual expenditures for the period stated herein has been disbursed in accordance with the AWP and request with itemized cost estimates. The detailed accounting documents for these expenditures can be made available for examination, when required, for the period of five years from the date of the provision of funds.

Date Submitted: _____ Name: _____ Title: _____

NOTES: * Shaded areas to be completed by the UN Agency and non-shaded areas to be completed by the counterpart.

FOR AGENCY USE ONLY:

Approved by: _____
 Name: _____
 Title: _____
 Date: _____

FOR UNICEF USE ONLY

Account Charges		Liquidation Information	
Cash Transfer Reference: CRQ.ref.no., Voucher.ref. no.	DCT Reference: CRQ.ref.no., Liquidation.ref. no.	DCT Amount	Less: Liquidation Amount
Training		0	0
Travel		0	0
Meetings & Conferences		0	(2,000)
Other Cash Transfers		0	
Total		0	500

FOR UNFPA USE ONLY

New Funding Release	
Activity 1	Activity 2
0	0
Total	
0	0

Annex 3: Annual Work Plan Format

Annual Work Plan Format

Project Title:

UNTFHS Project Number:

Year:

- Provide an overview of the major objectives and planned activities, including key milestones and quantifiable performance indicators, for the following year.
- Indicate any major adjustments in the strategies, targets, or key outcomes and output planned.
- Submit annual work plan. The work plan for the current year should be attached to the prior year progress reports.
- Estimated budget required (including any major funding shortfalls).

Expected Outputs	Planned Activities <i>List of main activities, including M&E to be undertaken during this year</i>	Timeframe			Responsible Party	Planned Budget	

