

As of 17 March 2008

THE UNITED NATIONS TRUST FUND FOR HUMAN SECURITY

**Guidelines for the
United Nations Trust Fund for Human Security**

**4th Revision¹
17 March 2008**

¹ This sets out the revised Guidelines for the Management of the United Nations Trust Fund for Human Security, effective as of 17 March 2008. The 3rd Revision which became effective as of 13 February 2006, is hereby superseded and cancelled.

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GUIDELINES FOR THE UNITED NATIONS TRUST FUND FOR HUMAN SECURITY

I. INTRODUCTION

The Commission on Human Security (CHS) concluded its deliberations in spring 2003 and submitted its final report entitled *Human Security Now* to the United Nations Secretary-General on May 1, 2003. The Report defines human security as protecting the vital core of all human lives in ways that enhance human freedoms and human fulfilment and recommends a number of concrete areas and approaches to enhance human security.² As such, human security looks at situations of insecurity by comprehensively addressing both “freedom from fear” and “freedom from want,” and in so doing, it proposes the “protection and empowerment” framework, taking into account integrated policies that not only shield people from critical and pervasive threats but also empower them to take charge of their own lives.

II. OBJECTIVE OF THE GUIDELINES

The objective of the Guidelines is to help the United Nations Trust Fund for Human Security (UNTFHS) select projects based on the recommendations of the above Report and thereby translate the human security concept into practical actions.

The Guidelines have been reviewed and endorsed by the Advisory Board for Human Security (ABHS). When deemed necessary, the ABHS may suggest further adjustments and modifications to the Guidelines.

III. TRUST FUND RESOURCES

Any party who agrees to the terms provided in the Guidelines for the UNTFHS is eligible to become a donor.

The UNTFHS is administered in accordance with the United Nations Financial Regulations and Rules.

IV. ACTIVITIES TO BE SUPPORTED BY THE UNTFHS

The UNTFHS finances projects carried out by organizations in the UN system³, and when appropriate, in partnership with non-UN entities, to advance the operational impact of the human security concept. The UNTFHS places priority on promoting multi-sectoral and inter-agency

² For a more detailed definition of human security, please refer to page 4 of the *Human Security Now* Report.

³ UN organizations which are bound by UN financial rules and regulations are eligible to apply. Those organizations which have the capacity to coordinate and mobilize personnel, financial and other relevant resources for operating a field-based project are considered to be the main applicants. Other UN organizations should demonstrate that their proposed project meets the above key funding criteria of the Guidelines. On an exceptional basis and when appropriate, the Secretary-General may also designate non-UN organizations as potential recipients for funding under the UNTFHS.

integration based on the comparative advantage of the applying organizations and through their collaboration. Projects are distributed globally, with priority given to countries and regions where the insecurities of people are most critical and pervasive, such as the least developed countries (LDC's) and countries in conflict.

In this regard, while the UNTFHS is not opened to earmarked contributions, donors may express their geographical and sectoral priorities and interests with regard to the funding of projects.

V. KEY FUNDING CRITERIA

1. Target people and situations

The list below is indicative and not exhaustive. The UNTFHS shall place priority on operational projects that address more than one element among the following situations and shall pay particular attention to the special needs and vulnerabilities of women and children.

- a) Protecting and empowering people who are exposed to physical violence, discrimination, exclusion and whose situation derives from inequalities in treatment.
- b) Supporting and empowering refugees, internally displaced persons (IDPs), economic migrants and others on the move. Particular attention should be given to the socio-economic impact on the displaced and their host communities.
- c) Protecting and empowering people in conflict situations and in transition from war to peace through the integration of humanitarian and development assistance; disarmament, demobilization and reintegration (DDR); reconciliation and coexistence; and other processes. These activities shall also contribute to preventing recurrence of conflicts.
- d) Realizing minimum living standards, including assisting community-level efforts to establish mechanisms to protect people exposed to extreme poverty, sudden economic downturns and natural disasters.
- e) Enhancing health care and service coverage to those whom other initiatives have not reached successfully.
- f) Improving educational opportunities, especially for girls, emphasizing universal primary education (including the emphasis on safe school environment and respect for diversity).

The UNTFHS may also support projects to promote and disseminate the human security concept and deepen its understanding and acceptance worldwide, while refraining from supporting research-oriented proposals. Such projects should also contribute to the formulation of concrete projects and action-oriented initiatives to address specific human security challenges.

2. Parameters for funding projects

Operational projects shall be selected along the following parameters:

- a) Providing concrete and sustainable benefits to people and communities threatened in their survival, livelihood and dignity.
- b) Implementing the "Protection and Empowerment" framework by comprehensively including both top-down protection and bottom-up empowerment measures.
- c) Promoting partnerships with civil society groups, NGOs, and other local entities and encouraging implementation by these entities.

- d) Advancing integrated approaches that preferably involve more than one organization in planning and implementation.
- e) Addressing the broad range of interconnected issues that take into account the multi-sectoral demands of human security, for example, conflict and poverty, displacement and health, education and conflict prevention.
- f) Concentrating on those areas of human security that are currently neglected and avoiding duplication with existing programmes and activities.

3. Geographical areas of activities to be supported

- a) Projects shall be distributed globally with priority attention given to countries and regions where insecurities of people are most critical and pervasive, such as the Least Developed Countries and countries in conflict.
- b) Sub-regional projects that include more than one country shall be supported taking advantage of the network of United Nations Funds and Programmes.

4. Budget

There are no explicit upper or lower limits set for operational projects funded under the UNTFHS. Budgetary requirements should be calculated based on the feasibility and needs of each project. The budget for operational projects whose duration is one year should be approximately one million US dollars (US\$1,000,000). The budget for operational projects which are implemented by more than one organization and whose duration is one year should not in general exceed two and a half million US dollars (US\$2,500,000). Projects shall make the maximum use of local resources and avoid using costly foreign expertise.

The budget for projects to promote and disseminate the human security concept should generally not exceed US\$300,000.

VI. PROCEDURES

1. Application Procedures

The United Nations Trust Fund for Human Security will fund projects approved by the United Nations Secretariat and the donors. For the timely and effective implementation of the following procedures, the United Nations Secretariat and the donors will closely coordinate and cooperate with each other throughout the process.

The project development process can be broken down into two distinct phases. The first phase involves the preparation of a concept note for initial review and screening by the HSU/OCHA and the donors. The second phase entails the preparation of a full project proposal for submission to the HSU/OCHA for funding consideration. The HSU/OCHA and the donors will closely coordinate and cooperate throughout the process. Please refer to Annexes 2 and 3 for the requirements for preparing concept notes and full proposals, respectively.

- a) Any organization(s) within the United Nations system that seeks support from the UNTFHS should submit a concept note to the HSU/OCHA for initial assessment. When the

HSU/OCHA endorses a concept note, it will share relevant information with donors of the UNTFHS.

b) The HSU/OCHA will consult donor(s) whose areas of priority and interest match with the project described in the submitted concept note and who have made sufficient contributions to fund fully or partially the project. Upon consultation with the HSU/OCHA, the relevant donor(s) will decide whether the proposed project is appropriate for funding and agree, where necessary, on the respective allotment from each donor's contribution for implementation of the project.

c) Following the approval of the concept note by the relevant donor(s) taking part in the funding of the project, the HSU/OCHA will encourage the applying organizations to formulate a full project proposal. The project proposal, in line with the Guidelines of the UNTFHS, should define the details of the proposed activities and should be submitted to the HSU/OCHA for review.

d) Upon receipt of a full project proposal, the HSU/OCHA will initiate the necessary inter-departmental review of project proposals so as to ensure that they are in line with the Guidelines of the UNTFHS as well as UN financial rules and regulations.

e) In case there is substantial modification in the project outline from the approved concept note in terms of location, sectors, budget, implementing agencies etc., the HSU/OCHA will consult the relevant donor(s) to seek approval of the modification. A copy of the project proposal can be provided by the HSU/OCHA to any donor who may wish to be informed of the details of the proposal.

f) Proposals that satisfy the inter-departmental review process will be submitted to the Executive Office of the Secretary-General for further review and approval.

g) Upon approval from the Executive Office of the Secretary-General, the HSU/OCHA will submit a formal notice to all donors. The Controller of the United Nations will authorize expenditures in accordance with the financial rules and regulations of the UN.

2. Reporting and Project Revisions

a) The applying organization(s) will report to the HSU/OCHA on the implementation of project activities funded by the UNTFHS and will submit substantive and financial reports in a manner and format prescribed in Annex4. HSU/OCHA will review the submitted reports and when satisfied that they meet the reporting requirements, will submit them to all donors annually through the submission of the Annual Report.

b) If applying organization(s) wish to make any changes to the originally approved project funded from the UNTFHS, they must submit their requests to HSU/OCHA in writing in line with the processes outlined in Annex 5. HSU may permit the redeployment of resources between the approved project budget components, without changing the approved project total or the substantive objectives of the project. All other requested changes will follow the procedure for the approval of project proposals, provided in the application procedures above.

c) The HSU/OCHA will provide an annual report to the donors and the ABHS on the management of the UNTFHS as well as periodical information on respective projects.

PROJECT ADVISORY NOTES

Annex 1: Concept Note Requirements

A concept note is an outline proposal. The objective of the concept note is twofold: a) to allow a UN organization to submit a proposal in summary form for preliminary assessment and evaluation without the need to prepare a fully-detailed proposal; and b) to allow the donor/s and the UN to make a timely evaluation of submitted proposals to determine their appropriateness.

A clear demonstration of the relevance of the project to the *Parameters for the funding projects and target people and situations* will be required and applying organizations are strongly encouraged to develop concepts in close collaboration with government partners (where applicable) and civil society partners including NGO's. Concept notes should be prepared according to the format presented in this annex. **Organizations should be aware that the acceptance of a concept note and an invitation to prepare a more detailed proposal by the donor/s or the HSU are not guarantees that the proposal will necessarily be accepted for funding.**

Concept notes should be submitted to the HSU in English and should be sent electronically to humansecurity@un.org addressed to Mr. Kazuo Tase. If hard copies are submitted, they should be faxed to: +1-212-367-2332.

In principle, the UNTFHS will consider projects which satisfy the parameters in V.1. (Target people and situations) and V.2. (Parameters for funding projects) of the Guidelines and *will not* consider projects which focus on the following:

- Filling a funding gap for initiatives which do not apply the human security concept;
- Activities that can be financed by other funding sources (e.g., HIV/AIDS focused activities that could be financed by the Global Fund);
- Emergency assistance that does not ensure self-sustainability at the community-level;
- Activities where a substantial part of the budget covers official/UN staff travel and/or conference services;
- Activities where a substantial part of the budget covers institutional recurrent costs and/or personnel costs;
- Large-scale infrastructure projects (construction of small infrastructure may be funded if the people being targeted carry out the construction work. Expenses for construction work should not exceed 30% of the total budget.);
- Large-scale micro-credit and/or grant schemes ;
- Activities that are carried out by non-UN entities without substantive involvement of the applying UN organization.

Unacceptable expenditure

- Contingencies: unforeseen costs arising during the project implementation will be considered on a case by case basis and therefore must not be included in the budget.

NB: This list is not exhaustive. Organizations should contact the HSU for clarification.

Any concept note that does not meet these basic criteria will be returned un-appraised.

Concept Note Format (Note: The body text of the concept note should not exceed three (3) pages **excluding** the draft Logical Framework⁴ and the budget)

Date of submission	(Example) 1 January 2006
Benefiting country and location	
Title of the project	
Duration of project	From dd/mm/yy to dd/mm/yy (xx months)
Executing UN organization(s) (including contacts in the field offices)	Give names of leading UN organization, UN executing partners, along with the names, telephone numbers, fax and email addresses of contact persons.
Non-UN executing partners	
Project budget including PSC (in US\$)	

1. Introduction

- ❑ A brief description of the problem or opportunity as well as its magnitude. What is the overall human security context and why is this project necessary?
- ❑ What has been done to address the problem in the past, and an assessment of current/complementary work/initiatives?
- ❑ Reference to relevant priorities of the national authorities and the UN country team.

2. Rationale for Funding from the UNTFHS:

- ❑ Relevance to the Guidelines of the UNTFHS, especially to the target people and situations (V.1.) and the parameters for funding projects (V.2).
- ❑ Describe how the proposed project specifically applies the human security concept. Please refrain from general justifications.
- ❑ Why should the proposed project be funded from the UNTFHS and not from other funding sources?

3. Project Details:

- ❑ Briefly describe the target beneficiaries of the project and their location;
- ❑ Describe the human security *goal(s)*
- ❑ List the specific *objectives* of the project, that is, those that will be achieved directly through executing the project activities;
- ❑ Briefly describe the expected *outputs* and/or deliverable products for each of the specified objectives. In their entirety, the outputs should be able to achieve the objectives of the project;
- ❑ List the *activities* that the project is expected to implement under each of the objectives;
- ❑ Briefly describe implementation and partnership strategies to achieve the goals;
- ❑ Briefly describe how the initiatives proposed for this project will be sustained;
- ❑ Outline a draft logical framework (logframe) at the **goal** and **objective** levels only.

Table 1: The logical framework – goal and objective levels only.

Project Strategy	Objectively verifiable indicators (OVI)	Sources and means of verification (MOV)	Important assumptions and risks
Human Security Goal:			
Project Objectives or Purpose:			

⁴ Refer to the logical framework guide in annex 2.

4. Monitoring and Evaluation Plan:

- Briefly describe the monitoring and evaluation plan.

5. Fund Management Modality:

- Indicate the funding option that will be used (see Annex 7 for details).

6. Budget Estimate

- The budget estimate should indicate the annual⁵ cost (year 1, year 2 etc...) in relation to the proposed objectives, outputs and activities (See Table 2).
- The budget should also be consolidated to indicate cost estimates and common components such as project personnel, equipment and other requirements (See Table 3) and a budget summary by organisation (see Table 4).
- The implementing organisations' budgets should include programme support costs (PSC) at the rate up to 7%. If however, the relevant legislative body of the organisation has approved a higher rate, that is, up to a maximum of 10%, this rate will be accepted ONLY upon submission of the legislative body's written decision.
- In the case of a joint programme where UNDP is the Administrative Agent (AA), UNDP will be entitled to allocate an administrative fee of 1% of the project costs, to cover the AA's costs of performing the AA functions. The participating UN Organizations' budgets should include programme support costs at the rate up to 7%, and in case approved by the relevant legislative body, up to a maximum of 9%.
- When more than one organization jointly submits an application, the budget for each organization can be presented either separately or jointly. In the latter case, the applying organization should clearly state the organization that will take the lead in the implementation and management of the funds, the modality of disbursing the funds and how the programme support costs will be shared. See details on fund management options in Annex 7.
- UN Secretariat implementing departments should not add PSC to their budgets, as the UN (through the HSU) separately charges 7% PSC against their programme budget.

⁵ A 12 month period, regardless of when it commences.

Table 2: Budget summary template

Objective/Outputs		Budget estimate amount (US\$)			Implementing/executing organisations
		Year 1	Year 2	Year 3	
Objective 1	Output 1				
	Activity1 ⁶				
	Activity 2				
	Output 2				
	Activity1				
	Activity 2				
	Total Objective 1				
Objective 2	Output 1				
	Activity 1				
	Activity 2				
	Output 2				
	Activity 1				
	Activity 2				
	Total Objective 2				
Amount not covered above (i.e. Programme coordination)					
Total estimated project cost					
Estimated PSC (administration by implementing agencies – x% of the total estimated project cost)					
<i>Overall project administration (1% of project costs if the pass-through funding modality is used. For mixed funding modality the 1% shall be applied to the project costs in the pass through portion only)</i>					
TOTAL ESTIMATED FUNDS					

Please note that there is no limit to the number of objectives, outputs, and activities that a project can have.

⁶ For each activity, please indicate the object class/es that it is linked to, for ease of reference.

Table 3: Budget summary template (by reporting object class)

Object Class	Budget estimate amount (US\$)			
	Year 1	Year 2	Year 3	Total
Staff and other personnel expenses				
Travel on official business				
Contractual services				
Operating expenses				
Acquisitions				
Fellowships, grants, and others				
Total estimated project cost				
Estimated PSC				
<i>Overall project administration (1% of project costs if the pass-through funding modality is used. For mixed funding modality the 1% shall be applied to the project costs in the pass through portion only)</i>				
Total estimated funds				

Table 4: Budget summary template (by organisation - for joint programmes only)

- Project support costs or indirect costs shall be applied to the project costs ONLY
- Fees charged by the Administrative Agent shall be applied to project costs ONLY

Implementing /executing organisation		Year 1	Year 2	Year 3	Total
Organisation 1	Project Cost (A)				
	PSC (X ⁷ %*A)				
Organisation 2	Project Cost (B)				
	PSC (Y% *B)				
Organisation 3	Project Cost (C)				
	PSC (Z%*C)				
Total project cost (A+B+C)					
Total PSC amount (X%*A)+(Y%*B)+(Z%*C)					
Total Cost (Total project cost + Total PSC amount)					
⁸ <i>Overall project administration 1%*(A+B+C)</i>					
Total Budget including administration fee (Total cost + Overall project administration)					

⁷ X% relates to the PSC rate for Organisation 1, Y% to the PSC rate of Organisation 2 etc...

⁸ 1% of project costs if the pass-through funding modality is used. For mixed funding modality the 1% shall be applied to the project costs in the pass through portion only

Annex 2: Full Proposal Requirements

The following format should be used for full proposals. The questions posed in each section illustrate the kind of questions which will be asked when your proposal is assessed. Not all the questions will be relevant to all the proposals, and you should use them as a **guide only**.

Full proposals are to be developed in English. The proposal must be **no more than 20 pages** **excluding** the contents page, list of abbreviations, logical framework, budget and annexes (these additional papers must not be more than a further 20 pages).

Proposals may be submitted electronically and/or in hard copy and use a font no smaller than Times New Roman 11. All submissions should be addressed to Mr. Rashid Khalikov, Director of OCHA, New York, for the attention of Ms. Jennifer Serunjogi. Electronic submissions should be sent to humansecurity@un.org. If hard copies are submitted, they should be faxed to: +1-212-367-2332. Organisations that submit proposals for funding consideration will be informed of the United Nations Secretariat decision by the HSU, including the terms and conditions for the approved funds.

In principle, the UNTFHS will consider projects which satisfy the parameters in V.1. (Target people and situations) and V.2. (Parameters for funding projects) of the Guidelines and *will not* consider projects which focus on the following:

- Filling a funding gap for initiatives which do not apply the human security concept;
- Activities that can be financed by other funding sources (e.g., HIV/AIDS focused activities that could be financed by the Global Fund);
- Emergency assistance that does not ensure self-sustainability at the community-level;
- Activities where a substantial part of the budget covers official/UN staff travel and/or conference services;
- Activities where a substantial part of the budget covers institutional recurrent costs and/or personnel costs;
- Large-scale infrastructure projects (construction of small infrastructure may be funded if the people being targeted carry out the construction work. Expenses for construction work should not exceed 30% of the total budget.);
- Large-scale micro-credit and/or grant schemes ;
- Activities that are carried out by non-UN entities without substantive involvement of the applying UN organization.

Unacceptable expenditure

- Contingencies: unforeseen costs arising during the project implementation will be considered on a case by case basis and therefore must not be included in the budget.

NB: This list is not exhaustive. Organizations should contact the HSU for clarification.

Any proposal that does not meet these basic criteria will be returned un-appraised.

Full Proposal Format [The proposal must be **no more than 20 pages** **excluding** the contents page, list of abbreviations, logical framework, budget and annexes (these additional papers must not be more than a further 20 pages)].

Section 1: Basic data/ Summary

The following information should be provided:

- Date of submission (*the date should be updated whenever the proposal is revised*)
- Benefiting country and location of the project
- Title of the project (*clear and concise*)
- Duration of the project (*length of project and anticipated start and end dates*)
- UN organization responsible for management of the project
- UN executing partners
- Non-UN executing partners (if applicable)
- Total project cost (including programme support cost) – *In the case of projects implemented by two or more UN organisations, the lead organisation will provide the budget breakdown.*
- Executive summary: A brief statement of project objectives, expected results and main activities; the main intended beneficiaries and so on. The summary should preview the main purpose of the proposal.

Section II: Introduction and rationale for funding from the UNTFHS

- Background information on the target country/region;
- A description of the overall human security context and an analysis of the situation explaining the need for the project, indicating its potential impact and demonstrating its feasibility
- Reference to relevant priorities of the national authorities and the UN country team, including their involvement to this project;
- Describe how the project applies the human security approach, especially in light of the target people and situations (V.1.) and the parameters for funding projects (V.2.) of the Guidelines for the UNTFHS. Justifications should be specific.
- Where applicable, show the multi-sectoral nature of the problems and the need for activities to be implemented by more than one UN organization;
- Show why the proposed project is needed and should be funded from the UNTFHS and not from other funding sources. What other sources/programmes similarly support these needs?

Section III: Context

a) Past and current activities

- What approaches have been tried in the past to address these same issues and needs? What have been the conclusions from these approaches?
- Describe how the project will draw from, build on and complement existing and previous efforts;

b) National and local government commitments

- What is the project's relationship to national and local government strategies and priorities?;
- What will be required of national authorities to ensure the sustainability of the project after the conclusion of the current funding?

c) Project identification and formulation

- How was the project developed and who was consulted during preparation?
- Describe how the involvement of partner organisations (including other UN organisations) will enhance the effectiveness and impact of the project;
- In what ways were the beneficiaries and other stakeholders engaged in project formulation?

d) Beneficiaries

- ❑ Who are the direct and indirect beneficiaries of the project (the project proposal must specify the name(s) and location(s) of the beneficiary communities and/or people)? What is the total number of intended beneficiaries and how will they be affected? Please provide gender and age-disaggregated data.
- ❑ Describe the selection criteria used, particularly with respect to achieving a balance between genders and different ethnic groups.
- ❑ What impact do you expect the project to have on women and girls? Please describe the potential benefits and negative side effects (if any) for women and girls that may occur as a result of the project. If there are negative effects how will these be addressed?
- ❑ Similarly, what impact do you expect the project to have on men and boys? Please describe the potential benefits and negative side effects (if any) for men and boys that may occur as a result of the project. If there are negative effects how will these be addressed?

Section IV. Project details (Goals, Objectives, Outputs, Activities, Indicators, Baseline data and Risks)

This section is divided as follows:

- a) Definitions of the key terms that will be used in the development of the project proposal
- b) Project approach

a) Definitions of the key terms that will be used in the development of the project proposal

i) Goals and objectives

- ❑ A **goal** is a “big picture” statement that summarizes the project’s purpose. Goals for a project are normally broad, ambitious and related to the mission of the United Nations. It describes the overall impact and benefits derived i.e. what do you hope to achieve over the long term?
- ❑ An **objective/purpose** is what you hope to accomplish and when the anticipated change will occur as a result of your project. It is a statement of the direct impact or benefit obtained from the utilization of goods and services. Objectives are **measurable, tangible, time specific and achievable** in the time between the project inception and when the funding period ends. When developing your objectives, be sure there is an easy method to collect and analyze the data required to demonstrate your project’s impact and success. There can be multiple objectives for one goal.

ii) Outputs and activities

- ❑ **Outputs** are tangible products or services of a project that are necessary to achieve its objectives. Examples of outputs include goods, services or infrastructure produced by a project and meant to help realise its objectives. These may also include changes, resulting from the intervention, that are needed to achieve the outcomes/results at the objective level.
- ❑ **Activities** are specific tasks to be done within a specified time to achieve results, usually requiring resources and incurring cost. Examples are educating the public about HIV/AIDS prevention, training providers, medical examinations, tests, providing medications and therapy, specialty visits and other direct services.

iii) Performance indicators, baseline data and risks

- ❑ An **indicator** can be defined as a quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor. For example, an increase in the number of students passing is an indicator of an improved culture of learning and teaching. The means of verification (proof) is the officially published list of passes.
- ❑ **Baseline data/information** comes from a study done before an intervention. It provides data/information about the situation before an intervention. This information is very important when you get to monitoring and evaluation as it enables you to assess what difference the intervention has made.

- **External factors/risk**
 - What external factors are necessary to sustain the objectives in the long run?
 - What are the main risks that could affect the project's success?
 - How likely are these to happen and how serious are the consequences to the project if they occur?
 - What measures have been/will be undertaken to minimise or mitigate potential risks?

b) Project Approach

i) A full logical framework must be submitted with the proposal. Please refer to the Project Logical Framework Guide below (Annex 2A).

Section V: Sustainability

- a) What provisions are being made to ensure that the project is sustainable?
- b) What assumptions underlie the sustainability strategy?
- c) How will the other cooperating organizations and/or government(s) assist in continuing the project after the conclusion of the funding period?
- d) Have the main executing partner/s considered their 'exit strategy'? If so, what is it?
- e) It should be noted that all projects should have a clear foundation and a concrete conclusion.

Section VI: Implementation and Partnership strategy

- a) Outline the strategy for achieving the objectives and anticipated results of the project.
- b) Describe the roles of i) the implementing organization and ii) partner organization(s) associated with the implementation of the project and their importance to the success of the project;
- c) What will be the roles of other key stakeholders, including the beneficiaries and the government? How will their participation be handled?
- d) How will the project promote interaction with other international/national organizations, including NGOs, and integrate respective policies and activities in order to produce value-added and multiplier effects? If applicable, show collaborative efforts that are being undertaken by the local community, government(s), other international donors, agencies or NGO's.

Section VII: Public affairs and communications

- a) How will the message (vision, experience, achievements) of the project be disseminated to target beneficiaries and stakeholders throughout the implementation process? To this end, how will project partners network and share information with others engaged in similar efforts?
- b) How will the success stories and knowledge gained from the project be shared between partners and the donor? Also, how can this project help raise the profile of the UN agencies in promoting the concept of human security?
- c) Proposal could include activities to promote the project among the target beneficiaries, the target country and region, or the international community at large. For example, agencies could produce CD-ROMs or brochures on the project. The budget for promotion activities should be limited to a maximum of \$10,000 per project.

Section VIII: Monitoring and evaluation plan, describing the mechanisms and indicators to monitor, assess and evaluate progress towards the attainment of the project outcomes.

a) Mid-project evaluation

Implementing partners are encouraged to consider independent mid-term evaluations for projects of two or more years in duration. The mid-term review should take place within 18 months of the start of the implementation, and the findings should be communicated to the HSU. The results should be used to determine whether the objectives and performance indicators outlined in the funding proposal are

achievable within the allotted timeframe. The review can also serve as an opportunity for reflection, allowing the project partners to make course corrections and refine objectives, indicators and implementation timeframes, as needed. Organisations should describe the anticipated methods and structure of the mid-project evaluation.

b) Final evaluation

HSU requires a participatory final evaluation involving the input of all key project stakeholders, including the primary and secondary beneficiaries. Organisations should describe the anticipated methods and structure of the final evaluation.

Section IX: Administration and financial management

a) Management structure and financing arrangements

- i. Describe the management structure of the project and associated functions or terms of reference.
- ii. Identify the lead UN organisation in the case of joint programming.
- iii. Describe the financing arrangements.

b) Financial reporting

- i. Specify the title of the official responsible for reporting to the UN Controller on behalf of the UN implementing organisation.
- 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;
 - Align expense with activities and milestones;

c) Substantive reporting

- i. For annual progress report preparation, please refer to the guidelines presented in **Annex 3**.
- ii. Consolidated reports should be submitted to HSU/OCHA by the lead UN organisation

d) Work plan

- a. A summary work plan for the full project should be attached to the proposal.
- b. A short annual work plan should be sent to HSU within 3 months of the start of the project or, for on-going projects, attached to the annual progress reports for the coming year. Please refer to the suggested format for annual work plans in Annex 5.

Section X: Budget ⁹

- a) Budgetary requirements must be explained in detail and carefully justified in relation to the proposed objectives, outputs and project activities.
- b) Prepare a consolidated project budget which pulls together the overall project requirements by budget line, and then component totals. This summary budget should be on an annual basis.
- c) Provide a breakdown of resources required for implementation, by activity as described in the narrative. Include budget notes, which provide a detailed breakdown and the basis/assumptions of the calculations (unit price, quantity, ratio/item against the total project budget, etc.).
- d) The implementing agencies' budgets should include programme support costs (PSC) at the rate up to 7%. If however, the relevant legislative body of the organisation has approved a higher rate, that is, up to a maximum of 10%, this rate will be accepted **ONLY** upon submission of the legislative body's written decision.
- e) In the case of joint programmes where UNDP is the Administrative Agent (AA), UNDP will be entitled to allocate an administrative fee of 1% of the project costs, to cover the AA's costs of performing the AA functions. The participating UN Organizations' budgets should include

⁹ Templates for the budgets required are attached for reference.

programme support costs at the rate up to 7%, and in case approved by the relevant legislative body, up to a maximum of 9%.

- f) UN Secretariat implementing departments should not add PSC to their budgets, as the UN (through the HSU) separately charges 7% PSC against their programme budget.
- g) When more than one organization jointly submits an application, the budget for each organization can be presented either separately or jointly. In the latter case, the applying organization should clearly state the organization that will take the lead in the implementation and management of the funds, the modality of disbursing the funds and how the programme support costs will be shared. See details below on fund management options.
- h) **Fund management options:** There are two fund management options for joint programmes: a) parallel, and b) pass-through. These options can also be combined. The decision to select one or a combination of fund management options for a joint programme should be based on how to achieve the most effective, efficient and timely implementation of the project's objectives and activities, and to reduce transaction costs for national partners, donors and the UN. Operational details on each of the fund management options are provided in **Annex 7**.
- i) **Disbursements:**
 - **Single instalment:** Generally, if projects have a duration of one year or less, project funds (project costs plus programme support costs/indirect costs) are disbursed in one instalment.
 - **Multiple instalments:** If projects have a duration of more than one year, the project funds may be disbursed in more than one instalment. In this case, each instalment shall be disbursed on a pro-rata basis for the project costs, the programme support costs/indirect costs and the Administrative Agents fee.

Budget templates

Table 1: Detailed budget by objective, output & activity for each year

		YEAR I	YEAR II	Total	Implementing/executing organizations
	Detailed Description				
Objective 1					
Output 1	1.1)				
Planned activities¹⁰					
1.1.1	<i>Example: Training 60 trainers for 30 days at \$300 per person</i>				
1.1.1.1	1 certificate course in midwifery training [Operating expenses]				
	Meals, teaching/learning material and use of venue for x certificate courses on (x days each) for xx participants (xx per district) [\$y – Operating expenses; \$z -]				
	Trainers' fee (30 days) []				
	Travel allowance for xx participants in a certificate course on midwifery practice.[Travel]				
	Other related expenses e.g. materials, supplies, etc				
1.1.1.2	Workshops and courses for community leaders.				
	Teaching materials and use of venue for xx workshops (6x per district/x days each), xx participants per workshop				
Output 2	1.2)				
Planned activities					
1.2.1					
1.2.1.1					
1.2.1.2					

Notes:

- a) All line items should not be rounded off to the nearest dollar. The exact amount i.e. including decimals should be reflected.
- b) Each line item should have detailed supporting justification and/or information.
- c) Both the detailed budget which provides a breakdown of resources required for implementation, by activity as described in the narrative and the summary budget, have to be provided.

¹⁰ For each activity, please indicate the object class/es that it is linked to for ease of reference.

Table 2: Budget summary, by objective and by year

Specific Objectives*	YEAR I	YEAR II	TOTAL
Objective 1			
Objective 2			
Amount not covered above (i.e. Programme coordination)			
Sub-Total:			
Administration by implementing agencies (x% of the amount assigned for execution)			
<i>Overall project administration (1% of project costs if the pass-through funding modality is used. For mixed funding modality the 1% shall be applied to the project costs in the pass through portion only)</i>			
TOTAL			

* Please note that there is no limit to the number of objectives, outputs, and activities that a project can have.

Table 3: Budget summary template (by reporting object class)

Object class	Budget estimate amount (US\$)			
	Year 1	Year 2	Year 3	Total
Staff and other personnel expenses				
Travel on official business				
Contractual services				
Operating expenses				
Acquisitions				
Fellowships, grants, and others				
Total estimated project cost				
Estimated PSC				
<i>Overall project administration (1% of project costs if the pass-through funding modality is used. For mixed funding modality the 1% shall be applied to the project costs in the pass through portion only)</i>				
Total estimated funds				

Table 4: Budget summary by organisation and years for joint programmes

- Project support costs or indirect costs shall be applied to the project costs ONLY
- Fees charged by the Administrative Agent shall be applied to project costs ONLY

Implementing /executing organisation		Year 1	Year 2	Year 3	Total
Organisation 1	Project Cost (A)				
	¹¹ PSC (X%*A)				
Organisation 2	Project Cost (B)				
	PSC (Y% *B)				
Organisation 3	Project Cost (C)				
	PSC (Z%*C)				
Total project cost (A+B+C)					
Total PSC amount (X%*A)+(Y%*B)+(Z%*C)					
Total Cost (Total project cost + Total PSC amount)					
¹² Overall project administration 1%*(A+B+C)					
Total Budget including administration fee (Total cost + Overall project administration)					

Section 11: Annexes

The annexes must be clearly labelled at the top of each page and every page should be numbered. Annexes are useful either to back up necessary analysis in the main submission or to record understandings with partners that will facilitate implementation. They will typically cover, where relevant, *technical, economic, financial, social, institutional and environmental issues*.

¹¹ X% relates to the PSC rate for Organisation 1, Y% to the PSC rate of Organisation 2 etc...

¹² 1% of project costs if the pass-through funding modality is used. For mixed funding modality the 1% shall be applied to the project costs in the pass through portion only

Annex 2A: Project Logical Framework guide

Logical Frameworks (usually referred to as logframes) are used to help strengthen activity design, implementation and evaluation.

□ Why use a Logical Framework?

- The logframe is useful in the design and planning, implementation, monitoring and evaluation of a project. It also makes it easier to report on a project, highlight changes and to adapt the project accordingly;
- The UNTFHS recommends the use of the logframe because it brings together in one place a clear, concise and accessible statement of all the key components of a project;
- It clarifies how the project is expected to work and what it is going to achieve, and helps to ensure that inputs, activities, outputs and objectives (purpose) are not confused with each other;
- It identifies the main factors related to the success of the project;
- It clarifies how project success (qualitative and quantitative) will be judged or measured and provides a basis for monitoring and evaluation.

□ How is a Logical Framework prepared?

- The UNTFHS encourages the use of participatory approaches in which the beneficiaries and project partners are involved in all stages of a project. Therefore, the involvement of all the stakeholders is encouraged in the formulation of the logframe;
- It is important to note that the logframe is a tool for project management. The framework should develop and change as the project develops;
 - The logframe must be reported against annually, at the mid-term review and final review;
 - To be a useful management tool, a logframe must have good indicators. A good indicator is one that can be measured. Indicators provide data that assist with making more informed and better decisions throughout the process of a project. An indicator is something that helps the project see if there is any change or progress towards achieving the objectives.

□ Basic Principles

- The logframe should be **concise**. It should not normally take up more than two sides of paper.
- The logframe should be treated as a **free-standing document** and should be comprehensible to those reading it for the first time. Acronyms should therefore be avoided.
- If **beneficiaries** are included in the project, they should also take part in the design of the logframe.
- The logframe will provide a **basis for subsequent monitoring and evaluation**. It must therefore be kept under regular review and amended whenever the project changes course.

Notes:

- i. The logical framework should not be excessive in length but have sufficient detail to support the allocation of funds by the UNTFHS.
- ii. The Goal, Objective and Output levels must be specified in full. Activities should be summarised where possible (e.g. “a workshop programme every 3 months” not one entry for each workshop).
- iii. It is important to check that gender and other equity differences have been adequately addressed in both the design and the monitoring and evaluation of the project. Because equity is an issue that cross cuts many project activities and outputs, it is often better that it be integrated rather than included as a separate element. However, this means it may be desirable also to have some cross-cutting objectives and indicators for the project.

Please prepare your own table in general accordance with this framework. This is a **general guideline only**. The logframe should be adapted to the context of the project. Logframes are designed to be flexible instruments; therefore there is no perfect blueprint¹³.

Logical framework matrix

Project Strategy	Objectively Verifiable indicators (OVI)	Sources and means of verification (MOV)	Important assumptions and risks
Human Security Goal:			
1. What are the wider problems which the project will help resolve? Longer term project impact. Specify the goal(s) of your project in both qualitative and quantitative terms.	1.1 What are the quantitative ways of measuring, or qualitative ways of judging, whether these broad objectives have been achieved? (quantity, quality, time)	1.1 Which sources of information/data exist or can be provided to allow the goal to be measured? Has necessary baseline data been collected?	1.1 Assumptions should not be only about the external conditions but also the internal logic of the project strategy. What factors are necessary for sustaining the objectives in the long run?
Project Objective/s or Purpose			
1. What are the intended immediate effects on the project area or target group? What are the expected benefits (or otherwise) and to whom will they go? What improvements or changes will the project bring about? Specify the objectives of your project in both qualitative and quantitative terms	1.1 What are the quantitative measures or qualitative evidence by which achievement and distribution of effects and benefits can be judged? (quantity, quality, time)	1.1 What sources of information exist or can be provided cost-effectively to allow for the achievement of the objective/purpose to be measured? Has necessary baseline data been collected?	1.1 What conditions are necessary if achievement of the project's objective/purpose is to contribute to reaching the project goal?
Outputs			
1. What are the specific deliverables that will be produced in order to achieve the project objective/purpose? Indicate measurable and achievable outputs for each objective.	1.1 What kind and quantity of outputs and by when will they be produced? (quantity, quality, time)	1.1 Which sources of information/data will be used to assess the indicator(s)?	1.1 What are the factors not within the control of the project which, if not present, are liable to restrict progress from outputs to achievement of project purpose?
Activities			
1. What tasks must be undertaken in order to accomplish the outputs and when?	1.1 What kind and quantity of outputs and by when will they be produced?	1.1 Which sources of information/data will be used to assess the indicator(s)?	1.1 What factors must be realised to obtain the planned outputs on schedule?

¹³ An example of a completed logframe can be provided on request.

Project Strategy	Objectively Verifiable indicators (OVI)	Sources and means of verification (MOV)	Important assumptions and risks
	We recommend that OVI's are included against all activities. This is essential for project reporting and monitoring against the logical framework.		1.2 What decisions or actions outside the control of the UN implementing organisation/s are necessary for the inception of the project?

Annex 3: Progress Report Requirements

All UN implementing organizations are required to submit a progress report in English. The lead organisation for multi-agency projects should submit one consolidated progress report. This report should include inputs from all the organisations involved. Substantive progress reports are to be developed in accordance with the detailed guidelines below. The extent to which all the points mentioned can be addressed depends on the nature of the project.

- a) For projects of 12 months or less in duration, the following substantive reports are required:
- A substantive progress report to be submitted six months after the commencement of the project
 - An annual progress report
 - Final report, within six (6) months after the contribution has been fully expended, or the project has been completed, whichever is first to occur.
- b) For projects whose duration is more than one year, the following substantive reports are required:
- Annual progress reports should be provided at annual intervals thereafter until the final substantive report required by the Financial Agreement is submitted.
 - Final report, within six (6) months after the contribution has been fully expended, or the Project has been completed, whichever is first to occur.

Reports may be submitted either electronically and/or in hard copy. All submissions should be addressed to Mr. Rashid Khalikov, Director OCHA, for the attention of Ms. Jennifer Serunjogi. Electronic submissions should be sent to humansecurity@un.org. If hard copies are submitted, they should be faxed to: +1-212-367-2332.

Progress report format: The following information should be included in the report:

Section 1: Basic data/Summary

The following information should be provided:-

- Date of submission (*the date should be updated whenever the report is revised*)
- Benefiting country and location of the project
- Title of the project (*clear and concise*)
- Duration of the project (*length of project; ;start and end dates*)
- UN organization responsible for management of the project
- UN executing partners
- Non-UN executing partners (if applicable)
- Total project cost (including programme support cost) – *In the case of projects implemented by two or more UN organisations, the lead organisation will provide the budget breakdown.*
- Reporting period
- Type of report (an inception report, progress report {1st, 2nd, 3rd etc..} or final report).
- Executive summary: A short narrative focusing on two main questions: (i) How far have the intended outputs as listed in the logframe been achieved? And (ii) What is the impact of the project so far?
- List of abbreviations and acronyms

Section II: Purpose

This section is a summary of the project as approved in the project document. It includes:

- Main objectives and outputs expected as per the approved project document;
- Reference to how the project aims to attain the human security objective;
- A listing of the main implementing partners.

Section III: Results

- Main activities undertaken
- Progress towards the achievement of the outputs i.e. outputs accomplished and level of accomplishment (as measured against the stated outputs in the logframe)

Outputs	OVI	Progress	Recommendations/Comments

- Achievements as measured against stated objectives

Objectives/Purpose	OVI	Progress	Recommendations/Comments

- Implementation constraints, including plans for addressing them.
- Lessons learnt
 - Working with partners
 - Good Practice/Innovation
 - Application of human security concept

- Project management
 - ❑ Important findings from project evaluations conducted in the course of the year.
 - ❑ Any actions taken or planned in response to the recommendations of project evaluations
 - ❑ Percentage of budgeted funds actually spent
 - ❑ Impact of key partnerships and inter-agency collaboration
 - ❑ Impact of project on women, girls, boys and men respectively (please provide gender and age disaggregated data)
 - ❑ Other highlights and crosscutting issues, as applicable

Section IV: Forthcoming annual work-plan

- ❑ Provide an overview of the major objectives and planned activities, including key milestones and quantifiable performance indicators, for the following year.
- ❑ Indication of any major adjustments in the strategies, targets, or key outcomes and outputs planned.
- ❑ Submission of annual work plan (See recommended format in **Annex 5**). The work plan for the current year should be attached to the prior year progress report.
- ❑ Estimated budget required (including any major funding shortfalls).

Section V: Resources and financial implementation

a) An outline of the total approved budget and a summary of the resources available to the project.

Table 1: Total approved budget and summary of resources available to the project:

	Amount (US\$)		
	Previous period (A) dd/mm/yr to dd/mm/yr	Current period (B) dd/mm/yr to dd/mm/yr	Total (C=A+B)
Total approved programme costs (I)			
<i>Programme costs received to date (II)</i>			
Total approved PSC (III)			
<i>PSC received to date (IV)</i>			
Total funds received to date (V)			
Total approved budget (VI = I+III)			
Estimated total expenditure (VII)			
Balance (VIII = V-VI)			
Expenditure vs funds received (IX = VI/V)			

b) A provisional report on the financial implementation status should be submitted to the HSU accompanying the substantive report. This report should provide the following information:

- ❑ The total approved budget and summary of resources available to the project.
- ❑ Actual versus planned expenditures at the objective level (provisional) for the past year.

c) An annual financial report (refer to tables 2 and 3 below) reflecting the amount received in relation to expenditures should be submitted to the Office of the Controller (and copied to the HSU) **as stipulated and agreed in the financial agreement signed between the agencies and the UN**. These financial reports will provide information according to the following categories:

- ❑ Amount received
- ❑ Interest income
- ❑ Staff and other personnel costs
- ❑ Acquisitions
- ❑ Fellowships, Grants and other
- ❑ Sub-total

As of 17 March 2008

- ❑ Travel
- ❑ Contractual services
- ❑ Operational expenses

- ❑ Programme Support Costs
- ❑ TOTAL EXPENDITURES

- d) **All** the required financial reports should be certified by authorized financial officers in accordance with the respective agencies financial rules and regulations.

Table 2: Certified Interim Report of Income and Expenditure

Name of Implementing Agency
As Executing Agency for
Project Name and Number

Interim Report of Income and Expenditures for the(specified period or Year Ended 31 December (Year))

				<u>Amount</u> <u>(USD)</u>
I. <u>OPERATING FUND</u>				
Balance as of 1 January (Year)				-
Add:	Remittances from United Nations in (Year)			-
	Interest Income a/			-
	Miscellaneous income a/			-
	Subtotal			-
		<u>Unliquidated</u> <u>Obligation</u>	<u>Disbursements</u>	
Less:	Staff and other personnel expenses			
	Travel on official business			
	Contractual services			
	Operating expenses			
	Acquisitions			
	Fellowships, grants and others	_____	_____	_____
	Total expenditures			-
	Programme support costs ...%			-
	Total expenditures and programme support costs			-
Balance as of 31 December (Year)				-

Notes:

a/ Please provide detail of interest and miscellaneous income.

(Signature)_____
(Name and Title)_____
(Date)

Table 3: Certified Statement of Income and Expenditure

Name of Implementing Agency
As Executing Agency for
Project Name and Number

Statement of Income and Expenditures for the(specified period or Year Ended 31 December (Year))

		<u>Amount</u> <u>(USD)</u>
I. <u>OPERATING FUND</u>		
Balance as of 1 January (Year)		-
Add: Remittances from United Nations in (Year)		
Interest Income a/		-
Miscellaneous income a/		-
Subtotal		-
	<u>Unliquidated</u> <u>Obligation</u>	<u>Disbursements</u>
Less: Staff and other personnel expenses		
Travel on official business		
Contractual services		
Operating expenses		
Acquisitions		
Fellowships, grants, and others		
Total expenditures		-
Programme support costs ...%		-
Total expenditures and programme support costs		-
 Balance as of 31 December (Year)		 -

Notes:

a/ Please provide detail of interest and miscellaneous income.

This is to certify that the above statement of income and expenditure is correct and that the expenditure was incurred in connection with the approved projects for which the allocations have been received.

(Signature)_____
(Name and Title)_____
(Date)

Section VI: Promotional activities

In an effort to further promote human security, organizations are requested to submit high-resolution, non-copyrighted photographs to the HSU/OCHA from the project sites and the local communities. Photographs will be featured on the HSU website and will be included in other promotional materials considered by the HSU. Furthermore, for those projects where funding was provided for promotion of project activities, organizations are requested to submit a sample of the materials produced by the project. All submissions should be addressed to Ms. Jennifer Serunjogi and copied to Ms. Junyi Xu. Electronic submissions should be sent to humansecurity@un.org. For printed material, please send to HSU – Room S-1878, HSU-OCHA, United Nations Secretariat, New York, NY 10017.

Annex 4: Project Revisions

If an organization(s) which is funded by the UNTFHS wishes to make any changes to the originally approved project, it must submit a written request to HSU for the approval of the revision [Ref. Guidelines VI(2)].

Generally, project revisions can be categorized as follows:

- a) A request for an extension in the duration or timing of the project without any change to the overall project budget;
- b) A change in the implementation arrangements without any change to the overall project budget;
- c) The re-deployment of funds between approved project budget components, without changing the approved project total if the budget for each of the project objectives increases by more than 20%;
- d) Increasing the overall project budget without changing the project details;
- e) Increasing the overall project budget as well as the project details;
- f) A substantive change of the originally approved project objectives, outputs, activities and the overall budget (the request must be accompanied by a revised project document which clearly highlights the proposed changes);
- g) A substantive change of the originally approved project objectives, outputs, activities and the overall project budget.
- h) This is not an exhaustive list. Organizations should contact the HSU for clarification if any other changes occur on the project.

The table below shows the approval stages for some of the different types of project revisions:

Types of revisions	Approval by HSU	Approval by the PRC	Approval by the Executive Office of the Secretary General
a. A request for an extension in the duration or timing of the project without any change to the overall project budget.	Yes	No	No
b. A change in the implementation arrangements without any change to the overall project budget.	Yes	No	No
c. The re-deployment of funds between approved project budget components, without changing the approved project total <u>if</u> the budget for each of the project objectives increases by <u>more than</u> 20%.	Yes	No	No
d. Increasing the overall project budget without changing the project details.	Yes	Yes	No
e. Increasing the overall project budget as well as the project details.	Yes	Yes	Yes

Types of revisions	Approval by HSU	Approval by the PRC	Approval by the Executive Office of the Secretary General
f. A substantive change of the originally approved project objectives, outputs, activities and the budget line distributions but no change in the overall budget (the request must be <u>accompanied</u> by a revised project document which clearly highlights the proposed changes).	Yes	Yes	Yes
g. A substantive change of the originally approved project objectives, outputs, activities and the overall project budget	Yes	Yes	Yes

Annex 5: Annual Work Plan Format

Project title:
 UNTFHS project number:
 Year:

Expected outputs	Planned activities <i>List main activities, including M&E to be undertaken during this year</i>	Timeframe				Responsible party	Planned budget	

Annex 6: Financial Agreements

When a project proposal is approved for funding under the UNTFHS, the applying organization (except UN Secretariat Departments) has to sign a Financial Agreement (FA) with the Office of the Controller which governs how the organization should use the contribution from the UNTFHS. Following is a summary of the process that is undertaken:

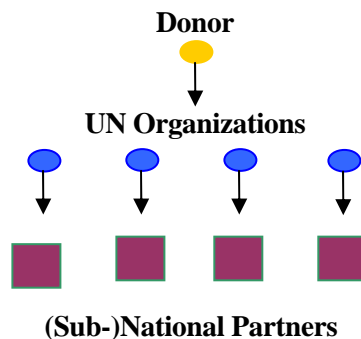
- ❑ A draft FA is sent to the Liaison Officer of the applying organization by the HSU and the Liaison Officer is requested to check for any changes/omissions/additions to the FA.
- ❑ Once agreement is reached on the content of the FA, the HSU sends 2 copies of the FA to the Controller for signature.
- ❑ When the FA is signed by the Controller, the 2 copies are sent to the applying organization through their Liaison Officer for their signature.
- ❑ The applying organization should return one of the signed original copies to HSU. Upon receipt of the signed original copy, the HSU requests for an allocation and subsequently payment of the contribution to the applying organization.
- ❑ In the case of joint programmes using the pass-through modality where UNDP is the Administrative Agent (AA), signature of related Memoranda of Understanding between Participating UN Organizations and UNDP as AA as well as Letters of Agreement between UNDP as AA and a donor will be signed for UNDP as AA by the Executive Coordinator of the MDTF Office who can authorize a UNDP official at the concerned Country Office to sign “for” him/her, where applicable on a case by case basis.

Annex 7: Fund Management Options

1. Operational details for parallel fund management for joint programmes

- A.1 Definition:** This fund management option is likely to be the most effective and efficient when interventions by participating UN organizations are aimed at common results, but with different national, sub-national and/or international partners. Under this option, each organization manages its own funds. The joint programme document would consist at a minimum of a common work plan agreed by all participating UN organizations, an aggregated/consolidated budget showing the inputs from the various parties involved, the coordination mechanism and signature of participating organizations.
- A.2 Resource Flow and Management:** The following graphic illustrates the fund flow under parallel fund management.

Graphic illustration of fund management for a Joint Programme with Parallel Funding



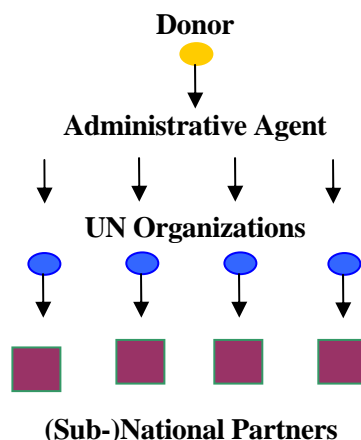
- A.3 Coordination mechanism:** Once all components of the joint programme common work plan have been agreed to by (sub-) National partners and each of the participating UN organizations, roles and responsibilities for coordination of the various interventions and for producing a single aggregated/consolidate report should be documented. Due consideration should be given to the need of dedicating sufficient human resources for such functions. All participating UN organizations should share the costs of coordination. Additional human resource requirements, if any, could be included in funding proposals.
- A.4 Reporting:** Each participating UN organization will prepare narrative and financial reports in accordance with its policies and procedures, and operational policy guidance. Reporting should be annual and focused on results. Reporting practices and formats should be harmonized to the extent possible. Responsibility should be assigned for the preparation of an aggregated or a consolidated narrative and financial report for submission to the coordination mechanism. The aggregated/consolidated narrative and financial report should be clearly identified as a compilation of the UN organizations' narrative and financial reporting and be presented "for information purposes" only.
- A.5 Communication:** All communications regarding the joint programme should reflect participation of the (sub)-national partners and all other organizations involved. In cases where an individual organization would publicize the joint programme, any reference to activities carried out by the individual organizations should mention the activities in the context of the joint programme.
- A.6 Funding Arrangement:** Funding arrangements under this option follow each organisation's regulations and rules for individual programming and project processes.

- A.7 Budget Preparation:** Each participating UN organization will prepare a separate budget, consistent with its procedures, and covering the mutually agreed components of the programme it will manage. Responsibility should be assigned for preparing an aggregated/consolidated budget, showing the budget components of each participating UN organization/implementing partner(s). That may also contribute to identifying funding requirements.
- A.8 Accounting:** Each UN organization will account for the income received to fund its programme components in accordance with its financial regulations and rules.
- A.9 Indirect Costs:** In the case of Other Resources, each participating UN organization will recover indirect costs in accordance with its financial regulations and rules and as documented in the funding agreement signed with the donor.
- A.10 Interest on funds:** In the case of Other Resources, interest will be administered in accordance with the financial regulations and rules of each UN organization and as documented in the funding agreement signed with the donor.
- A.11 Balance of Funds:** The disposition of any balance of funds remaining at the end of programme implementation will be in accordance with the agreements between the participating UN organizations and the implementing partners as well as donors where applicable.
- A.12 Audit:** Consistent with current practice, each UN organization will be responsible for auditing its own contribution to the programme as part of its existing regulations and rules. Audit opinions of the individual UN organizations should be accepted by the other UN organizations.

2. Operational details for pass-through fund management for joint programmes

- C.1 Definition:** Under this option, two or more organizations develop a joint programme, identify funding gaps and submit a joint programme document to donor(s). If the donor(s) and participating UN organizations agree to channel the funds through one participating UN organization, then the pass-through modality applies. The UN organization channelling resources, hereinafter called the Administrative Agent (AA) would be jointly selected by all participating organizations. The programmatic and financial accountability will rest with the participating organizations and (sub-) national partners that would be managing their respective components of the Joint Programme.
- C.2 Resource Flow and Management:** The following graphic illustrates the fund flow under the pass-through fund management.

Graphic illustration of fund management for a Joint Programme with Pass-Through Funding



- C.3 Coordination Mechanism:** Once the joint programme has been developed and agreed jointly by the participating UN organizations, the arrangements for management, review, and coordination should be documented, including role and responsibilities of the AA. The joint programme coordination mechanism shall include all signatories to the joint programme document. It may also have other members, such as donors and other stakeholders, in an observer capacity.
- C.4 Selection of the Administrative Agent:** The UN organizations participating in the joint programme will select the AA, taking into consideration the following elements: i) Country presence; ii) Financial and administrative capacity to interface between donor(s) and participating UN organizations and IV) Thematic, functional and geographical area of expertise in the area covered by the programme.
- C.5 Reporting:**
- a. Participating UN organizations:** Each participating UN organization will prepare reports in accordance with its financial regulations and rules and operational policy guidance. Reports will be shared with the Joint Programme coordination mechanism in accordance with the Memorandum of Understanding signed with the AA. To the extent possible, reporting formats should be harmonized.
 - b. Administrative Agent:** The Administrative Agent shall prepare consolidated narrative progress and financial reports consisting of the reports submitted by each participating UN organization, and shall provide those consolidated reports to the donor in accordance with the timetable established in the Letter of Agreement.
- C.6 Communication:** Each participating UN organization shall take appropriate measures to publicize the joint programme and to give due credit to the other participating UN organizations. Information given to the press, to the beneficiaries of the joint programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of the host government, the donors, the participating UN organizations, the Administrative Agent and any other relevant parties. In particular, the Administrative Agent will include and ensure due recognition of the role of each participating UN organization and national partner in all external communications relating to the joint programme.
- C.7 Funding Arrangements:** Based on agreement of the joint programme coordination mechanism identified at country level, the AA will negotiate and sign a Letter of Agreement with the donor(s) in respect of the joint programme.
- C.8** The AA will sign a Memorandum of Understanding with the participating UN organization. Each UN organization participating in the joint programme will programme and manage activities and funds in line with its established regulations and rules.
- C.9 Budget Preparation:** Each UN organization will prepare a separate budget, consistent with its procedures, and covering the mutually agreed parts of the programme that it will be managing. Budget formats should to the extent possible be harmonized. The AA will prepare a consolidated budget for approval by the joint programme coordination mechanism.
- C.10 Accounting:**
- a. Administrative Agent:** Funds received pursuant to the funding agreement signed with the donor(s) will be recorded by the AA in a joint programme account. The AA does not record funds channelled to other participating UN organizations as income. The AA records as income only those funds for which it is programmatically and financially accountable (i.e. for its part of the joint programme as a participating organization).
 - b. Participating UN Organizations:** Each UN organization participating in the joint programme will account for the funds distributed by the AA in respect of its components in the joint programme in accordance with its financial regulations and rules.
- Admin Fee and Indirect Costs:**
- a. Administrative Agent:** The AA shall be entitled to allocate one percent (1%) of the amount contributed by donor(s), for its costs of performing the AA's functions. In cases where the participating UN organizations and the AA agree that the AA's responsibilities are more complex than the 'standard' responsibilities, a higher percentage for the AA fee may be agreed by the

participating UN organizations or included as direct cost in the budget directly managed by the AA as appropriate.

- b. **Participating UN Organizations:** Each UN organization participating in the joint programme will recover indirect costs in accordance with its financial regulations and rules and as documented in the Memorandum of Understanding signed with the AA. The rate of recovery may vary between UN organizations participating in the joint programme, based on their applicable regulations and rules.

C.14 Interest: Interest, if any, will be administered in accordance with the financial regulations and rules of each UN organization participating in the joint programme. The AA should not accrue interest on the funds received from the donor(s) because they are expected to flow through almost immediately.

C.15 Balance of Funds:

- a. **Participating UN Organizations:** Any funds remaining after the financial closure of the programme will be returned to the AA.

- b. **Administrative Agent:** Any un-programmed funds remaining in the joint programme account after the financial closure of the Joint Programme will be returned to the donor(s) or utilised in a manner agreed upon between the AA and the donor(s), and approval of the joint programme coordination mechanism.

C.16 Audit: Consistent with current practice, each UN organization will be responsible for auditing its own contribution to the programme as part of its existing regulations and rules. Audit opinions of the individual UN organizations should be accepted by the other UN organizations.

3. Combination of options

Joint programmes may require a combination of fund management options. For example, participating UN organizations might decide to pool funds under a Managing Agent for those parts of a joint programme to be managed jointly, while other parts of the joint programme would be managed through parallel funding, within the overall framework of the joint programme. Where this occurs, it is especially important that participating UN organizations inform each other of source of funds allocated to the joint programme, independent of the fund management option, and conduct any resource mobilization efforts for the joint programme in a coordinated manner.

Under a combination of options, an aggregated/consolidated budget for a joint programme will include resources allocated under each fund management option used for the joint programme. Aggregated/consolidated reporting (both narrative and financial) will likewise include each of the fund management options used in the joint programme.