A Practical Guide to UNESCO’s Extrabudgetary Activities
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III. Progress towards results

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II. Description of project implementation

III. Progress towards results

IV. Sustainability and Exit/transition strategy

V. Visibility

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**Glossary**

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Chapter 1
Overview
Overview

1.1 Foreword

The 2011 Report of the External Auditors called on UNESCO to assemble all available guidance and information material into a single and user-friendly publication for staff members. This updated guide also reflects the many recent changes in the management of the extrabudgetary cooperation within the Organization.

Indeed, since the first Practical Guide was published in 2008, UNESCO has witnessed far-reaching changes in both its internal and external environment. Notably, 2008 saw the birth of the Complementary Additional Programme (CAP), which is now UNESCO’s central vehicle for programming extrabudgetary activities and mobilizing resources and for offering pipeline projects and proposals for funding. The CAP was, and remains, a substantial innovation – an important learning experience for the UNESCO Secretariat as a whole, and, to a certain extent, for UNESCO’s partners and donors. As its name suggests, the CAP modality is driven by the need for additional resources mobilized from donors to be complementary to the strategic objectives and priorities of UNESCO’s Regular Programme and Budget approved by all UNESCO’s Member States.

Another important development in the overall context for cooperation with partners and donors is the issue in September 2012 of the first comprehensive partnership strategy comprising an umbrella statement, as well as individual strategies for cooperation with the private sector, bilateral government donors, NGO’s, Parliaments, Associated Schools, UNITWIN as well as UNESCO Clubs [Ref. Comprehensive Partnership Strategy² (190 EX/21 Part II)].

Funding agreement templates, amongst other things, have also been streamlined to tackle specific bottlenecks in the handling of voluntary contributions and help clarify how extrabudgetary projects are to be evaluated in consultation with partners and donors. These efforts have been accompanied by a revision of the Administrative Manual.

From a donor perspective, and building on the momentum created by the Paris Declaration on Aid Effectiveness (2005), there is increasing interest in channelling voluntary contributions towards core budget support and large-scale or thematic programmes. Within UNESCO, arrangements have, accordingly, been made to open pooled accounts (special accounts) to mobilize lightly-earmarked² resources for each Programme Sector to give a wider range of options to donors who may favour such an approach. In addition, in response to the shortfall of regular programme resources linked to the withholding of the USA’s assessed contributions since November 2011, the Director-General has also opened a special account called “the Emergency Multi-donor Fund for Programme Priorities and Reform Initiatives under the 35 C/5 and 36 C/5.” to mobilize unearmarked contributions to meet the Organization’s core needs. These pooled fund mechanisms exist in parallel to the more traditional funds-in-trust arrangements allowing for maximum flexibility in meeting donor requirements.

Results-Based Management (RBM) applies to the Regular Programme and the activities financed by extrabudgetary resources alike and has been one of the central elements of UNESCO’s on-going reform process. RBM places results at the centre of planning, implementation, monitoring and evaluation. Through RBM, progress can be monitored more effectively by using indicator, and targets. UNESCO’s capacity to clearly articulate expected results and report on the results achieved with the support of its donors is critical to the Organization’s capacity to mobilise resources. In this relation, it is to be noted that the Guide contains revised templates for UNESCO project documents and

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1 Audit Report on The General Conditions of Implementation of the Complementary Additional Programme (2008-2011)
2 See Glossary
progress reports as well as final narrative reports which provide for a much sharper results focus. The Guide also reflects recent clarifications on the evaluation of extrabudgetary projects.

In short, internal and external challenges to the Organization reveal how critical it is for UNESCO to develop its capacity to deliver results attained through extrabudgetary resources in a visible manner. The present guide is designed to contribute to just that: a house-wide effort to support action-oriented training which can help boost the abilities of Sectors, Field Offices and category 1 institutes and the knowledge of its staff to mobilize resources from public and private sector partners and implement them effectively.

Finally, I would add that all UNESCO's policies, procedures and tools are under constant review to ensure their continuing relevance and efficiency. This Guide is a living document. Any major changes arising from the review will be reflected in the on-line version of the Guide which will be made available in electronic format in English and French on the Extrabudgetary Helpdesk. Users are free to print their own reference copy, but in the interest of cost efficiency, for the time being there will be no print run of hard copies of the Guide.

Hans d’Orville
Assistant Director-General for Strategic Planning
1.2 Practical and Strategic Objectives of the Guide

The intention of this guide is to give UNESCO staff an overview of all stages in the extrabudgetary process from project design to evaluation.

In practical terms, the present publication responds to a need for improved clarity and unity of vision surrounding extrabudgetary activities. It seeks to be an all-in-one internal guidance tool to UNESCO’s policies and procedures on interaction with partners and donors - with the relevant annexes and templates at the end of the document for back-up and detailed reference. It is primarily aimed at staff in all Sectors and corporate services within UNESCO Headquarters, Field Offices and category 1 institutes. With clear updates from the previous 2008 version, it can be read both in its entirety, as support to training and capacity-building, or as a source of information which can easily be dipped in and out of according to particular areas of interest surrounding the extrabudgetary process.

Complementary Additional Programme: The CAP was created to tighten the link between the regular programme and extrabudgetary activities. It is a key instrument to ensure programmatic coherence and to articulate to our partners and donors where we seek their support, in reinforcement of the Programme and Budget (C/5).

Its main goal is to provide an overview of the Organization’s overall resource mobilization objectives. These are presented by theme, so as to make it easier for partners and donors to see where and how UNESCO’s priorities match with their own.

Strategically speaking, wider knowledge of UNESCO’s extrabudgetary processes is essential for improved and wider engagement with the private sector and a whole host of bilateral and multilateral donors. This is what this present guide provides. Better information, and understanding of UNESCO’s procedures, also means better dialogue with donors. This, in turn, leads to improved chances of putting forward UNESCO’s unique position and specificity for donors.
Chapter 2
Roles and Responsibilities
Roles and Responsibilities

2.1. The main actors in the extrabudgetary process at UNESCO

In this chapter, the various actors in the extrabudgetary process at UNESCO are explained and their respective functions within the Organization are clearly defined. By depicting the roles of the various UNESCO units and divisions involved in partner and donor relations, a sequential overview appears of the steps needed for the smooth handling of the extrabudgetary process.

Main Steps in the Project Cycle

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Extrabudgetary activities involve a wide range of staff. UNESCO Sectors, Field Offices and category 1 institutes are responsible for programming, implementation and monitoring. They are also accountable for mobilizing extrabudgetary resources to strengthen UNESCO’s regular programme. While POs in the Programme Sectors and Field Offices are the main actors in preparing and implementing activities, the Division for Cooperation with Extrabudgetary Funding Sources (BSP/CFS) provides overall coordination with partners and donors. The other corporate services, particularly the Bureau for Strategic Planning (BSP/PAB), the Bureau of Financial Management (BFM), the Legal Adviser (LA), and the Internal Oversight Service (IOS), all have important functions to fulfil.
2.2 Roles and responsibilities of the main actors

The Project Officer (PO)\(^3\)

**Project Planning:** The PO initiates the project proposal. He/she clears the budget with the AO, and seeks clearance of the project proposal from the Director of the Division, or Director/Head of Field Office or Institute.

**Resource Mobilisation:** The PO identifies potential donors and liaises with BSP/CFS on submission of the proposal to the donor. In some situations, the PO may approach the donor directly, but always working in close consultation with BSP/CFS.

**Extrabudgetary Project/Programme implementation:** the PO applies the specific modalities of project implementation in line with approved project document, funding agreement and Plan of Operation. He/she also prepares narrative reports on the progress of the project. The PO with the AO is responsible for ensuring that expenditures are made in accordance with the donor agreement and UNESCO’s rules and regulations. If the need arises, he/she initiates a budget revision.

**Extrabudgetary Project/Programme monitoring:** daily backstopping and monitoring of the project.

**Closure of the extrabudgetary project:** ensures the orderly completion of project activities, and that all due payments under the project have been processed.

The Administrative Officer (AO)

Provides advice and support on the rules, regulations, procedures and contractual modalities which apply to extrabudgetary projects.

Ensures with the PO that all expenditures are made in accordance with the donor agreement.

Provides advice on the format and structure of the budget.

Certifies expenditures under the project.

Checks and clears the budget of project proposals and budget revisions prior to submission to CFS.

**Closure of the extrabudgetary project:** the AO undertakes outstanding payments and liquidate obligations.

**Sector alert system:** identifies every quarter the list of projects with insufficient disbursement rates and submits quarterly reports to Sectors.

The Field Office Director/Head (FOD)

Defines resource mobilisation priorities and targets for countries under purview.

Defines resources mobilisation strategy for countries under purview in close collaboration with Sector/Service and UNCT and in close consultation with BSP/CFS.

Selects priority proposals and submits to ADGs/Director in response to specific funding opportunities.

Coordinates with Sector/Service and BSP/CFS inputs to donor review meetings.

Checks and clears that project proposals are in line with the regular programme, coherent with country programme and checks and clears their overall quality.

Holds overall responsibility for ensuring monitoring of projects.

Presents to the Sector ADG information on underperforming projects for decision on remedial action in collaboration with the Sector and Field Office AO (Sector Alert System).

Checks the quality of narrative reports and self-evaluations.

The Executive Officer (EO)

Defines with ADG resource mobilisation priorities and targets.

Defines resources mobilisation strategy for Sector or corporate service in close consultation with BSP/CFS.

Selects priority proposals and submits to BSP/CFS in response to specific funding opportunities.

\(^3\) Also referred to as the “Responsible Officer” in SISTER.
Coordinates with BSP/CFS inputs to donor review meetings.
Checks and clears that project proposals are in line with the regular programme and checks and clears their overall quality.
Holds overall responsibility under each ADG for monitoring the projects of each Sector or corporate service. 
Presents to the Sector ADG information on underperforming projects for decision on remedial action in collaboration with the Sector AO.
Checks the quality of narrative reports and self-evaluations.

The Bureau for Strategic Planning (BSP)

BSP is the central focal point of UNESCO for all strategic, programmatic and budgeting issues, as well as for cooperation with extrabudgetary funding sources and public-private partnerships (PPPs), and it provides advice to the Director-General on all these matters.

Some of its specific responsibilities include:

• Preparation and monitoring of the UNESCO Medium-Term Strategy (C/4) and the Programme and Budget of the Organization in line with the principles of results-based planning and programming;

• Monitoring of the implementation of the approved programme and its workplans through regular reviews to assess progress towards the expected results, and report thereon periodically, to the governing bodies in the context of the statutory reports in line with the principles of results-based monitoring and reporting;

• Monitoring the implementation of the programme activities related to the two global priorities of the Organization, Gender Equality and Africa;

• Training, capacity-building, coaching and advice on RBM.

System of Information on Strategies, Tasks and the Evaluation of Results (SISTER)

SISTER is an ambitious and innovative project designed by the Organization in 1998 in its drive to modernize its integrated management system and support the switch to the Results-Based Management approach. Its purpose is to incorporate into a single management tool the programming, management, monitoring and reporting of the Programme and Budget (C/5 document) and associated operational workplans for regular programme activities and extrabudgetary projects alike.

Used to the full, SISTER should provide the Organization with budget data, work programmes and results both for planned and executed activities and for linkages between the regular programme and the Complementary Additional Programme (CAP) as well as the contribution to the attainment of C/5 results. Owing to this higher programme profile, potential donors can “pick and choose” which of UNESCO’s primary themes or more specific implementation projects to finance. Such data are complemented in SISTER by performance indicators, means of verification and associated baselines and quantitative and/or qualitative targets.
Division for Cooperation with Extrabudgetary Funding Sources (BSP/CFS)

BSP/CFS’s principal tasks are to provide information on the general policies and specific requirements of the various funding sources, such as donors’ thematic and geographical priorities and specific requirements on project design and project agreements. BSP/CFS also offers advice and assistance with the preparation of agreements to formalize cooperation with donors. Comprised of a team of individuals who serve as focal points for specific donors, BSP/CFS is also responsible for handling the overall relations with UNESCO’s main partners and donors.

BSP/CFS offers advice and support to staff on all formal aspects of programming under the CAP, and this in close consultation with other parts of BSP on substantive policy issues, and with BFM on financial aspects of cooperation with partners and donors. BSP/CFS coordinates with partners and donors, and gives training, information and advice on all aspects of extrabudgetary cooperation, from Headquarters to Field Offices and category 1 institutes.

BSP/CFS reviews extrabudgetary project proposals in SISTER and checks, amongst other features, the compatibility of these proposals with the requirements of the relevant funding source. Project proposals are usually submitted, in an official manner, to donors by BSP/CFS. After this formal presentation, BSP/CFS monitors the feedback from donors and keeps the submitting UNESCO units informed of progress. Donors may also carry out their own online CAP database search in SISTER to identify proposals of interest to them (guided if needed by BSP/CFS). CAP outlines give a clear project summary with a total budget, but they do not contain a detailed project breakdown. Once a CAP outline has attracted donor interest it is developed into a fully-fledged extrabudgetary project in SISTER. Any UNESCO service can share a CAP outline with a donor once it has been approved, but they should keep BSP/CFS closely informed as a matter of course.

Following the approval of an extrabudgetary project or programme by a donor, BSP/CFS checks and provides advice on the project agreement. If the agreement is not based on a standard UNESCO model, BSP/CFS consults with BFM and/or LA prior to signature. BFM checks any divergences from UNESCO’s financial regulations and rules and from the standard financial clauses. LA, for its part, is asked to check any deviation from the standard legal provisions. Once the agreement passes these stages, either the Director of BSP/CFS signs the funding agreement or he/she delegates authority to a Director or Head of Field Office to sign an agreement. In certain circumstances, the Director-General, or other member of UNESCO’s senior management may sign a funding agreement if the authority to sign the agreement was delegated to him/her by BSP/CFS. BSP/CFS then asks BFM/BMR to create the project account in SISTER and FABS and the donor is requested to transfer the funds.

Once implementation begins, BSP/CFS is in charge of submitting regular information to the relevant funding sources. This takes the form of narrative reports, prepared by the PO, and financial reports, prepared by BFM/ BMR (Budget Monitoring and Reporting Section). These should include a final narrative report and a final financial report. In the meantime, BSP/CFS communicates with the PO, Internal Oversight Service and the funding source on how best to prepare and carry out project reviews and evaluations. BSP/CFS prepares regular reports to UNESCO’s governing bodies on the management of extrabudgetary activities and prepares and updates the Organization’s overall resource mobilization strategy.

BSP/CFS is the UNESCO representative at all regular review meetings with funding sources. On such occasions, general presentations are given on overall trends within UNESCO, raising awareness amongst donors on the Organization’s policies and priorities. Ongoing projects are reviewed, and new project proposals may also be discussed if appropriate.
The Bureau of Financial Management (BFM)

BFM is responsible for the financial administration of extrabudgetary funds, which includes the receipt, management, investment and disbursement of funds. It exercises budgetary control through the allotment system. It also reviews and advises on budget-related aspects of project documents, especially the cost recovery policy and budget revisions, issuing periodical budgetary status reports and financial forecasts. BFM also reviews the financial terms of non-standard donor agreements to ensure that they are in compliance with UNESCO’s regulations and rules. BFM is responsible for the receipt of all contributions, and the temporary investment of any surplus funds. BFM is also responsible for verifying the financial credentials of potential Private Sector partners using information provided by BSP/CFS - and this if agreements with potential partners include financial engagements on their behalf.

As stated previously, BFM/BMR (unit for Budget Monitoring and Reporting) maintains and monitors the accounts of extrabudgetary projects, and prepares regular financial reports at least once a year. When a project is over in operational terms, the relevant AO in coordination with the PO in charge liquidates all commitments as and when possible. This cannot happen any later than 12 months after the operational termination of the project and must involve BFM/BMR in the process. When all commitments are liquidated, a pre-final financial report is prepared and BSP/CFS is requested to consult the donor on the handling of possible remaining funds. When there are no funds left in the account, BFM/BMR prepares a final financial report and officially closes the account. BFM also issues annual financial closing instructions for extrabudgetary accounts.

The specific responsibilities of BFM with regard to the review and approval of proposals to donors is described below:

BFM/BMR (unit for Budget Monitoring and Reporting) provides advice and feedback on project budget to POs. Using the online budgeting tool, B4U, guarantees that the preparation of budgets within project proposals complies with UNESCO’s financial standards and the Organization’s cost recovery policy. Once BFM/BMR has checked and approved a proposed project budget in SISTER, BSP/CFS, or in some cases the PO, can then share the proposal with the donor.

Upon receipt of an approved funding agreement in the case of a Funds-in-Trust, and the Plan of Operations (when required) and once the extrabudgetary project is created and validated in SISTER, BFM/BMR creates a FABS (UNESCO’s Financial and Budget System) extrabudgetary code and enters the relevant allocation – and then reflects the FABS code in SISTER. Authorizations for expenditure, in the form of allotments for given projects, are issued by BFM/BMR after a request from the relevant PO via the AO concerned. These authorizations are based on an annual financial work plan and on condition that sufficient funds are credited to the project account.

The Policy and Compliance Unit of BFM develops and reviews financial policies and provides advisory services about contracting procedures including procurement.

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4 See Administrative Manual, Item 3.7, paragraph 5.2 “Incoming Payments”. 
Internal Oversight Service (IOS)

The Evaluation section of the Internal Oversight Service has a vital role in the chain of extrabudgetary responsibilities. IOS seeks to ensure that programmes and projects are delivered efficiently and are relevant and effective in terms of delivering upon UNESCO’s mandate. It also conducts evaluations in conformity with the norms and standards of the United Nations Evaluation Group. The C/5 Evaluation Plan lists evaluations to be carried out during the biennium in question. IOS promotes focus on results by encouraging the incorporation of lessons learnt from past evaluations. IOS maintains a database on evaluations of extrabudgetary projects which is used for aggregate analysis and reporting and for supporting quality assurance of evaluations. The Evaluation section of IOS can also provide advice on the appropriate type of evaluation to be undertaken and on the terms of reference of an evaluation (see Chapter 11 for further information on the role of IOS).

The IOS Audit Section of UNESCO is responsible for all internal audits. Audit is an assessment of the adequacy of management controls and performance to ensure the economic, efficient and effective use of resources, the safeguarding of assets, the reliability of financial and other information, compliance with regulations, rules and established policies, the effectiveness of risk management, and the adequacy of organizational structures, systems and processes. IOS carries out its audit functions in accordance with International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA) and by the Code of Ethics established by the IIA.

The Office of International Standards and Legal Affairs (LA)

LA is consulted on the legal aspects of non-standard agreements for cooperation – whether with a funding source or a beneficiary Government – notably if the provisions could possibly expose UNESCO to risks.

Bureau of Field Coordination (BFC)

In the extrabudgetary context, BFC plays a very important role in co-ordinating UNESCO’s overall response, including resource mobilisation to post conflict and post disaster situations.

The mobilization of resources for post-conflict and post-disaster (PCPD) situations is very specific. In such situations, the Inter-sectoral Platform on PCPD assumes the lead in coordinating fundraising campaigns in close cooperation with BSP/CFS and the relevant Field Offices. Coordination with the relevant UN coordination mechanisms (OCHA, ECHA) should also be made. In general, in order to access UN-wide funding, UNESCO should participate at the early stages of planning for recovery and reconstruction, notably through UN coordination mechanisms and needs assessments (often coordinated by other partners such as the World Bank).

Bureau for Human Resources Management (HRM)

Jointly with BSP/CFS, the Policy section of HRM (HRM/POL) serves as the focal point for loans and secondments to UNESCO (see Chapter V on Types of Resources Management Modalities”). HRM can also provide advice on appropriate forms of contracting personnel under extrabudgetary projects, including Project Appointments and extrabudgetary secondments.
Chapter 3

Upfront Programming of Extrabudgetary Activities in the Complementary Additional Programme
Upfront Programming of Extrabudgetary Activities in the Complementary Additional Programme

In this chapter, the ins and outs of the Complementary Additional Programme (CAP) are described, as well as the emphasis on Results-Based Management (RBM). The implications for extrabudgetary programming are laid out.

3.1 Overview of the Complementary Additional Programme (CAP)

The Complementary Additional Programme (CAP) is UNESCO’s main tool for the programming of extrabudgetary activities. It directly underpins the work of the C/5 and acts as a vehicle for dialogue with donors. The CAP is designed to create a unified results framework, bolstering the alignment between extrabudgetary and regular programme resources.

The CAP comprises a live database of pipeline proposals for donors in SISTER. Proposals for funding (CAP outlines) are made available to donors, partners and the general public via the web. In addition, a brochure with a comprehensive overview of UNESCO’s overall objectives in mobilizing resources is also published and widely distributed to UNESCO’s partners and donors.

Extended Strategic Sectoral Frameworks (ESSFs)

The ESSF sets out the priorities and targets for resource mobilization for each Sector/Corporate Service, as foreseen in the Director-General’s Action Plan (174EX/INF.4 Rev.). The ESSF constitutes a basis for the contribution of each Programme Sector/Corporate Service to the CAP. In line with the Updated Extrabudgetary Resource Mobilization Strategic Plan (185EF/INF.6), each Programme Sector/Corporate Service should draw up an ESSF at the outset of a programming exercise so as to maximize the opportunity for establishing a clear strategic vision regarding the areas selected for resource mobilization.

The CAP is seen as a living and constantly-evolving platform. The advantage of this is that it can be regularly updated to mirror emerging needs and new funding opportunities, or those arising from unforeseen circumstances such as post-conflict or post-disaster situations. Importantly, new Programme/Project Outlines can be created at any time in SISTER.
3.2 The CAP Cycle

Step 1

ADG/BSP sets out the overall timeline for the preparation of the CAP.

Step 2

Resource mobilization objectives are set in the form of Extended Strategic Sectoral Frameworks (ESSFs) prepared by each Programme Sector and Corporate Service. ESSFs are drawn up at the outset of the biennial programming exercise in parallel with the Sector Strategic Frameworks relating to regular programme. They set out of the strategic vision for resource mobilization and guide the development of proposals for donors in the form of “CAP Outlines”.

There are two types of outline in the CAP, the Thematic Outline and the Programme/project Outline. A Thematic Outline sets out the big picture for dialogue with donors and also serves as a guide for the more specific Programme or Project Outlines. CAP Programme/project Outlines are developed by POs (responsible officers in SISTER) for specific initiatives which need to be highlighted separately to attract funding. CAP Outlines give the estimated total amount of funds required, but they do not contain a breakdown of the budget.

Sectors should use the ESSF to clarify in-house which areas are to be prioritised for resource mobilisation. Field Offices should be consulted on the ESSF before they are finalized.
Step 3

Thematic Outlines and Programme/project Outlines

Each sector prepares Thematic Outlines. The Thematic Outlines are under the direct authority of each ADG.

<table>
<thead>
<tr>
<th>Thematic Outlines</th>
<th>Programme/project Outlines</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Strategic priority</td>
<td>• A specific context (programmatic or geographic</td>
</tr>
<tr>
<td>• The big picture for dialogue with donors</td>
<td>• Created by the Project/Responsible Officer</td>
</tr>
<tr>
<td>• Serves as a guide for programming more specific</td>
<td>• A programme that requires specific visibility for resource</td>
</tr>
<tr>
<td>Programme/project Outlines</td>
<td>mobilization</td>
</tr>
<tr>
<td>• Under the responsibility of each ADG, created by EOs</td>
<td>• Like a concept note (not detailed budget breakdown, only an</td>
</tr>
<tr>
<td>• Estimate of funding required</td>
<td>estimate of total required</td>
</tr>
<tr>
<td>• Once an Outline has attracted donor interest, an</td>
<td>• Approval of Outline (first by the Directors/Heads of Field</td>
</tr>
<tr>
<td>extrabudgetary project can be created</td>
<td>Offices and category 1 institutes, then by the relevant</td>
</tr>
<tr>
<td>• Whenever possible, all Sectors/Services are urged not to</td>
<td>Headquarters Divisions and then the relevant Executive</td>
</tr>
<tr>
<td>establish Thematic Outlines below USD 2 million.</td>
<td>Office of each Sector/Service) gives green light for</td>
</tr>
<tr>
<td></td>
<td>fundraising</td>
</tr>
<tr>
<td></td>
<td>• Once an Outline has attracted donor interest, an</td>
</tr>
<tr>
<td></td>
<td>extrabudgetary project can be created</td>
</tr>
<tr>
<td></td>
<td>• Whenever possible, Sectors/Services are urged not to</td>
</tr>
<tr>
<td></td>
<td>establish self-standing Programme/project Outlines below USD 500,000.</td>
</tr>
</tbody>
</table>

Step 4

POs prepare the more specific Programme/project Outlines within the thematic areas set out in the Thematic Outlines.

Step 5

After approval of the final CAP by the Director-General, the CAP Outlines are made available to partners, donors and the general public via internet. An overview of the CAP is also made available in the form of a brochure and circulated widely to donors and partners. Conducting a search is made easy, for both UNESCO and donors alike, because the CAP provides a clear thematic view of priorities and expected results.
Chapter 4

Preparing and Screening Project Proposals
Preparation and Screening Project Proposals

4.1 Assessing quality

4.1.1 In assessing the quality of a proposal, the first question to be addressed is how the project contributes to achieving the expected results expressed in UNESCO’s regular Programme and Budget approved by all UNESCO’s Member States.

4.1.2 Other quality assessment criteria are: relevance, effectiveness, efficiency, sustainability. These criteria are explained below:

- Relevance: to what extent is the project adapted to the priorities and needs of the beneficiary group(s) and the donor?
- Effectiveness: to what extent are the objectives of the project likely to be achieved?
- Efficiency: is this the most efficient approach in terms of time and cost to achieve the stated outputs/deliverables of the project?
- Sustainability: to what extent are the benefits of the project likely to continue after the funding from the donor has come to an end?

These questions need to be addressed by the Project Officer (PO) during the project design phase, and during the validation process, including the review by the Director or Head of Office or Division, and by the EO.

4.2 The application of RBM

RBM applies to the programming of extrabudgetary activities in exactly the same way as it applies to regular programme. SISTER is an IT platform that was initially developed to support the Organization’s transition to the RBM approach and assist UNESCO staff in applying it. It now accompanies its implementation by being continuously adapted to reflect emerging and evolving needs.

The integration of the extrabudgetary process in SISTER, over the course of 2010-2011, has helped continued the path to a strong application of RBM, particularly in the preparation of proposals and monitoring. Through SISTER, it is now possible to get a full picture of all resource mobilization efforts with the expected results clearly articulated – linking in with UNESCO priorities, themes and aspirations, both in the extrabudgetary and the Regular Programme. The RBM approach ensures coherent and consistent results-based programming, management, monitoring and evaluation thus reinforcing the attainment of the overall programmatic priorities of the Organization which have been agreed upon by all UNESCO’s Member States. In short, RBM is a basic pillar of UNESCO’s programming, operations and monitoring and is vital for ensuring relevance, effectiveness, efficiency, sustainability and impact.

In this relation, it is essential to read Results-Based Programming, Management and Monitoring (RBM) approach as applied at UNESCO in tandem with the present Guide.
4.3 Ownership of stakeholders including ensuring the approval of the beneficiary government

Ensuring that the national authorities and other stakeholders, or potential beneficiaries, are closely involved from the project design phase and throughout the project cycle is of critical importance to ensuring the sustainability and impact of the project. Ideally, the project concept, or the project document, including the roles and responsibilities of the national authorities should have received the de-facto approval of the government, before the proposal is sent to the donor. In some instances, the donor may request UNESCO to provide written proof of the beneficiary government’s approval of a proposal, before giving formal consideration to a proposal. Failing to seek beneficiary approval early enough in the process can create delays further down the line which can irritate the donor, or in extreme situations cause the donor to withdraw funding from the project. Beneficiary country approval is formalized once an agreement for the project has been concluded with the donor.

This formal beneficiary approval has 3 main aspects:

- it formalizes the rights, the roles, and the responsibilities of the beneficiary country;
- it confirms UNESCO’s access to the territory of the beneficiary country to implement the project;
- it grants legal protection to UNESCO through the application of privileges and immunities to the specific project.

For projects financed by bilateral government donors in a single country, a plan of operations is normally signed. The signature of a plan of operation is compulsory only for projects implemented in a single country.

For projects financed by other types of donors, CFS should be consulted for advice about the appropriate means of formalizing beneficiary country approval.

4.4 Checking financial aspects of the proposal

The AO advises on the format of the budget to be used in the project document, checks the accuracy of the budget and that all costs relating to the project have been, included to the project budget and a final check of the application of cost recovery, and clearance of the project budget is done by BFM (see Chapter 6 “Budgeting”).

4.5 Entering proposals in SISTER

The programming platform within SISTER is also used to check the quality of substantive and budgetary aspects of proposals. Through SISTER, the PO, the Head of Unit or Office, the unit specialized in the area of the project (upper level grouping) and the Executive Office check and validate the substantive aspects of the project. Similarly, the AO and BFM check and clear the budget.

All extrabudgetary projects need to be uploaded in SISTER in order to be validated by all relevant services. For more information, please refer to SISTER Help Card 2.5b – The Extrabudgetary Process

To make sure that all proposals to donors are for activities that are closely linked to the expected results of UNESCO’s Regular Programme, each extrabudgetary project in SISTER must be linked through SISTER to a Thematic Outline in the CAP and specify to which and how it will contribute to the C/5 result.
4.6 Preparation of a project document

Once a potential funding source has expressed firm interest in a proposal (CAP outline), the relevant UNESCO unit will start the preparation of a full project document including a detailed budget. This may happen before or in parallel to the internal validation process of an extrabudgetary project in SISTER.

A model project document template has been developed which reflects UNESCO’s commitment to the RBM approach and which meets the high standards currently expected by UNESCO’s donors. The template is attached as ANNEX I to the present Guide. A WORD version of the model template is also available on the BSP/CFS intranet site, at the following address: http://intranet.unesco.org/exbhelpdesk.

In the event that it is necessary to undertake a needs assessment to complete project design and/or to be able to present a detailed budget, you can provide for an inception phase in the project document. As such you should explain in the project document that after a given period of time after the start up of project activities, when the situation is well assessed, a revised results chain and Log-frame and more detailed budget will be submitted to the donor for approval.

Some partners and donors may provide their own models for project documents. Advice on model templates for project documents is provided, upon request, by BSP/CFS. Such advice is recommended as donor requirements, particularly when it comes to multilateral funding partners, can often be quite variable. Some multilaterals, for example, have their own standard models and sometimes award funding on the basis of a bidding process. Moreover, cooperation with other UN bodies or within ongoing UN funding mechanisms (for instance, multi-donor trust funds or joint UN programming approach) is subject to particular formats.

Careful and realistic planning of a project will avoid delays during project implementation caused by revisions and re-programming.
Enhancing Donor Visibility

Check List for Project Officers:

Preparation of a project document

- Include visibility-related measures in project document (launching ceremony, production of brochures, web-based announcements, events, etc.);
- As a matter of course, create budget line for visibility in project document;
- Fully involve the donor country’s ambassador and/or relevant representatives in UNESCO project process.

Approval and launching of a project

- Arrange launching ceremony or signing ceremony of the Plan of Operations in consultation with beneficiary government and invite the donor’s representative (e.g. ambassador of the donor country) to the ceremony;
- Issue a press release or call a press conference if appropriate;
- Post information on UNESCO website and request that the beneficiary counterpart (ministries, institutions, universities, NGOs, etc.) carry out active public relations through their own websites or information channels;
- Brief the beneficiary government on the importance given by the donor to the project’s visibility and raise awareness about the potential impact of visibility efforts on the donor’s ongoing support or future contributions.

During Implementation

- Keep the donor country’s embassy and representatives fully informed of project progress;
- Again, invite the donor country’s ambassador and relevant officials to any organized events;
- Highlight the project’s visibility and standing (including UNESCO’s efforts in this area) in any progress report;
- Share visibility evidence (e.g. local newspaper articles, website links, newsletters, etc.) to BSP/CFS for forwarding onward to donors;
- Make appropriate and intelligent use of the UNESCO logo as well as that of the donor;
- Ensure the beneficiary government understands the importance of visibility and impact for donors – helping facilitate words of thanks by ministers, inclusion in local press and reference to relevant papers.

Upon Completion

- Issue press release and post it on relevant website or call a press conference, (possibly planning training and South-South workshop) on the project’s outcome;
- Send copies of promotional materials (leaflet, brochures, books, production, etc.) to donor, via BSP/CFS;
- Any evidence of efforts to promote the project and the donor’s visibility (press release, local newspapers, articles, beneficiary government’s minister and senior official speeches, photos, website links, publications, etc) to be annexed to the final report. UNESCO’s efforts (invitation of the donor’s representatives to launch, local press cuttings, uses of logo, web news, etc.) to be described in detail too and highlighted in final report.
Chapter 5
Planning the contracting of goods, services and works under the project
Planning the contracting of goods, services and works under the project

A Planning of contracting

During the design stage of the project cycle, all relevant activities will need to be identified and budgeted. Among these activities, considerations must be taken for the acquisition of goods, services and works in order to achieve the project objectives. Understanding of the UNESCO contracting modalities and related processes is important to facilitate the project implementation and to improve the probability that the desired objectives will be obtained in a timely manner. Early planning of contracting will further assist in bridging the gap between programme and administration, ensuring value follow for money, better allocation of existing resources, avoiding unnecessary and unjustifiable emergencies, giving sufficient time to explore alternative contracting modalities and a possibility to aggregate demand, to reduce administrative time and cost.

B Identifying and selecting Implementation Partners

1. Implementation partners are not-for-profit institutional entities to which funds are transferred for the implementation of a UNESCO programme or project. In contrast with commercial contractors which provide goods, works or services, implementation partners are expected to add value beyond the delivery of a product or service by being fully involved in the conception of the activity to be implemented in partnership with UNESCO.

2. An implementing partner often fulfils a unique function and cannot be easily inter-changeable with another organization. The implementation partner is entrusted with and fully responsible and accountable for successfully managing and delivering UNESCO programmes and projects outputs/deliverables, results and actively participates in planning, monitoring and evaluation activities.

3. Implementation partners may include governmental entities, intergovernmental organizations (other than UN entities), non-governmental organizations, research institutes and universities, professional associations, foundations and other not-for-profit organizations.

4. An implementation partner should be selected after careful comparison with other potential implementation partners on the basis of its specific technical expertise, professional skills, adequate staff resources, reasonably sound financial status, appropriate internal control procedures and management practices and geographic coverage. The selected implementation partner must have the operational capacity to manage and achieve results on behalf of UNESCO. The responsibility and authority for the selection of implementation partners rest with the relevant Sectors’ Assistant Directors-General, Directors of Bureaux, or Heads of Field Offices, and the

The scope of planning will depend on the complexity of the requirement. When involving significant contracting (those amounting to USD 150,000 and above) it is mandatory to undertake the planning in consultation with BFM/FPC (Financial Policy and Compliance Section).

If an implementation partner is mentioned by name in a project document the partner should already have been screened.
selection process should be done following an effective comparative process on the basis of the general and specific selection criteria laid down in Manual item.

<table>
<thead>
<tr>
<th>Procurement</th>
<th>Implementation partners contractual modality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applies to commercial entities</td>
<td>Applies to not-for-profit organisations</td>
</tr>
<tr>
<td>Applies to the acquisition of goods works and services</td>
<td>Implementation Partners contribute to project design and implementation including by providing an added value beyond the delivery of a specific product or service.</td>
</tr>
<tr>
<td>Value for money</td>
<td>Implementation partners have a unique role of function vis-à-vis the project that cannot be played by another organisation</td>
</tr>
<tr>
<td>Involving an entity as an IPA in a project, may aim to build the capacity of that entity</td>
<td></td>
</tr>
<tr>
<td>Manual item 10.2</td>
<td>Manual item 7.2</td>
</tr>
</tbody>
</table>
Chapter 6
Budgeting
Budgeting

A Introduction

The preparation of the project budget should also follow the RBM approach. An important factor for developing a sound budget is the accurate assessment of the cost of the main inputs of the project activities.

In essence, a **project budget** is the plan of **disbursements**, during a specified **period**, for carrying out **activities** planned in the project document, in order to meet the project’s **objectives** (goals and purposes), and produce the desired **results** and **impact**. To draw up a budget, standard costs are used for each item/activity, unless actual costs are available. The standard costs on personnel are reviewed and revised as necessary every year by BFM. These are available from the AO or are accessible on the BFM homepage itself.
B4U

In 2011, the budget building tool “B4U” was introduced to help systematise the construction of budgets based on standard UNESCO costs.

A detailed price list which will give POs a uniform basis for estimating the cost of project inputs is under development.


A budget should be presented as a multi-year, multi-component matrix, showing not only how much an item or activity will cost, but also when the funds will be needed. One important quantitative measure of progress in a project is its rate of expenditure - in other words, the rate of spending for the project’s funds as compared to the annual allotments issued by BFM for each project and on the basis of the work plan elaborated by the PO. It is, therefore, the PO's duty to plan the timing and budgeting of the different items/activities carefully and to revise the budget if some of the items or activities cannot be undertaken within the originally anticipated timeframe. Moreover, POs should be fully aware of any internal or external factors which might adversely affect the implementation of the project and factor these in by allowing for a more realistic timeframe, or by making sure that remedial action can be taken if an issue occurs.

B Format of the budget

The format of the budget will determine the format of financial reporting. When an agreement is negotiated, the donor will be consulted to check whether they wish to receive the financial report in UNESCO’s standard format by UNESCO budget line (budget template 1 below) or by activity (budget template 2 below). Once the budget has been configured in UNESCO’s system, financial reporting will automatically be generated in that format. It will not be possible to switch to another format of financial reporting once the final budget has been entered into the system. In summary, it is very important to clarify the donor's expectations on this point from the outset.

Other considerations in choosing between, a budget by activity and a budget by UNESCO budget line include the following:

- The type of categories of expenditure which the donor wishes to monitor, eg. The proportion of the budget allocated to equipment, or consultants.
- Ease of management of the project. It may be easier and more meaningful for the PO to manage a project budget by activity, rather than by UNESCO budget line. Conversely, for complex multi-country projects, it may be preferable to present a budget only by activity, and not by activity and country, for the same reason.

Make sure the donor has a clear understanding of the format in which the financial reporting will be delivered before the agreement is signed.
BUDGET TEMPLATE 1 – Budget by budget line

<table>
<thead>
<tr>
<th>Cost Elements Description</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(10) Staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(10') Travel costs</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(11) International experts/Consultants</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(13) Administrative and Technical support staff</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(14) United Nations Volunteers</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(17) National experts</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(10) Total Staff</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(20) Subcontracts</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(30) Training, seminars and meetings</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(40) Equipment</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(50) Miscellaneous</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Subtotal – direct costs</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(80) Support costs</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>TOTAL</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Irrespective of whether or not the budget in the agreement is by UNESCO budget line or by activity, the PO should complete the detailed budget workplan (by UNESCO budget line) so that BFM can check whether all relevant costs have been provided for.

BUDGET TEMPLATE 2 – Budget by activity

<table>
<thead>
<tr>
<th>Activity</th>
<th>Total (US$)</th>
<th>Year 1</th>
<th>Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>(2)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>(3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Avoid a situation where the budget in UNESCO’s system is different from the one in the donor agreement – e.g. the budget in the agreement is by activity and the budget in UNESCO’s system is by UNESCO budget line. This means that only manual control over the budget can be exercised by the PO and AO.
Managing a budget by activity

In UNESCO’s system, the unit for dividing up and managing a budget by activity is something called a “WBS element”. WBS elements have to be reflected in the exact format of the approved budget when reporting by activity. WBS elements can also be used for dividing up responsibility for managing specific components of a project between two different UNESCO units, or between a Division at Headquarters and a Field Office, for example. WBS elements which are exclusively set up to divide up the responsibility for project implementation between different implementing units are not reflected in financial reporting.

Budget revisions

The PO is responsible for initiating a budget revision and clearing it with the AO. Budget revisions involving the transfer from one budget line to another are processed using the “Budget Operation Request” in SISTER. Budget revisions involving a transfer of funds from one activity (WBS element) to another are processed in FABS. If the budget revision has an impact on the budget in the signed agreement, BSP/CFS will contact the donor for approval; unless there is a provision in the signed agreement which allows BSP/CFS to process certain types of budget revision without contacting the donor. To support the request to the donor to approve the budget revision, the PO should prepare and send to BSP/CFS an explanation, and a budget table which shows how the revised budget differs from the approved budget.

For more information on how to request a budget revision via SISTER, please refer to SISTER Help Card 3.3 – The Budget Operation Request tool
**BUDGET TEMPLATE 3 – Detailed Budget Workplan (for internal purposes)**

Kindly note that this template is available via B4U or in excel (provided upon request to BSP/CFS or BFM). Please check against the latest version of the Excel sheet provided by BFM. The budget in B4U presents minor differences.

<table>
<thead>
<tr>
<th>Budget Line</th>
<th>Cost Element Descriptions</th>
<th>Sub Cost Element Group</th>
<th>Description</th>
<th>Yr 1</th>
<th>Yr 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(10) Staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(10')</td>
<td>Travel costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(10.00')</td>
<td>Statutory travel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(10.10')</td>
<td>Missions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal – Travel costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(11)</td>
<td>International experts</td>
<td></td>
<td></td>
<td></td>
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<td>(11.20)</td>
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<tr>
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<tr>
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<td>Subcontracts</td>
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<td>Training, seminars and meetings</td>
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<td>Other training, seminars and meetings</td>
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<tr>
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<tr>
<td>(52)</td>
<td>Reporting</td>
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<tr>
<td>(53)</td>
<td>Other expenditure</td>
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<td></td>
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<tr>
<td>(54)</td>
<td>Communication</td>
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<td>(55)</td>
<td>Utilities</td>
<td></td>
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<tr>
<td>(56)</td>
<td>Financial charges</td>
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<tr>
<td>(57)</td>
<td>Audit /evaluation</td>
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<tr>
<td>(58)</td>
<td>Translation/ Documentation</td>
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<td>(59)</td>
<td>Security costs</td>
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<tr>
<td><strong>Total – Miscellaneous</strong></td>
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<tr>
<td><strong>Total – direct costs</strong></td>
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<tr>
<td>(80)</td>
<td>Support costs</td>
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<tr>
<td><strong>TOTAL</strong></td>
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</table>
C. Cost Recovery

UNESCO’s Cost Recovery Policy functions under two basic principles: (i) all costs needed for the proper implementation of an extrabudgetary project should be budgeted for and charged to that project; (ii) costs should be recovered in cases where Regular Programme resources are used for an extrabudgetary project’s implementation.

- **Direct costs**: Costs incurred by the project, and can be traced in full to a particular project. These costs should be charged directly to the project. Therefore, they should be earmarked in the budget proposals to ensure that sufficient funds are available when the expenditure is made. In cases where regular programme resources are used for project implementation, these direct costs should also be foreseen in and charged to the project budget.

- **Programme support costs (PSC)**, also called administrative overhead costs: indirect variable costs which are incurred by UNESCO in its support to extrabudgetary projects, but which cannot easily be traced unequivocally to the project. These costs are therefore estimated as a percentage of direct project costs, and component 80 of the budget by UNESCO budget line. For UNESCO, these costs generally include the support and administration of Programme-related and Corporate Services (e.g. BSP, BFM, LA etc), and of the administrative units of Field Offices.

Currently, UNESCO recovers these costs by applying a PSC rate (i.e. a percentage of the project’s total expenditure).

<table>
<thead>
<tr>
<th>Standard PSC rates</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard rate</td>
<td>13</td>
</tr>
<tr>
<td>Equipment</td>
<td>8</td>
</tr>
<tr>
<td>Donor-funded special accounts</td>
<td>10</td>
</tr>
<tr>
<td>Delivering as One pilots, Multi-Donor Trust Funds, United Nations Joint Programmes and European Union (provided that the costs which would have normally been covered by the PSC rates are charged as direct costs to the project).</td>
<td>7</td>
</tr>
<tr>
<td>Minimum flat fee</td>
<td>$6,500 – for small projects ($50,000 or less)</td>
</tr>
</tbody>
</table>

Programme support costs are automatically transferred by BFM, as they are earned from actual cash disbursements, into the Funds-in-Trust Overhead Costs Account (FITOCA). This is then redistributed to the concerned UNESCO units, among the implementing Programme Sectors and Field Offices, and the Programme-related and Corporate Services. According to the Financial Regulations of the Special Account for Support Costs, support costs income is used for the general administration of projects financed from extrabudgetary funds, including personnel,
informatics support, and technical backstopping. This distribution is carried out, once a year, after approval by the Director-General, and is based on actual expenditure earnings of the previous year by the units concerned. FITOCA is administered by BFM; and FITOCA financed expenditures are committed and paid in accordance with standard budget procedures.

Regarding Special Accounts, a programme support cost rate of 10% has been applicable since December 2006 as the administrative handling of these accounts incurs costs for the Organization, although at a slightly lower level than for Funds-in-Trust accounts. This reflects the fact that no individual narrative and financial reporting is provided under these accounts to the funding sources.

In exceptional circumstances, a request (with the reasons explained) may be sent by the implementing Sector or Field Office to the Director-General, via BSP/CFS and BFM, for a waiver from normal support costs requirements. The following conditions must first be met:

- The requesting unit should provide evidence of the need and justification for the derogation,
- BFM must be informed of the request for the waiver when verifying the draft budget in order to ensure that the necessary recoveries of the direct costs are foreseen directly in the budget.
- The cost recovery policy also states that there should be a balance FITOCA account before requesting a waiver (ie the requesting unit should have generated sufficient FITOCA revenue to cover its FITOCA posts if any).

For more information on UNESCO’s methods to charge costs, please refer to the Guidelines on the Cost Recovery Policy and Budgetary Aspects of Extrabudgetary Projects
Chapter 7

Other important finance and accounting issues
Other important finance and accounting issues

A. Treatment of interest

Interest earned on Funds-in-Trust (donated and self-benefiting projects), technical assistance projects financed by multilateral development banks, and the Associate Experts scheme, is distributed with two-thirds to the project (but may only be utilized upon specific approval by the donor), and one third to FITOCA. Interest accrued in special accounts, on contributions from the European Union and on projects financed by United Nations sources is credited in full to the project account. Conversely, interest accrued in accounts where the cash balance is less than USD 50,000 is credited in full to FITOCA.

B. Receipt of contributions

As a rule, voluntary contributions should be received in the following UNESCO Bank accounts:

For contributions in USD
Account holder: UNESCO
Bank: JPMorgan Chase Bank
Bank address: International Money Transfer Division,
4 Metrotech Center, Brooklyn, New York, NY 11245, USA
Account number: 949-1-191558
SWIFT: CHASUS33 – ABA N°0210-0002-1

For contributions in Euros
Account holder: UNESCO
Bank: Société Générale, Paris, France
BIC-SWIFT: SOGEFRPP
IBAN: FR76 30003 03301 00037291909 97

Voluntary Contributions paid in currencies other than USD and EUR require an authorization from the Treasury Section of BFM
C. Single audit

- Governed by Article 12 of UNESCO’s Financial Regulations.
- Only UNESCO’s External Auditors can conduct audits on UNESCO’s accounts.

Specific audits can only be requested by UNESCO’s Member States & governing bodies

- UNESCO does not provide any original/copies of accounting documents / financial supporting documentation to donors.
- The financial report issued by BFM should be the only financial document shared with donors.
- As per UNESCO rules, keep all original invoices/supporting documentation for internal controls and audits (internal and/or external), for a period of 10 years.

D. Ledger account versus bank account

- As a rule, UNESCO DOES NOT open a bank account for a specific project.
- SAP (FABS) allows for tracking income and expenditure for each individual project (by budget code).

E. Exchange rate risks

When entering into a contract in a currency other than USD, the exchange-rate risk, which can be quite significant, must be managed.

1. When preparing budgets for extrabudgetary projects, incorporate a provision (under the different budget lines as necessary) within the budget proposal to the donor. This provision should be based on your reasonable judgment considering the amount involved and the length of the foreign exchange exposure i.e. the duration of contract.

2. Where significant fluctuations are foreseen, obligate a slightly higher amount but monitor constantly whenever a contract is signed in a currency other than USD.

3. Avoid committing all funds to be in a position to adjust foreseen expenditures in case of significant currency fluctuations.
Chapter 8
Resource mobilization
Resource Mobilization

8.1 Roles and responsibilities

In this chapter, the precise steps involved in resource mobilization by UNESCO staff are set out.

Resource mobilization is a shared responsibility between the Programme Sectors, Field Offices, category 1 institutes and BSP/CFS. The latter takes responsibility for overall coordination and for avoiding duplication. BSP/CFS should be kept informed of contacts from or with partners and donors.

The role of UNESCO’s Programme Sectors

UNESCO is a specialized agency of the UN with multiple and diverse mandates. Its five Programme Sectors differ in substantive orientation, focus, size and structure, which in turn attract different donors and partners. Thus, to be meaningful and relevant, the strategy must be differentiated by Programme Sector and by region. Each Sector must therefore design and implement a Sector-specific resource mobilization strategy, in close consultation with BSP/CFS and the relevant regional offices, to be updated on a biennial basis. Accordingly, each Sector should designate from among its staff a focal point for the development, implementation and monitoring of its resource mobilization strategy.

The role of UNESCO Field Offices

The analysis of the voluntary contributions received by UNESCO in 2011 demonstrates the critical role of UNESCO Field Offices in resource mobilization: excluding contributions received by UNESCO category 1 institutes, 53% were mobilized by UNESCO Field Offices, compared to the 47% of voluntary contributions mobilized at Headquarters. It is clear that a good part of resource mobilization opportunities exist at country level, and will be negotiated and decided in the field. To tap into such opportunities require much closer cooperation between Headquarters and Field Offices both on project design and resource mobilization. To ensure sound project delivery, the full range of expertise and capacity that exists throughout the Organization, not just the Field Office concerned, must be fully mobilized.

Programme Sectors, the Bureau of Field Coordination, and the Bureau of Human Resource Management must ensure that responsibility for resource mobilization is systematically included in the job description of all Directors and Heads of Field Offices and category 1 institutes, and accordingly taken into account in performance appraisal.

UNESCO Field Offices are also encouraged to actively participate in common UN country programming processes, and other country based planning groups comprised of the national stakeholders and other technical and financial partners, to assume and demonstrate technical leadership in joint UN working groups, and to engage in joint resource mobilization with national authorities and the UNCT in order to obtain funding for joint programmes. UNESCO Field Offices will arrange regular results-based briefings for donors and organize, as appropriate, field trips to visit projects under execution, in close cooperation with BSP/CFS.

Flexible methods will need to be developed to deploy resource mobilization expertise and undertake efforts, particularly in countries where UNESCO is a non-resident agency (NRA).
In close consultation with UNESCO National Commissions, UNESCO Field Offices may also solicit in-kind contributions from Member States, such as rent free office space for project personnel in Ministries which are the intended beneficiaries of project funds.

**Coordination and backstopping by the Division for Cooperation with Extrabudgetary Funding Sources (BSP/CFS)**

BSP/CFS is responsible for the implementation and monitoring of the updated strategy, for providing advice to Sectors on developing and implementing a Sector-specific resource mobilization strategy and for further improvement of UNESCO’s overall resource mobilization strategy. BSP/CFS systematically organizes consultations with individual partners and donors. With a view to building donor coalitions around certain priority areas, wherever possible, BSP/CFS will seek to organize joint consultations with like-minded donors.

As part of a structured effort of BSP as a whole, BSP/CFS will design and deliver training for the Programme Sectors, and especially for the Field Offices to enhance capacity for project design and resource mobilization. BSP/CFS will also finalize guidelines for staff members on cooperation with the private sector and roll out specific training on private sector engagement to staff at headquarters and in the field. Working closely with BFC and the UNESCO Field Offices, BSP/CFS will pilot an initiative to develop resource mobilization focal points in the larger UNESCO Field Offices. UNESCO’s intranet site (Extrabudgetary Helpdesk) will be further enhanced as a tool to provide guidance material on extrabudgetary activities and timely information on resource mobilization opportunities including updated mappings of donor priorities against the CAP.

The internet site devoted to UNESCO partners and donors and maintained by BSP/CFS is subject to constant refinement and forms part of UNESCO’s portal. Updates on UNESCO’s cooperation with donors and partners will be posted on the “partners and donors” website. In the context of the ‘Policy Framework for Strategic Partnerships’ (Ref. 190 EX/21 Part II and 190 EX/INF.7) a more streamlined approach will be implemented to the organization of on-line partnership resources by providing a single entry point for partnerships on UNESCO’s internet site. Similarly, a dedicated intranet site will be created for the provision of information, tools and guidance material on the full range of categories of partners.

**New focus of updated Extrabudgetary Resource Mobilization Strategic Plan**

- Strengthen traditional channels and methods of resource mobilization as well as expand range of donors;
- Prioritize cooperation with middle-income countries and emerging donors;
- Continue to advocate for contributions to the Emergency Multi-donor Fund (established in December 2011), especially with emerging donors;
- Establish new approach to private sector partnerships accompanied by forward thinking financing methods;
- Make the CAP more accessible and widely known to UNESCO’s partners and donors;
- Boost coordination with bilateral government donors (particularly with in-country representatives);
- Further explore potential of self-benefitting modality;
- Bolster programmatic partnerships with multilateral organizations;
- Ensure UNESCO’s inclusion in Multi-donor Trust Funds (MDTFs);
- Promote South-South and North-South-South cooperation.

Extrabudgetary Resource Mobilization Strategic Plan (190 EX/INF.8)
8.2 The main steps in Resource Mobilization

3 Pillars of Resource Mobilization

Be Prepared
Be Pro-Active
Keep BPS/CFS informed

The process of resource mobilization can be broken down into a series of distinct steps.

Step 1
Analysis of resource requirements

The first step is to establish what is needed, and how much is needed. The questions of the volume of financial resources required, and for what are addressed in the CAP. In addition to financial resources, in-kind or non-financial resources may also be specified, (e.g. particular expertise or experts in a given area, key knowledge, skills, competences, outreach, as well as contributions such as equipment, technology, ICT solutions). The demand for non-financial resources is particularly relevant when dealing with: (i) private sector partnerships; (ii) South-South cooperation involving the transfer of know-how from Middle Income Countries (as opposed to funds); and (iii) Post Conflict Post Disaster situations where UNESCO’s interventions can be helped by the short term secondment of experts in specific areas of expertise.

Step 2
Define UNESCO’s added value

It is important, when articulating resource requirements, to underline UNESCO’s added value in those areas for which resources are sought. Expertise, capacity, field presence, RBM focus, reputation, visibility on the ground, impartiality and access to networks might be just some examples of the areas to cite or expand on.

The benefits that UNESCO brings to partnerships may be summarized as follows:

- UNESCO has an established reputation in its fields of competence on which is built a strong global brand;
- UNESCO is recognized as an impartial interlocutor, particularly within governmental and academic circles;
- With its convening power and global outreach, UNESCO acts as a bridge-builder between local/national aspirations and global policy-making objectives and as a champion for intercultural dialogue;
- As a catalyst for new thinking, UNESCO contributes to setting international and national agendas;
- UNESCO’s expertise in certain key areas of its mandate are unique in the United Nations system and the wider global arena (e.g. heritage, freedom of expression, cultural expressions);
- UNESCO can ensure delivery in fragile states and post-conflict and post-disaster situations and in critical areas like education, protection of cultural heritage or journalism training;
- With its combination of expertise in education, the sciences, culture and communication, UNESCO can tackle complex multifaceted problems of the contemporary world at global, regional and national levels in an interdisciplinary manner;
- UNESCO has at its disposal a number of unique networks with access to governments, academia, educational outlets, the research community, creative communities and cities, civil society, business corporations and associations, the media and a range of organizations of the UN system;
- Many of UNESCO’s programmes and policies command high visibility and strong media interest.
Step 3
Selecting a potential partner

Partners and donors should be identified according to their relevant priorities and strategies, as well as their geographical focus. Their capacity to contribute financially, technically or otherwise should also be a significant consideration. Partnerships in this case might be developed around anything from project design to implementation or joint resource mobilization. If necessary, potential joint implementing partners should be taken into account. Such partners might include national authorities, other UN agencies, UNESCO National Commissions, as well as regional multilateral organizations like the African Union or one, or some, of the Regional Economic Communities in Africa. Choice of implementation partner may be driven by factors such as their delivery capacity, complementary expertise, and unique added value in a specific context.

Step 4
What form of engagement with potential partners/donors?

Once you have identified potential donors, it is important to identify what type of engagement is foreseen. For example, is the intention only to mobilize financial or technical resources? Is funding only one component of a more complex and strategic model of engagement with an established donor or are new partners and donors involved? Is it then a multi-stakeholder partnership? For private sector partners in particular, reflect on: (i) the risks and benefits of engagement, (ii) the business case for engagement and (iii) what you can offer to the private sector in exchange of a funding contribution (visibility, access to networks, participation in high-level events etc.)

The way in which partners work with UNESCO takes a number of different forms, inter alia:

- Consultation on the elaboration of UNESCO’s programme
- Implementing UNESCO’s programme;
- Contributing to the development of policies, standards and norms that are linked to UNESCO’s mandate;
- Providing technical assistance and advisory services;
- Supporting UNESCO’s advocacy and policy dialogue efforts;
- Monitoring of progress against established goals and results;
- Providing cash contributions to UNESCO;
- The provision of in-kind contributions; this could include seconded personnel, or volunteers, equipment, or media related products and services.

In close consultation with BSP/CFS, the manner in which potential partners and donors are to be engaged should be planned: by whom, when and where? Engagement could be one-to-one meetings with donors, or joint consultation. It could be directed from UNESCO Headquarters, or be from the field. The participation of the targeted beneficiaries and/or implementation partners, as seen above, should also be foreseen if appropriate. The first meetings could be programmed as stand-alone events or on the sidelines of other events organized by UNESCO, or one of its partners.

Step 5
How will resources be managed?

How will resources be managed once they are mobilized? Will it be a Funds-in-Trust or pooled multi-donor accounts (Special Accounts)? If it’s for a project or an event that will take place within the biennium, could it be processed through an additional appropriation? Will it be different modalities to do with joint UN programming or a combination of methods? All these modality questions need to be clearly established taking into account requirements and specificities of each funding source. (These different modalities will be explained further on in this guide).
Step 6
Develop partner/donor specific presentations

When seeking resources, develop a presentation tailored to each potential partner/donor. This presentation can be a PowerPoint presentation, or a WORD document (which may then be the basis for a letter). The following, to name a few salient points, should be taken into account:

- Key (standard) messages about UNESCO as a whole, avoiding UNESCO-specific jargon and formulating straight-forward messages;
- The programme area and justification for investing in it;
- Priorities shared by UNESCO and the partner/donor (in case of a private sector partner: corporate social responsibility activities of the partner match UNESCO's priorities);
- UNESCO’s added value in the given programme area;
- Reason as to why the partner/donor should support UNESCO (what can you offer and what is in it for the partner/donor);
- Endorsement of the beneficiary (if appropriate);
- Added value of UNESCO’s implementation partners;
- Form of engagement;
- Resource requirements.

8.3 Types of Resource and Management Modalities

A. Financial resources

(i) Funds-in-trust agreements

These funds are directed towards a specific project or programme and are identified by the funding source in unison with UNESCO. A distinct budget code is created for each project. Detailed narrative and financial reporting is provided to the donor. The donor retains ownership of the funds throughout the period of the project, and must be consulted on any substantial modifications to the project design or budget. The donor should be consulted on the handling of any savings at the end of the project. Most Funds-in-Trust agreements are limited to a single donor and tied to a particular project. Multi-donor trust funds for multi-year programmes, however, are also possible. Programme support costs apply at a standard rate of 13%.

(ii) Pooled funding or Special Accounts

From a donor viewpoint, and using the impetus created by the Paris Declaration on Aid Effectiveness, there is ever-increasing interest in channelling voluntary contributions towards core budget support or large-scale programmes. UNESCO has established several such pooled funding mechanisms for a number of its programmes and for its normative work. The Special Accounts are normally multi-year and pool contributions from several donors. UNESCO provides consolidated financial narrative reporting on the use of the pooled resources rather than on the contributions of individual donors. The donor has no direct influence on the use of their contribution. Programme support costs apply at a rate of 10%.
**Thematic funding**

There are also a few dedicated Special Accounts which can receive lightly earmarked funding for thematic programmes presented in the CAP. This means that there is one pooled account for each Programme Sector, five in all, where funds can be assigned to thematic programmes managed by that Programme Sector. These accounts are driven by a clear modus operandi of programmatic coherence, ease of management and efficiency, and seek to avoid keeping any funds dormant.

To ensure that funds are spent in accordance with the C/S results chain contained in the CAP, and expressed there by theme, the accounting for expenditures under each Special Account is also organized by theme. In practice, this means that each theme has a separate budget code, and each Special Account constitutes the sum total of ‘thematic budget codes’ for each Sector. Precisely to avoid the accumulation of dormant funds and to make sure all expenditures are linked to the C/S results programming in the CAP, there is no mother code for the Sector as a whole. When funds are mobilized, they should be allocated, spent and reported on by theme.

Programme Sectors can now go ahead and establish budget codes for each of their sectoral thematic programmes. This can also be done when lightly earmarked contributions are received. Sectors should be careful to avoid any duplication with existing special accounts related to the thematic extrabudgetary programmes which, in some cases, are managed through a specific intergovernmental committee.

**(iii) Additional appropriations to the Regular Programme and Budget**

These are contributions accepted by the Organization for attribution to the Regular Programme. They must be used up within the biennium and it is not possible to return any balance to the donor. There is no ceiling on additional appropriations, but before proceeding with the additional appropriation modality, there must be a realistic assessment as to whether the amount concerned can be fully utilized within the biennium. They are allocated to an existing regular programme activity or a newly-created one. Additional appropriations are established through a standard letter of appropriation. Whilst UNESCO can provide a narrative report on the use of such contributions, UNESCO cannot provide financial reports for donors. Additional appropriations are not subject to programme support costs.

**B. Secondments and non-reimbursable loans**

The Loans and Secondments Programme is one of the key aspects of UNESCO’s Partnerships Strategy. It was formally introduced in the beginning of 2011 to provide a framework for the provision of supplemental expertise in UNESCO’s areas of competence. This takes place through loans or secondment arrangements, on the basis of a specific need indentified by the Organization, in areas where UNESCO lacks expertise, or where currently available expertise needs to be supplemented, or is not readily available. Loans and secondments agreements (BSP/CFS is focal point for the conclusion of those agreements) should be in the interest of UNESCO, fostering the mutual transfer of know-how between the Organization and its counterpart (for the private sector, specific conditions to avoid conflicts of interest apply).

Loans and secondments may be provided by:

- Member States (including governmental institutions);
- Non-governmental Organizations (NGOs);
- Universities;
- The private sector;
- Category 2 institutes and centres.
Loaned personnel provide services to UNESCO for a specific period of time (of at least one year; the maximum duration is three years) during which they are placed under the functional and technical supervision of the Organization.

<table>
<thead>
<tr>
<th>The non-reimbursable loan</th>
<th>The secondment agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreement where UNESCO’s counterpart pays full and direct remuneration to the loaned personnel, including benefits and social security. Loaned personnel are independent contractors and are thus not staff members of UNESCO.</td>
<td>Agreement where UNESCO’s counterpart deposits in UNESCO’s account the estimated cost to cover the full remuneration of the loaned personnel, including benefits. A “Secondment Extrabudgetary post” is funded by the counterpart, and seconded individuals hired on a fixed-term appointment, which gives them the status and conditions of service of a staff member. The funds from the counterpart are placed in a separate ledger account which will be managed by UNESCO as a funds-in-trust, and on which the counterpart will receive financial reports.</td>
</tr>
</tbody>
</table>

Prior to entering into a secondment agreement, a cost estimate of the secondment is obtained from BFM.

### 8.4 Types of Agreement

The contributions to be received from partners and donors should be formalized through an agreement. BSP/CFS is responsible for advising on, negotiating and concluding the agreements on behalf of UNESCO in consultation with the relevant services.

The type of the agreement to be signed depends on some or all the following considerations:

- on the funds management modality whether Funds-in-Trust, Special Accounts, or Appropriation to Regular Programme (Please see the Section 8.3)
- on the type of funding source. There are agreement templates for formalizing cooperation with different types of partners and donors
- on the type of cooperation, and in particular whether it relates to ad hoc cooperation linked to a specific project, or to a more structured arrangement for joint planning, implementation and monitoring

All of the standard agreement templates relating to extrabudgetary funding are available from UNESCO’s Administrative Manual under Chapter 5 “Extrabudgetary Funding Sources and Funds Management Modalities”, (See: http://manualpart1.hq.int.unesco.org/EN/Chap5/Pages/default.aspx).

For the Additional appropriation to the regular programme, the concerned Sector and/or FO is responsible.

The standard letter of Additional appropriation is available from the Administrative Manual (See item 2.5)

### 8.5 UNESCO’s Main Donors and Partners

Extrabudgetary funding is often perceived by many as a generic term; but, in reality, UNESCO’s partners represent a large and heterogeneous community with a very varied range of individual priorities and procedures. It is hard, therefore, to give very exact information on all donors as their composition and orientations are evolving all the time. More detailed and regularly updated information on the precise profiles, policies and procedures of funding partners can be found at the Extrabudgetary Help Desk on UNESCO Intranet.

Below is a brief description of the main categories of UNESCO’s partners and donors.
A. Bilateral Government Donors

Cooperation with bilateral government donors is likely to continue to be the bedrock of UNESCO’s extrabudgetary support for programmatic activities in all regions of the world, particularly in Africa. It is also likely to remain the main source of funding for the Emergency Multi-Donor Fund.

The mobilization of support from bilateral government donors is developed through continuous work with Permanent Delegations to UNESCO, through an intensification of coordinated cooperation efforts with donor representatives in capitals, and through increased dialogue and collaboration with the donor community in beneficiary countries.

UNESCO has enjoyed success in mobilizing significant resources as an implementation partner for major donors under their bilateral cooperation programmes with specific countries and/or regions. To tap into such resources, through its Field Offices, UNESCO is reinforcing its dialogue with donor representatives in situ and playing a proactive role in country-based coordination and planning mechanism with other technical and financial partners. Key factors in the management and maintenance of such partnerships are joint planning and review mechanisms for individual projects and programmes and portfolios and the development of multi-annual programming arrangements. At the level of individual projects key issues for the maintenance of donor and partner satisfaction are timely and efficient delivery, clear articulation of results and efforts to give visibility to the role of a donor, and closely involve the donor in project implementation in consultations with beneficiaries.

Whilst the programmatic and geographic priorities of traditional OECD Development Assistance Committee (DAC) donors remain relatively constant, more attention needs to be given to opportunities for cooperation with emerging donors and partners. The latter include the middle-income countries in Latin America and the Caribbean, Russia, Turkey, the new EU Member States, the Gulf States, China, India and South Africa, and emerging donors in South-East Asia such as Malaysia, Indonesia, Singapore and Thailand. As indicated above, the majority of donors to respond to the Director-General’s appeal for contributions to the Emergency Fund are emerging donors. Beyond the core contribution to the Emergency Fund, cooperation launched in 2011 with China on teacher development, with Saudi Arabia on culture of dialogue, and with the Russian Federation on cultural heritage, demonstrates the solid potential for developing cooperation with emerging donors linked to specific UNESCO priority programmes. The expansion of cooperation between UNESCO and the Republic of Korea involving a steady increase of annual voluntary contributions from USD 1.8 million in 2006 to USD 3.5 million in 2012 also offers a positive model for the future. It is further characterized by a gradual expansion of the programmatic scope of cooperation and the diversification of national funding and technical partners. UNESCO Field Offices in middle income countries will play an important role in these resource mobilization efforts.

The profile of UNESCO’s main bilateral donors is regularly updated by BSP/CFS and is available on the page devoted to governments in the Extrabudgetary Helpdesk. For each donor you will find a chart with global ODA figures as provided by OECD, a chart with the status of extrabudgetary cooperation between a given Member State and UNESCO and additional information that could be useful for UNESCO’s colleagues seeking support in specific areas. Moreover, the background and briefing note for each donor are available.

These profiles should help UNESCO POs identifying potential links between funding opportunities and donor’s priorities and interests, as well as presenting the main cooperation modalities.

Secondments

The kind of resources to be mobilized by UNESCO are not only of a financial nature. Through strategic partnerships with a wide range of private and public sector actors, UNESCO seeks to mobilize knowledge, skills, capacities, visibility and outreach that can help the Organization strengthen the scope and impact of its Programmes. The loan of personnel to UNESCO by partners and donors is becoming an increasingly important modality for cooperation.
and contributes extensively to knowledge transfer and networking, especially in highly specialized areas of UNESCO’s competence.

Short term secondments from stand-by partners such as the Norwegian Refugee Council play an important role in strengthening UNESCO’s response in post-conflict and post-disaster situations. Other examples of in-kind contributions that can be usefully mobilized by the organization include equipment, or in the specific case of media companies it could include editorial content, audiovisual material, or publication space in print and on line media.

**B. The Private Sector**

UNESCO’s collaboration with the private sector is not new, but the models of partnership have been evolving. New patterns of development involve partnerships and alliances shaped by common values and shared purpose, and bounded by clear principles that encourage autonomy and synergy. UNESCO’s past engagement and cooperation with the private sector reveals a diverse, multi-faceted and evolving picture. It comprises a number of approaches and relationships, ranging from straightforward fundraising to strategic partnerships.

The term “private sector” covers all types of business enterprises, including small and medium-size firms, national and international corporations, philanthropic and corporate foundations, financial institutions and private individuals.

UNESCO benefits not only from increasing financial contributions from the private sector to support the effective delivery of its programmes, but also from its core-competencies such as technological prowess, as well as in-kind contributions and seconded personnel. The private sector is a valuable partner for UNESCO as it enhances the visibility of UNESCO’s priority areas such as Girls’ and Women’s education or safeguarding World Heritage. Moreover, the private sector is a strong partner in UNESCO’s global awareness-raising campaigns and advocacy for the core programmatic priorities of the Organization.

Therefore, recognizing the reach and unique capabilities of innovation of the private sector, UNESCO has rapidly expanded cooperation with its various partners with a view to more effectively drive systemic change and achieve scale and impact. Collaboration with the private sector will not only enable the organization to mobilize financial resources for top priority areas like the education of women and girls, but also create a space to leverage know-how, outreach, advocacy and sustainability for UNESCO’s priority objectives and programmes.

By way of example, between 2010 and 2012, UNESCO reached out to new private sector partners to establish innovative forms of cooperation that – among other areas – harness the private sector’s unique outreach capability. The cooperation with some of UNESCO’s long-standing private partners including the Office of Her Highness Sheikha Mozah, Microsoft and Nokia were pursued and brought to a more strategic level. In addition major new private sector partnerships were launched including with Procter and Gamble, the Packard Foundation, GEMS Education on teachers and girls education, Malaga Football Club on inter-cultural dialogue and education, German Social Foundation BASF on disaster risk reduction and education, Panasonic on World Heritage conservation and education and with Shenzhen Ruby Football Club on the role of culture in local development, and Bill & Melinda Gates Foundation on Water Management for Urban Poor in sub-Saharan Africa and South-East Asia.

In partnering with the private sector, UNESCO has a number of demonstrated comparative advantages:

- Business partners recognize UNESCO as a well-known international organization with a valuable and global brand, an excellent reputation in all its fields of expertise, with a global reach and on the ground presence.
- UNESCO’s mission and role on behalf of the international community is well respected by the private sector as is UNESCO’s standing as an impartial interlocutor, particularly within governmental and academic circles.
- UNESCO’s wide network of and credibility with governments, strategic partners and experts globally and in academic circles is widely acknowledged as a particular asset.
• UNESCO is recognized by the private sector also as possessing a strong convening power for high-profile international events and initiatives.

In selecting partners, UNESCO applies the following criteria:

• Partners should be committed to core UN values;
• Each and every partner should contribute to the achievement of UNESCO's strategic programme objectives;
• All partners should embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, gender equality, labour standards, the environment, and anti-corruption, in line with the ten principles outlined in the UN Global Compact.

The UN Global Compact

In 1999, UN Secretary General Kofi Annan called upon global business leaders to create a ‘global compact’ in which companies agreed to live up to fundamental principles that, if fully implemented, would shape the world economy. Overall, the Global Compact pursues two complementary objectives:

1. Mainstream the ten principles in business activities around the world
2. Catalyze actions in support of broader UN goals, including the Millennium Development Goals (MDGs)

Today, with over 10,000 corporate participants and other stakeholders from over 130 countries, it is the largest voluntary corporate responsibility initiative in the world.

Businesses that join the UN Global Compact commit themselves to apply and to regularly report on the ten principles covering the areas of human rights, labour, the environment and anti-corruption.

Human Rights
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and

Environment
Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

To find out more about the Global Compact Network, its activities, members and network contacts per country/region, please consult the Global Compact’s website: http://www.unglobalcompact.org.
UNESCO will not cooperate with entities that:

- Systematically fail to demonstrate commitment to meeting the above-mentioned principles of the UN Global Compact
- Are complicit in human rights abuses, tolerate forces or compulsory labour or the use of child labour, are directly involved in the sale or manufacture of anti-personnel landmines or cluster bombs, or otherwise to not meet relevant obligations or responsibilities required by the United Nations
- Are violating sanctions established by the UN Security Council
- Involve any product, service or activity that conflicts with UNESCO’s mandate, or undermine UNESCO’s work

In order to further facilitate the interaction and partnership development with the private sector, UNESCO will accompany its strategy with a “Guide for Businesses” that would serve as promotional material contributing to cross-sector exposure and overcoming the challenges of different working cultures; it would also ultimately help maximize the potential and build effective partnerships.

C. The European Union

The collaboration between UNESCO and the European Union (EU) was formally set up first with the European Community by an exchange of letters in 1964 and confirmed by a further exchange in 1972-1973. More recently, a cooperation agreement was signed in 1996 and then revised in February 2004 when UNESCO acceded to the broader Financial and Administrative Framework Agreement, known as FAFA, concluded between the European Community and the United Nations in 2003.

On 8 October 2012, UNESCO and the EU signed a Memorandum of Understanding with a view to strengthening the partnership by improving dialogue and knowledge sharing, promoting best practices and creating synergies where appropriate. The Memorandum of Understanding is based on the above long-standing cooperation and sets out clear, strategic priorities on areas of mutual interest between the two organizations, such as: education and culture, including their potential as vectors for development, science and technology, maritime policy, human rights and freedom of expression.

In particular, it offers enlarged opportunities for direct cooperation between UNESCO and the EU (negotiation process without applying to a call for proposals) and also through a reinforced dialogue between EU Delegations and UNESCO Field Offices and category 1 institutes. In addition to the long-standing relationship with the Directorate-General for Development and Cooperation – EuropeAid (DEVCO), UNESCO should also strengthen its cooperation with other Directorates-General, notably with the Humanitarian Aid and Civil protection (ECHO) in the fields of disaster preparedness and risk reduction, Education and Culture, Enlargement and Research and Innovation.

When eligible, UNESCO can also participate in EU calls for proposals (preferably as Coordinator) but in this context, it is crucial to verify beforehand if the FAFA applies.

Recent cooperation with the EU has been also marked by the opening of the UNESCO Liaison Office in Brussels in February 2011 to reinforce the partnership.

The main objective of EU development policy and practice is poverty reduction in the context of sustainable development. As stated in the ‘Agenda for Change’5 and ‘reform proposals for EU budget support’6 (2014-2020) made by the European Commission, the EU focuses on two priority areas: (1) human rights, democracy and other key elements of good governance, and (2) inclusive and sustainable growth for human development. The EU also

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strives to further improve the effectiveness of the aid it delivers, notably by ensuring that Member States and the EU Commission jointly prepare their strategies and programmes.

In order to increase the development aid impact, the EU focuses geographically and sectorally on a limited range of countries and areas. In this context, education is one of the pillars to help create growth in developing countries.

The FAFA, the Memorandum of Understanding along with templates and help cards on working with the EU, can be found on the Extrabudgetary Helpdesk on UNESCO Intranet and Manual Item 5.7.

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**Did you know?**

- The EU attaches much importance to strengthening the UN system but is focused on clear impact on final beneficiaries;
- The EU’s 27 countries pay approximately 40% of the total UN regular budget;
- The EU accounts for more than half of total overseas development aid (ODA);

The EU and UNESCO share many priority areas and concerns, such as addressing the teachers gap, strengthening the system of Governance for culture, promoting freedom of expression, reenergizing the integrated maritime policy.

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**D. Multilateral Development Banks (MDBs)**

The major Multilateral Development Banks (MDBs) with which UNESCO cooperates are: the World Bank, the African Development Bank (AfDB), the Asian Development Bank (ADB), the Inter-American Development Bank (IDB), the Islamic Development Bank (IsDB), and the OPEC Fund for International Development (OFID). Full details of multilateral development banks may be found in the Directory of Economic, Commodity and Development Organizations on the IMF website.

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**The Global Partnership for Education (GPE)**

The GPE started as the Education for All – Fast Track Initiative (EFA FTI). It is now comprised of 46 developing countries, and over 30 bilateral, regional, and international agencies, development banks, the private sector, teachers, and local and global civil society groups. The GPE provides UNESCO’s developing country partners the incentives, resources and technical support to build and implement sound education plans. Members of the Partnership mobilize and coordinate resources to support the achievement of these plans’ targets to help more children enrol in school and for a better education.

The World Bank and the major regional development banks provide some of the largest sources of development finance, particularly in those areas relevant to UNESCO’s mandate and expertise. A significant recent trend is the growth in the share of MDB financing that is allocated as grants (as opposed to loans). The Multilateral Development Banks also administer major Multi-donor Trust Funds, such as the African Water Facility (AfDB), and the Global Partnership for Education.

There are two main ways of co-operating with MDBs at project level, either by agreement with a Government for a bank to finance a project, or by direct agreement with the bank itself. To give a few examples: UNESCO receives

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7 www.imf.org/external/np/sec/decdo/contents.htm
funding for projects from the African Development Bank, the Asian Development Bank, the Islamic Development Bank, and co-financing of up to 40 per cent of the total cost of a project from the OPEC Fund for International Development.

UNESCO also receives grant finance from the World Bank, but it cannot receive funds for projects granted in the context of a World Bank loan because of differences in rules on financial management and auditing. Similarly, as of yet, a modality for receiving funds from the Inter American Development Bank has not been worked out because of varying rules on financial management and procurement. A practical modus operandi urgently needs to be identified – one which could reconcile UN procurement principles with MDB restrictions – in order for UNESCO to be able to exploit to the full the far-reaching potential of programmatic cooperation with multilateral development banks.

### E. United Nations

UNESCO has received substantial resources from both the increased use of the Multi-donors Trust Funds (MDTFs) within the United Nations to support effective humanitarian, recovery, reconstruction and development processes and from, other UN Agencies, funds and programmes. The MDTF is identified as an effective funding mechanism which pools and disburses development aid under one administrative structure and designed to offer funding sources that are predictable and stable. Funding from UN sources will be improved with the strategic agreements already concluded with UNDP, UNEP and UNHCR with the update with others UN agencies being underway. In addition, UNESCO has, in recent years, received funds – mainly for activities related to tsunami mitigation and prevention – from various donors through the International Secretariat for Disaster Reduction (ISDR) and through the UNESCAP Trust Fund for Tsunami, Disaster and Climate Preparedness established in 2005, set originally to support tsunami early warning through a multi-hazard approach.

Most recently, UNESCO has become an implementing agency of the Adaptation Fund. Moreover, the prominent role to be played by UNESCO under the newly established Myanmar Multi-Donor education Fund is a case in point.

UNESCO’s active participation in the UNDP/Spain MDG Achievement Fund and in the Delivery as One process can provide lessons and serve as a take-off point for the successful mobilization of resources through this type of mechanism. This effort will be led primarily by UNESCO Field Offices, in the context of UN country team (UNCT) activities and with support from UNESCO Headquarters and Regional Bureaux.

The extent to which UNESCO can respond to national development priorities through its own programmes and ensure their inclusion in joint UN Programming will be critical for country-level resource mobilization. To that end, UNESCO must be swift and proactive in identifying jointly with UNCTs entry points that respond to national priorities, and developing them as substantive inputs to joint programmes. Ensuring that Field Offices receive prompt advice and support from Programme Sectors on content, and from Programme-related and Corporate Services on modalities of cooperation will be critical, especially at the programme design and start up phases.

UNESCO must also contribute actively to the effort led by UNDG to promote joint resource mobilisation by UN Country Teams. The common budgetary framework provides the basis for any informed joint resource mobilization strategy for the UNDAF, including through the option of setting up of a One Fund/ Country Fund. The lessons from the ‘Delivering as One’ pilots on One Fund offer a spectrum of choices and arrangements.

### Key entry points and funding opportunities within the UN system

- Common UN Planning Processes (CCA and UNDAF) for development contexts including the Delivery as One.
- Multi-donors Trust Funds, the preferred aid modality in post-crisis contexts mainly and progressively for the development context with the same basic principles, structure, governance (steering board composition),
allocation procedures and degree of governmental and donor involvement. (Refer to Chapter 5.5 “Partnersing
with the UN” of the *Administrative Manual* for the instructions on the resources management modalities).

Other Resource modalities mechanisms for post-crisis and transition environments that require projects/programmes
which can start quickly and have an immediate impact:

1. Humanitarian activities: In the UN system, for humanitarian activities, the primary planning and fund-raising
tool is the OCHA-led consolidated inter-agency appeals process (CAP). The CAP is the common, interagency
planning, coordination and resource mobilization mechanism for the humanitarian response to crisis.

2. New emerging instruments for transition environments: Post-Conflict Needs Assessment (PCNA) and
   Transitional Result Matrix (TRM)

3. **Emergency Response Funds (ERFs)** There are also Emergency Response Funds (ERFs) and Common
   Humanitarian Funds (CHF). These are smaller, and more targeted, pooled funds which are kept at country
   level for a more effective allocation of limited resources and a better matching of needs and responses.

   This pooled funding is allocated on the basis of an action plan bringing together United Nations agencies, the
   International Organization for Migration (IOM) and non-governmental organizations (NGOs). A strategic and
   operational plan is often developed with national, provincial and local authorities.

   Pooling the funds guarantees that the process of allocating resources is closely linked to actual needs on the
   ground, which reduces the risk of any humanitarian response being distorted by political or other factors.

**The Democracy Fund (UNDEF)** is an innovative fund designed to supplement existing UN funding instruments
which promote and strengthen democracy. Project proposals are submitted online and should mirror the application
criteria and key eligible activities - as well as the specific obligations required per each request. UN agencies,
including UNESCO, can apply as an executing partner with the partnership of a local CSO, the implementing
agency.

The Fund's focus is on:

- Democratic dialogue and support for constitutional processes;
- Civil society empowerment;
- Civic education, voter registration and strengthening political parties;
- Citizens access to information;
- Human rights and fundamental freedoms;
- Accountability, transparency and integrity.

**The Central Response Emergency Fund (CERF)** is a stand-by fund established and approved by consensus by
the UNGA on 15 December 2005 to (i) enable more timely and reliable humanitarian assistance to victims of
natural disasters and armed conflicts and (ii) to achieve the following objectives:

- promote early action and response to reduce loss of life;
- enhance response to time-critical requirements;
- strengthen core elements of humanitarian response in under-funded crises

The CERF will have up to US $500 million, including a grant and a loan facility. It is funded by voluntary
contributions from Member States of the United Nations, private businesses, foundations and individuals. It is

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8  [http://www.undemocracyfund.org/submit.html](http://www.undemocracyfund.org/submit.html)
9  General Assembly resolution 60/124 of 15 December 2005 on Strengthening the coordination of the emergency humanitarian assistance of the United Nations.
intended to complement, not to substitute, existing humanitarian funding mechanisms such as the UN Consolidated Appeals by providing seed fund to jump-start critical operations not yet covered by other donors.

The Fund is managed by the Emergency Relief Coordinator (ERC) on behalf of the United Nations Secretary-General and will allow the UN to react immediately when a disaster strikes by making funding available. United Nations and its funds, programmes and specialized agencies including the International Organization for Migration (IOM) are eligible for both grants and loans facilities.

The two components have a number of distinct features:

1. **Grant Facility**: this component has two windows: rapid response and under-funded emergencies. In all cases, allocations from the CERF are made to cover life-saving needs as per defined, and exceptions to this shall be rare and require exceptionally strong justification.

2. **Loan Facility**: this component is used as a cash flow mechanism allowing UN agencies to access funds rapidly while they are waiting for donor pledges to be transferred. It can be used to re-establish operations, implement preparedness measures or implement humanitarian programmes which are key but not time-sensitive.

This loan facility established in 1991 as the Central Emergency Revolving Fund and used to make loans to UN agencies for emergency programmes based on indication that donor funding is imminent. The Revolving Fund is now managed separately as part of the upgraded Central Emergency Response Fund. It is primarily used as cash-flow mechanism allowing UN agencies to access funds rapidly while they are waiting for donor pledges.

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**Joint United Nations Programme on HIV/AIDS (UNAIDS)**

As the convening agency in the UNAIDS Division of Labour for ensuring good quality education for a more effective response, and as a key partner in a further eight areas, UNESCO continues to be an active and engaged cosponsor of UNAIDS, participating in all regular meetings, including those of the Cosponsor Global Coordinators and Focal Points, the Committee of Cosponsoring Organizations (CCO, of which it will assume the annual rotating chair in 2013) and the Programme Coordinating Board (PCB). In the field, UNESCO works through the Regional AIDS Teams and, at country level, through the UN Theme Groups and Joint Teams on AIDS. UNESCO takes leadership in the coordination and implementation of two key UNAIDS initiatives, EDUCAIDS and the UNAIDS Inter-Agency Task Team (IATT) on Education. Finally, UNESCO’s work contributes towards delivering on the commitments and goals of the UNAIDS Strategy 2011-2015.

The UNAIDS Strategy is operationalised through the Unified Budget, Results and Accountability Framework (UBRAF), the successor to the Unified Budget and Workplan (UBW). The UBRAF is designed to link the budget to the achievement of clearly defined results and demonstrate strong accountability. UNESCO’s core UBRAF allocation for 2012-2013 is USD 12.4 million. These funds are intended to leverage funding from UNESCO’s own resources, as well as from other extrabudgetary sources. UNESCO’s core allocation has increased on previous biennia: in 2010-2011 the core UBW allocation was USD 12.3 million, while in 2008-2009 it was USD 10.6 million.

In UNESCO, coordination of UBRAF funding is the responsibility of the UNESCO Global Coordinator for HIV and AIDS, currently Director of the Division of Education for Peace and Sustainable Development. Under the supervision of the Global Coordinator, the activities to be financed under UBRAF funding are identified through a collaborative work planning process that involves all Field Offices and Programme Sectors. The process at field

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10 “Activities that within a short time span remedy, mitigate or avert direct physical harm or threats (whether violence, disease, or deprivation) to a population or major portion thereof. Also permissible are common humanitarian services that are necessary to enable life-saving activities”
level is coordinated by the Regional AIDS Advisors, and all work plans are reviewed by an intersectoral task team. Over the last biennia, UNESCO has also increasingly used the UBRAF to strengthen the technical support it provides to countries by investing in high calibre regional and national staff positions. Finally, UNESCO Field Offices may also mobilize funding from UNAIDS through country driven exercises, particularly in the 30+ UNAIDS high impact countries.

F. Other funding sources and modalities of particular relevance in post-conflict and post-disaster situations

UNESCO PCPD Special Account

In 2009, the Director-General of UNESCO established a PCPD Special Account. This is an emergency revolving fund and is only made available in post-conflict and post-disaster situations. The Special Account is managed by the PCPD Inter-sectoral Platform and its secretariat. The fund enables Field Offices to implement projects rapidly, when prioritized by the relevant UN country team under a UN Flash Appeal, CAP or other coordination mechanism.

Stand-by Partners

Stand-by Partners are organizations which maintain a roster of rapidly deployable staff that can be placed at UNESCO’s disposal, on request, to strengthen its response capacity in PCPD situations. In October 2007, UNESCO and the Norwegian Refugee Council (NRC) signed a Stand-by agreement which enabled UNESCO to benefit from a large roster of secondees who had a wide range of skills in UNESCO’s programmatic areas. A similar stand-by agreement was signed in June 2010 between UNESCO and CANADEM (Canada’s Civil Reserve). The overall expertise provided through these deployments is valuable in strengthening UNESCO’s delivering capacity and is also a critical vehicle for mutual exchange of know-how. Deployments are usually for a period of six months, but they can be extended on request. The UNESCO guide to stand-by partners is available on the Extrabudgetary Help Desk.

Government of Japan-Supplementary Budget

Each year around mid August, Japanese embassies in the field may identify proposals form UN agencies for projects which meet emergency needs, typically in post-conflict and post-disaster situations.

The chances for success with this window for emergency funding with Japan depend on two main factors – alignment with specific PCPD type criteria (described below) established for this funding and the existence of good channels of communication between the submitting UNESCO Field Office and the relevant Embassy of Japan in the field. This doesn’t mean that Headquarters is excluded, rather it points to the need for close cooperation between Headquarters and the field on both project design and resource mobilization.

There is no guarantee that this funding window will be available every year. The Ministry of Foreign Affairs decides each year based on the availability of the budget and their international commitment and even when availability of funds is confirmed the timeframe for submitting proposals is limited to just a few weeks. The supplementary Budget criteria may also be subject to change. It is essential to take advice from BSP/CFS before efforts are made to try to access funding through this window.
**Supplementary Budget criteria**

- **Urgency**: why Japan needs to support the project immediately and within the current fiscal year, and explain the adverse implications, if the project is not supported;

- **Unpredictability**: why you could not predict what you are going to support to happen

- **Necessity**: why Japan has to support the project – is there any relevant international commitment or did Japan make any official commitment?

- **Non-substitute**: why the project cannot be funded by a regular ODA Budget of Japan but by a Supplementary Budget.
Chapter 9

Project implementation from donor approval to financial closure of the project
Project implementation from donor approval to financial closure of the project

**Step 1**
**Plan of Operations**

When applicable, a Plan of Operations is prepared. This happens once a funding agreement has been signed with the donor or partner and is done by BSP/CFS, or by the Head of the relevant Field Office or Institute. The Plan of Operations is drawn up by BSP/CFS in collaboration with the executing unit for signature by UNESCO and the beneficiary country.

For more information, see 4.3 “Ownership of stakeholders including approval of the beneficiary government”.

**Step 2**
**Allotment of Funds**

After signing the agreement and in conclusion of the Plan of Operations with the beneficiary country, the responsible PO, in cooperation with the relevant AO, prepares a work plan for the year in course in order to request the allotment of the funds to BFM.

BFM then makes the required changes in the next allotment document. Such a re-phasing of the funds does not require negotiation with the funding source or with the recipient, unless it means an extension of the project.
period, and/or a major shift of budget lines. This kind of annual revision is mandatory, but it is often neglected. Unless it is carried out, it leads to an accumulation of funds in the project account and makes execution rates appear low.

If a project is unable to reach its objectives, without changes being made to the original budget (as approved by the donor), or because of issues in the original project design, or because of external circumstances within or beyond UNESCO’s control, a comprehensive budget revision has to take place. This might involve a change in the overall budget volume, or transfers between budget lines and, as a result, it requires the agreement of the donor and the recipient country. Such a revision should be initiated as soon as the PO becomes aware of difficulties. Any major revision of the budget normally also requires a modification of the original project document, which, in turn, necessitates the agreement of the funding source and the beneficiary. As described above, BSP/CFS is responsible for seeking these approvals after the revision has been given a visa by BFM in SISTER.

These are the main steps from signing the funding agreement to the allotment of funds by BFM:

- **Step 3**
  **Contracting**

The main tasks involved in implementation can be broadly summed up as follows: provide personnel assistance, draw up sub-contracts, organize training, procure equipment and supply miscellaneous services. All these tasks should correspond clearly to components of the project budget. Implementation also means keeping an eye on coordination issues, monitoring, assessing, implementing follow-up and corrective measures to ensure result attainment without forgetting the need to align and ensure that implementation contributes to the results stipulated in the appropriate C/5 MLA or Intersectoral platform. Further tasks include communicating with the donor/partner via BSP/CFS and the beneficiary country, preparing periodic narrative reports and including the contribution of the project to the regular EX/4 and C/3 reports to the Executive Board and the General Conference.

Besides managing funds, drawing up contracts, procuring equipment, carrying out payments and undertaking budget revisions, the implementation of a project may also require recruitment. In conjunction with HRM, this means identifying and recruiting personnel and/or consultants. After recruitment, the personnel’s work needs to be monitored and supervised and training organized if necessary. The relevant PO should plan an annual mission to the field to assess the advancement of the project and should cost for this in the budget.
Step 4
Completion of project activities

Once a year, the PO, with the relevant AO, prepares a revised budget and workplan which reflects actual progress of the project. This is submitted to BFM. The transfer of funds to the project, and the issuance of new allotments, takes place on the basis of the approved updated budget and work plan. Most donors make the transfer of subsequent instalments of funds conditional upon satisfactory narrative and financial reporting. In order to allow a smooth implementation of the project, it is vital that these reports are prepared and submitted in a timely manner, and that they remain of high quality.

The PO prepares an annual (or more frequently, if requested by the funding source) progress report on the project in accordance with the reporting schedule foreseen in the project document and funding agreement, as well as a final report after the completion of the project. This, too, has to be in line with the terms of the funding agreement. In addition to the progress reports, the PO may have to, upon request by BSP/CFS, prepare a short implementation status report prior to each formal review meeting with the funding source. This should provide updates on the most recent progress report, and provide suggestions on decisions to be made during the meeting. Templates for all three kinds of reports are available from the Extrabudgetary Helpdesk and are also included in the Annex.

Evaluations (internal or external) of all XB activities irrespective of their duration shall be ensured upon completion of the project, implying that the original project design and budget must take this into account.

Step 5
Liquidation of obligations

Before closing the project, the PO needs to work with his/her AO to make sure that all outstanding obligations are liquidated.

If any savings are left in the project account, BSP/CFS is requested to contact the donor to agree on the handling of these funds. The balance of the account needs to be at zero so a final financial report can be issued.

If deficits occur, and the funding source declines to provide additional funds, the implementing Sector, Field Office or Institute may be held responsible for covering the deficit. Therefore, certifying officers of the implementing units should be reminded that Financial Rule 5.5b stipulates that they are responsible for ensuring that funds are available on the corresponding budget codes before authorizing an obligation. Full compliance with this rule would generally minimize the risk of overspending.

Step 6
Final narrative report

A final narrative report, including an evaluation of the project by the PO, is required for all extrabudgetary projects, and should describe the main results of the project/programme, as well as its most important findings (see Chapter 9 “Monitoring and Evaluation”). The report should not provide a historical narrative of the project, but concentrate on the main achievements, and how these have contributed to the attainment of C/S results, any difficulties encountered, lessons to be learned, and conclusions and recommendations for the future.

The final report is normally prepared in English or French as soon as possible, and no later than three months after the project is operationally terminated, by the responsible PO, who takes full responsibility for the text, even if it is based on a draft from the Chief Technical Adviser or local project manager. Following review and approval by the
Director if the Programme Division at HQ or the Head of the Field Office or Institute, the draft final report must be sent to the EO of the implementing Programme Sector, which exercises control of the content and quality of the report, including its compatibility with the appropriate guidelines. Based on this assessment, the PO may be requested to undertake modifications in the presentation. When the text is finalized, and the visa of the relevant Programme Sector EO is provided, the final report is submitted to BSP/CFS for transmission to the funding source and IOS at the following e-mail address: exbudgevaluations@unesco.org.

**Step 7**
**Final steps before project closure**

The final phase after completion of extrabudgetary project/programme operational activities involves the following essential steps:

- The PO monitors and provides information on the termination of activities;
- The AO liquidates outstanding payments and obligations;
- BSP/CFS request BFM to issue the pre-final financial report. When the pre-final financial report is ready, BSP/CFS sends it to the donor, usually with the final narrative report and requests instructions on the handling of the balance. At that time the PO needs to indicate in SISTER that the XB Project is “Completed”. Once the balance has been remitted to the donor (or transferred to a General Fund, or another project for example, and the account has been brought to zero, BFM can issue the final financial report;
- Proposal by the PO on the transfer of ownership of project material and equipment as well as possible savings/deficits (again in consultation with AO);
- Proposal reviewed by BSP/CFS and forwarded to donor;
- Once the final financial report has been issued by BFM/BMR, the project account is formally closed by BFM/PRG. BSP/CFS sends the final report to the donor.

### PROJECT CLOSURE

<table>
<thead>
<tr>
<th>Project Closure</th>
<th>Closing</th>
<th>Reporting</th>
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<tbody>
<tr>
<td><strong>AO</strong></td>
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<td></td>
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<td>TRANSFER REMAINING FUNDS</td>
<td>FINAL SUBSTANTIVE REPORT</td>
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<td>(in accordance with the Donor's Agreement)</td>
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<td>CLOSES THE PROJECT IN FABS</td>
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<tr>
<td><strong>BSP/CFS</strong></td>
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</tr>
<tr>
<td></td>
<td>FINALISATION</td>
<td>TRANSMISSION TO DONOR</td>
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</table>
Chapter 10
Monitoring
Monitoring

10.1 Results Based Monitoring by the Project Officer (PO)

Monitoring can be described as continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds.\[11\]

In accordance with the principles of RBM on which UNESCO’s monitoring systems are based, monitoring provides the opportunity to

- Review assumptions made during the planning process to ensure they still hold true;
- Track progress in the full or partial achievement of results based on pre-defined performance indicators and associated quantitative and/or qualitative targets;
- Decide whether the original strategies are still appropriate and should be continued or modified;
- Make necessary adjustments to resources, both human and/or financial.\[12\]

It is essential to involve in the monitoring exercise the stakeholders of a given programme or project to ensure ownership, capacity building and the overall sustainability of the project.

The main purposes of monitoring are to provide for adjustments to better achieve expected results, to contribute to decision making, but also for accountability purposes. In the case of extrabudgetary projects, that accountability includes UNESCO’s responsibility to the donor. In practice this means that in addition to meeting UNESCO’s internal monitoring requirements, UNESCO should also share with the donor the information acquired through monitoring in the form of narrative and financial reports.

The analysis of progress towards expected results should be at the heart of the monitoring of qualitative aspects of project implementation.

For internal purposes, since arrangements were completed in 2011 for integrating extrabudgetary projects in SISTER, the latter has become the main platform for the qualitative monitoring of extrabudgetary projects. Completion of monitoring information on a six-monthly basis is mandatory. For each project, responsible officers are required to fill in progress on expected outputs/deliverables and results, challenges and lesson learnt in the implementation, cost-effectiveness and efficiency measures, and contribution of the project to C/5 expected results. Please refer to the RBM Monitoring and Reporting Guidelines available at http://unesdoc.unesco.org/images/0021/002159/215988E.pdf.

This information will obviously also need to be captured in narrative reporting to donors, although the frequency and timing of monitoring will be determined in the project agreement and will follow the cycle of that specific project, and not necessarily UNESCO’s cycle. A standard template for a narrative progress report to donors is attached in ANNEX II of the Guide. A standard template for a final narrative report including a self-evaluation (see Chapter 11) is given in ANNEX III to the Guide. It is mandatory to submit a final narrative report on completion of the project. The self-evaluation exercise at the end of the project, resulting in the final narrative report, will generate the necessary data for the last submission into SISTER (six-monthly reporting), so there is no duplication of efforts.

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11 OECD/DAC RBM Glossary
12 RBM Programming, Management and Monitoring (RBM) approach as applied by UNESCO and UNDG RBM Handbook
Another important vehicle for the joint monitoring by UNESCO and its donors, and particularly those donors and partners with whom UNESCO has a more structured relationship are annual review meetings. During these exercises, a comprehensive review of the full portfolio of projects with a given donor, supported by financial and narrative reporting for each project, is conducted in the presence of the POs and the funding agencies. BSP/CFS will inform in advance POs, Sector EOs, BFM of the yearly schedule of review meetings.

PO prepares implementation status report on on-going projects.

Donor review meetings are conducted and coordinated by BSP/CFS. Follow-up to decisions of review meeting is monitored by BSP/CFS.

UNESCO’s major donors have repeatedly made it very clear that UNESCO’s capacity to clearly articulate the results achieved will be a critical factor in decisions by donors as to whether to support UNESCO or not, so quality of narrative reporting is of the upmost importance.

**10.2 Monitoring financial aspects of project implementation by the PO**

POs are also responsible for monitoring financial aspects of project implementation, and for taking corrective action where necessary, notably with regard to two key factors:

- Are funds being implemented according to plan, and if not, what factors have impeded project implementation?
- Are obligations under the project being liquidated in a timely way, and if not, what factors have impeded disbursement?

**The Sector Alert System**

For internal monitoring purposes, the Bureau of Financial Management produces and distributes house-wide quarterly reports on the financial performance of all extrabudgetary projects. This information is an important input to the Alert System managed by each Sector which is designed to identify underperforming projects and ensure that swift remedial action is taken. Since the introduction of the Sector Alert System in 2008, the number of dormant projects at any given time, has been reduced significantly.

In preparation of the quarterly sector reviews, the AO should request BFM to identify projects that present quantitative disbursement problems; and the EO will identify projects that present qualitative implementation problems. Based on further information from the POs on the background for the problems, a list of projects that need to be presented to the Sector ADG for decision on remedial action will be identified by the Sector AO and EO. Remedial action agreed upon will be recorded in FABS and SISTER. BSP/CFS will be asked to seek the approval of the funding source if required.
10.3 Monitoring and review by senior management

The monthly Senior Management Team Financial Report contains an analysis of implementation of extrabudgetary resources. In addition, the various management committees (Programme Management Committee and the Corporate Services Committee) periodically review the status of execution of extrabudgetary activities.

10.4 Reporting to UNESCO’s governing bodies

Reporting to the Executive Board by BSP/CFS (with BFM)

Key statistical figures on extrabudgetary activities during the preceding year are presented to the Executive Board by BFM, normally as part of the Management Chart.

Summary reports are prepared by BSP/CFS, highlighting the main features of the preceding year’s extrabudgetary activities, and inscribed as an agenda item, for each fall session.

Reporting to the General Conference by DG (upon proposal from BSP/CFS)

Summary report on the main features of UNESCO’s XB projects is prepared and inscribed as an item in the agenda of each session of the General Conference.

Furthermore, every six months a formal house-wide assessment is carried out of the regular programme and extrabudgetary activity results attained on the basis of performance indicators and associated baselines and quantitative and/or qualitative targets so as to define how these results have contributed to the attainment of higher-level C/5 results, and identify challenges and lessons learned, including cost-effectiveness/efficiency measures.

This information is accompanied with the Regular Programme core operational costs and extrabudgetary resources for each C/5 result. This assessment exercise serves as a basis for an overall strategic assessment of UNESCO’s Major Programmes and their contribution towards the attainment of the Overarching Objectives and associated expected outcomes defined in the Medium-Term Strategy. Finally, along with this overall strategic assessment a report is also provided to the governing bodies containing the budgetary and financial status of programme execution of both regular budget and extrabudgetary resources.
Chapter 11
Evaluation
Evaluation

11.1 Basic definitions

Evaluation: the systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors. Evaluation also refers to the process of determining the worth or significance of an activity, policy or programme. An assessment, as systematic and objective as possible, of a planned, on-going, or completed development intervention.

11.2 Additional guidance and definitions on evaluation of UNESCO extrabudgetary activities

11.2.1 Modalities for evaluation

There are three different modalities for evaluation:

1. **Self-evaluation:** an evaluation conducted by those who are entrusted with the design and delivery of the project (the PO or sector/category 1 institute/field office), and presented in a final narrative report.

2. **Self-evaluation with validation by external expert:** an evaluation conducted by the PO (or sector/category 1 institute/field office), resulting in a final narrative report with validation by an external expert.

3. **External evaluation:** an evaluation conducted by independent entities and/or individuals outside the donor and UNESCO elected through a competitive process resulting in an external evaluation report.

The self-evaluation (and when applicable the external evaluation as well) will generate the necessary data for the last submission into SISTER (six-monthly reporting), so there is no duplication of efforts. In terms of depth and scope of assessment the (self-) evaluation exercise is more elaborate than the periodic monitoring and reporting. As a result, it is important that appropriate resources (human and financial) are reserved for undertaking (self-) evaluation.

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13 Source: OECD-DAC (2010)
14 Including IOS
11.2.2 How to select the right modality for evaluation for a given project, programme or partnership

A. The volume of the project

| Self-evaluation               | Projects under USD 500 000 Partnership with no financial implication |
| Self-evaluation with validation by an external expert | Projects with a budget between USD 500 000 and USD 1 500 000 |
| External evaluation 15       | Projects over USD 1 500 000 |

B. Other considerations

The budget thresholds provide the default guidance on what type of evaluation requirement applies. However, other criteria may determine evaluation requirements or exemption from (self-/external) evaluation for specific projects:

- Type of extrabudgetary project
- Innovative nature of the extrabudgetary project
- Decision on a portfolio approach (pooling all evaluation funds for a set of similar projects)
- Specific donor requirements

In case of doubt about the required evaluation modality, sectors/category 1 institutes/field offices should consult with IOS.

Financial implications of extrabudgetary evaluations

The planning of evaluations should be undertaken at the project design phase. The chosen evaluation modality should be described in the project document. The cost implications linked to staff time, or the recruitment of an external evaluator, should be included in the project budget. The table overleaf gives an overview of the indicative cost implications.

In addition, for external evaluations the advice of IOS should be taken before developing the budget, because the cost of an external evaluation will be determined extensively by the complexity of the project, and other variables such as the geographic scope of the project. The scope of an evaluation may similarly be determined by the budget ceiling established by the donor for this cost component.

In addition to project-specific evaluation provisions, sectors/category 1 institutes/field offices are encouraged to pool (some of) the funds for evaluation, which can then be used to evaluate a cluster of extrabudgetary projects, for example in situations where a donor funds multiple projects under a broader framework agreement, or strategic partnership. Such evaluations will look at the added value and impact of a partnership, or framework agreement per se, over and above the individual projects implemented in the context of the partnership.

15 The cost-effectiveness of external evaluations can be significantly enhanced if a self-evaluation exercise is carried out prior to the external evaluation.
The following two principles are recommended:

- An overall provision of 1% of the total budget earmarked for external evaluation. These funds can then be used for external validation of self-evaluations and/or external evaluations of individual projects and/or external evaluations of clusters of projects. IOS may step in to manage/conduct these evaluations if deemed necessary.

- On top of that, evaluation provisions in budgets of individual projects (under the framework agreement) should be mandatory and reflect cost recovery of staff time for self-evaluation (presented in a final narrative report).

### Summary table of cost implications

<table>
<thead>
<tr>
<th>Self-evaluation</th>
<th>Cost recovery of UNESCO staff time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-evaluation by an external expert</td>
<td>USD 10,000 – 20,000</td>
</tr>
<tr>
<td>External evaluation</td>
<td>USD 25,000 – 50,000</td>
</tr>
<tr>
<td>Framework agreement/strategic partnership</td>
<td>1% of total resources (in addition to costing of evaluation within individual projects)</td>
</tr>
</tbody>
</table>

Programmes or normative work financed through special accounts should also be subject to evaluation. Given the vast differences in the size, scope and resources of such arrangements, the advice of IOS should be taken on a case by case basis.

### 11.3 Roles and responsibilities for extrabudgetary evaluations

#### Sectors/Field Offices/category 1 institutes

- Ensuring that provisions for evaluation are included in project documents and budgets at the design phase
- Monitoring of projects
- Conducting self-evaluation exercises
- (when applicable) Commissioning external evaluations
- As in the case of final narrative reports (from self-evaluations), external evaluation reports need to be submitted to: exbudgevaluations@unesco.org.

#### BSP/CFS

- Providing guidance and backstopping on:
  - Evaluation provisions in donor agreement/project document
  - Referral to IOS of questions relating to evaluation modality and/or exemption
- Submitting self-evaluation/external evaluation reports to donor

#### IOS

- Providing guidance and backstopping on:
  - Costing of evaluations
  - Evaluation modality and/or exemption
  - ToR development and selection of external evaluators
  - Evaluation methods, process and planning
  - Quality assurance of reports
• Maintaining a database on evaluation reports
• Developing guidelines on evaluation
• Conducting specific project or portfolio evaluations when deemed necessary
• Conducting aggregate analyses on evaluation reports

It should be noted that both BSP/CFS and IOS are essentially performing advisory tasks in the extrabudgetary evaluation system. The principal responsibility for planning, ensuring funding for, and implementing evaluations of extrabudgetary projects lies with the Sector/category 1 institute/Field Office.
Annexes
# Annex I
## Project document template

### Project title

<table>
<thead>
<tr>
<th><strong>UNESCO Contact:</strong></th>
<th>Responsible Officer (the person who will have ultimate responsibility and be accountable for delivering this project) – Division, Field Office, institute</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Office Address:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Website address:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Geographical scope/benefiting country(ies):</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Duration (in months):</strong></td>
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</tr>
<tr>
<td><strong>Total funding requested:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Partner(s) institutions:</strong></td>
<td>National Implementing agencies, NGO(s), multilateral and bilateral partners.</td>
</tr>
</tbody>
</table>

### Executive Summary:

In 120 words or less please summarise the objectives and activities of your project.

- Issue(s) to be addressed:
- Development objectives to which the project will contribute
- Overall Goal/Objective
- Main expected results
- Activities and outputs/deliverables
- Main modalities of action

---

16 This can be added at a later date when a specific donor has been identified.
1. **RATIONALE AND BACKGROUND**

Outline the overall purpose of the project, the target beneficiaries and the expected outcomes

### 1.1 Overall Purpose

**What is the project aiming to achieve?**

**Relevance**

Why is this project needed? Clearly state the problem this project will address and the evidence base for its justification. Explain how the project responds to assessed needs and problems (in the country/region/globally). If appropriate refer to the policy priority or (ODA) strategy of the donor with which the project is aligned.

**Why UNESCO?** Please

(i) explain why UNESCO is well placed to address this (these) issue(s) (for example with regard to its comparative advantage and previous track record in delivering such programmes) and,

(ii) how this project will complement existing UNESCO programme(s), and/or build on previous achievements (refer to the expected result under UNESCO’s regular Programme and Budget to which this project will contribute).

(maximum 500 words)

### 1.2 Beneficiaries and other Stakeholders

**Who are the direct beneficiaries?**

Who are the other key stakeholders affected by the problem and who are the stakeholders influential in solving the problem and how have beneficiaries and stakeholders been incorporated and involved in project design and delivery?

**Ownership:** What critical measures are taken for ensuring the ownership, rights, interests, opportunities, needs and participation of the key beneficiary groups?

### 1.3 Overall and specific objectives

**What is the desired change that the project intends to bring about?**

Outline the overall aim of the project, state specific objectives, expected impact and long term legacy.

### 1.4 Expected results and outputs/deliverables

<table>
<thead>
<tr>
<th>Performance indicator (PI) (a maximum of three)</th>
<th>Means of verification (M) (data source)</th>
<th>Quantitative and/or qualitative target (T) (on the basis of baseline data)</th>
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<tbody>
<tr>
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<td><strong>PI 1:</strong></td>
<td><strong>T 1 and (b 1):</strong></td>
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<td></td>
<td><strong>PI 2:</strong></td>
<td><strong>T 2 and (b 2):</strong></td>
</tr>
<tr>
<td></td>
<td><strong>M 1:</strong></td>
<td></td>
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<tr>
<td></td>
<td><strong>M 2:</strong></td>
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</table>

**Activity 1**

**Output/deliverable N°1.1**

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<th>Performance indicator (PI) (a maximum of three)</th>
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<td><strong>T 2 and (b 2):</strong></td>
</tr>
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<td><strong>PI 2:</strong></td>
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**Output/deliverable N°1.2**

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<td><strong>M 2:</strong></td>
<td><strong>T 2 and (b 2):</strong></td>
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<td><strong>PI 2:</strong></td>
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**Activity 2**

**Output/deliverable N°1.3**

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<td><strong>M 2:</strong></td>
<td><strong>T 2 and (b 2):</strong></td>
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<tr>
<td><strong>PI 2:</strong></td>
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**Expected Result N°2**

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<td><strong>T 1 and (b 1):</strong></td>
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<td><strong>PI 2:</strong></td>
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**Activity 3**

**Output/deliverable N°2.1**

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**Output/deliverable N°2.2**

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<td><strong>T 1 and (b 1):</strong></td>
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<tr>
<td><strong>PI 2:</strong></td>
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</tr>
<tr>
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<td><strong>M 2:</strong></td>
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17 Depending on the scope of the project.
2. **APPROACH AND METHODOLOGY**

<table>
<thead>
<tr>
<th>2.1 Implementation strategy</th>
<th>Overall Strategic Approach</th>
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<tbody>
<tr>
<td></td>
<td>How will the project objectives be achieved? Clearly describe the overall strategic approach to be followed.</td>
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<td></td>
<td>How is gender equality addressed in the approach?</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Description and sequence of activities19</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the key activities which will lead to the outputs/deliverables and results described above? How will the activities lead to the outputs/deliverables and expected results? With regard to the latter, describe the intervention logic to achieve desired objectives – beginning with inputs, moving through activities and outputs/deliverables, and culminating in the expected results.20</td>
</tr>
<tr>
<td>Please include a workplan as Annex B (see enclosed format).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.2 Risk analysis and mitigation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Please outline the main risks (physical, environmental, political, economic and social risks) to successful delivery of this project and achievement of its objectives indicating whether they are high, medium or low.</td>
<td></td>
</tr>
<tr>
<td>How will these risks be mitigated? If the risks are outside the project’s direct control, how will the project design address them? How will these risks be managed?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.3 Sustainability and exit strategy</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>How will the benefits of the project be sustained after funding and the technical support provided under the project have come to an end?</td>
<td></td>
</tr>
<tr>
<td>What are the assumptions and/or mechanisms (e.g. capacity building, institutions, funding arrangements, transfer of responsibilities) put in place regarding the continuation of activities and benefits (outputs/deliverables, results) after the funding has ceased?</td>
<td></td>
</tr>
<tr>
<td>What tools and processes will put in place regarding the replication and/or scaling-up of activities?</td>
<td></td>
</tr>
</tbody>
</table>

---

19 In the event that it is necessary to undertake a needs assessment to complete project design and/or to be able to present a detailed budget, use the following formula “(X) months after the start of project activities, when the situation is well assessed, a revised log frame and more detailed budget will be submitted to the donor for approval”.

3. PROJECT MANAGEMENT AND IMPLEMENTATION

Who will be carrying out the different project activities? (Outline the project implementation and management arrangements including a clear description of the roles and responsibilities of UNESCO and each of the partners).

4. MONITORING, EVALUATION, LESSON LEARNING

4.1 How will the performance of the project be monitored and evaluated?²¹²²

4.2 How will you involve beneficiaries and other stakeholders in monitoring and evaluation?
NB: please remember to include adequate provisions for monitoring and evaluation in the budget, in accordance with the available guidelines.

5. VISIBILITY

5.1 How will the proposed project contribute to raising the visibility of UNESCO and the donor in the project area: describe the overall communication strategy/approach (e.g. media coverage, use of the logo on the publications, and other displays of the donor's support, participation of the donor in project events, joint press conference, exposure on UNESCO's or other web sites).

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²¹ Monitoring, reporting and evaluation processes and tools should be designed to capture information on activities, outputs/deliverables and expected results. At the output/deliverable and expected results levels adequate provisions for data collection should be made covering all performance indicators (with associated quantitative and/or qualitative targets), starting with a baseline for each performance indicator. Information on key performance indicators should be collected periodically in order to track progress towards project implementation, output/deliverable delivery and achievement of the expected results. Please refer to (a) the monitoring and reporting guidelines available at http://unesdoc.unesco.org/images/0018/001887/188713E.pdf and (b) the Guidance Note on Evaluation of 07.11.12 (http://portal.unesco.org/intranet/ev.php?URL_ID=14571&URL_DO=DO_TOPIC&URL_SECTION=201).

²² If appropriate, indicate the specific reporting requirements established by the donor and consistent with the provisions in the funding agreement.
Annex A Project Logical framework (Logframe) – If required by the Donor

Annex B Workplan

Annex C Budget (by UNESCO Budget Line or by Activity)
## Annex A – Logframe

<table>
<thead>
<tr>
<th>Development Objective(s)</th>
<th>Intervention logic</th>
<th>Objectively verifiable indicators of achievement/targets</th>
<th>Sources and means of verification</th>
<th>Assumptions and risks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Description of the overall broader objective(s), to which the project will contribute? These objectives are wide in scope and would not be achieved by one project alone. (Example: education for all humans)</td>
<td>What are the key indicators related to the development objective(s)? Which targets show that the project and the achievement of the immediate objectives contributed to the development objective?</td>
<td>What are the sources of information for these targets? Where and how can information on the achievement of these objectives be found?</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Immediate Objectives or Project Goals (Expected results)</th>
<th>Description of the overall broader objective(s), to which the project will contribute? These objectives are wide in scope and would not be achieved by one project alone. (Example: education for all humans)</th>
<th>Describe indicators that will clearly show that the project’s immediate objective(s) will be achieved?</th>
<th>What are the sources of information that exist or can be collected? What are the methods required to get this information?</th>
<th>What are the external factors or conditions necessary to achieve the immediate objective(s)? What risks should be taken into consideration?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immediate Objectives or Project Goals (Expected results)24</td>
<td>What specific objective(s) will be achieved as a consequence of the project? These objectives normally outlast a project’s implementation period and have sustainable benefits for the target beneficiaries. Please be explicit and precise.</td>
<td>Describe indicators that will clearly show that the project’s immediate objective(s) will be achieved?</td>
<td>What are the sources of information that exist or can be collected? What are the methods required to get this information?</td>
<td>What are the external factors or conditions necessary to achieve the immediate objective(s)? What risks should be taken into consideration?</td>
</tr>
</tbody>
</table>

| Outputs/deliverables25 | Describe the specific outputs/deliverables and specify how these will contribute to the achievement of the results and envisaged specific objective(s). Please enumerate the project activities’ expected outputs/deliverables. | What are the indicators to measure whether and to what extent the activities will achieve the expected results? | What are the sources of information for these indicators? Where and how can information on the achievement of these objectives be found? | What external conditions must be met to obtain the outputs/deliverables on schedule and within budget? Identify the main risks that could impact the success of the project and describe strategy for minimizing them |

| Activities26 | What are the key activities to be carried out in order to produce the expected results? Please group the activities by result and then by sequence. | Means: What are the means (inputs) required to implement these activities, e.g. personnel, fellowships, equipment, subcontractor services, studies, supplies, operational facilities, etc. | Costs: Please provide the costs specific to each activity (i.e. costs that exist only because the specific activity will take place). A detailed breakdown should be provided in the Budget. | What pre-conditions are required before the action starts? What conditions outside the project’s direct control have to be met for the implementation of the planned activities? |

23 When formulating the indicators please keep in mind the “SMART” rule: indicators should be Specific, Measurable, Attainable, Relevant and Time bound.

24 Outputs/deliverables and Expected results should be described in specific, measurable terms with associated baselines and quantitative and/or qualitative targets.

25 Outputs/deliverables and Expected results should be described in specific, measurable terms with associated baselines and quantitative and/or qualitative targets.

26 If your project encompasses several activities, please simply list them here and attach detailed descriptions on another page.
## Annex B – Workplan

<table>
<thead>
<tr>
<th>Activity by project components</th>
<th>Months/or quarters</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Purchase of documentation</td>
<td>XXXX</td>
</tr>
<tr>
<td>Coordination</td>
<td>XXXX</td>
</tr>
<tr>
<td>Workshop preparation and organization</td>
<td>XXXX</td>
</tr>
<tr>
<td>Consultation workshops with local people</td>
<td>XXXX</td>
</tr>
<tr>
<td>Development of action plan (etc.)</td>
<td>XXXX</td>
</tr>
<tr>
<td>Submission of Progress Report for the donor</td>
<td>XXXX</td>
</tr>
<tr>
<td>Self-evaluation</td>
<td>XXXX</td>
</tr>
<tr>
<td>Submission of Final report including the self-evaluation</td>
<td>XXXX</td>
</tr>
</tbody>
</table>
### Annex C

#### C1 Budget by UNESCO budget line

<table>
<thead>
<tr>
<th>Cost Elements Description</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(10) Staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(10’) Travel costs</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(11) International experts/Consultants</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(13) Administrative and Technical support staff</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(14) United Nations Volunteers</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(17) National experts</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(10) Total Staff</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(20) Subcontracts</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(30) Training, seminars and meetings</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(40) Equipment</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(50) Miscellaneous</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Subtotal – direct costs</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(80) Support costs</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>TOTAL</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

#### C2 Budget by activity

<table>
<thead>
<tr>
<th>Activity</th>
<th>Total (US $)</th>
<th>Year 1</th>
<th>Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSC (13%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

27 Complete either a budget by UNESCO budget line (C1) or a budget by activity (C2). In case the budget per activity is the one approved by the donor, reporting will be provided per WBS elements. In any cases, a detailed budget labelled with UNESCO budget-lines, with cost recovery details, must be prepared as required by BFM, for internal management purposes.
Annex II
Template for progress report

Comments and visa by the Director of the Division or the Head/Director of the field office or category 1 institute:

- Project Title
- Target Country or Region
- UNESCO Budget code and donor Reference if appropriate
- Funding source
- Total Budget approved
- Reporting Period
- Executing Agency
- Implementing partners
- Project starting date
- Project completion date
- Responsible Sector
- Name of Person completing Report

This progress report presents the main findings of a self-evaluation exercise conducted by the responsible UNESCO PO(s) and covers the following:

- Summary and Background
- Description of project implementation for the period under review
- Progress towards results
- Sustainability
- Work plan
- Visibility
- Challenges and lessons learnt and modifications to the project that need the donor's attention
I. Summary and Background (1 page)

II. Description of project implementation for the period under review

- Activities undertaken
- Outputs/deliverables generated (quality, quantity, target groups, etc.)
- Any problems encountered in project delivery and corrective actions taken

III. Progress towards results

- Short narrative on the main results attained including from the perspective of the direct beneficiaries and specifying how these achievements contributed to the C/5 higher-level (e.g. MLA) expected results. The narrative should include an account of the (partial) attainment of the project’s expected results (or lack thereof) as well as any other (in)direct (unexpected) results of the project.
- Short narrative on the main factors influencing the attainment of project results and (the likelihood) of the (full) attainment of the overall goal.
- Summary table with key performance indicators of (expected) results and associated baselines and qualitative and/or quantitative targets (building on the narratives under the previous two points).

Summary Table

<table>
<thead>
<tr>
<th>Overall goal of the project</th>
<th>Overall assessment</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expected Results</strong></td>
<td>Performance Indicators (PI) and associated Target (T)/baselines (b)</td>
<td>Achievement(s)</td>
<td>Outputs/deliverables contributing to expected results</td>
<td></td>
</tr>
<tr>
<td>N° 1</td>
<td>PI: T/b:</td>
<td>Output/deliverable/deliverable 1:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N° 2</td>
<td>PI: T/b:</td>
<td>Output/deliverable 2:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N° 2</td>
<td>PI: T/b:</td>
<td>Output/deliverable 1:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N° 2</td>
<td>PI: T/b:</td>
<td>Output/deliverable 2:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please note that the expected results should match those described in the project document or (in case of changes) any reported changes in follow-reports.

Projects are likely to generate other (in)direct effects apart from the (possible/partial) attainment of expected results. These should be described in the narrative (first and second bullet points). If any particular indicators have been defined with respect to these effects (with corresponding data collection), then they can be presented in table form as well.
IV. Sustainability

Where appropriate, describe the steps undertaken to ensure the following:

- Sustainability of activities, outputs/deliverables and results, including with reference where applicable to how capacity has been built under the project. Also describe any planned follow-up measures to ensure sustainability. In this section, it may also be useful to mention any additional funding or partnerships leveraged as a result of this project.
- Describe how the ownership (of activities, outputs/deliverables, results) by stakeholders has been promoted.
- Describe how tools, processes, outputs/deliverables (etc.) have been adopted, adapted, replicated and/or scaled up.

V. Workplan

The progress report should compare the present status with the original plan, and provide detailed forecasts of project activities for the next 12 months (or the next 6 months for the semi-annual report). The report should include general forecasts of the entire project’s work plan, possibly until the end of the project.

VI. Visibility

- Which actions were undertaken during the project period in order to disseminate information or communicate on project activities and outputs/deliverables and results? If appropriate, mention any systems established under the project to promote south-south cooperation.
- Which other (in)direct effects, if any, apart from the (possible/partial) expected results has led to raising the visibility of the project
- Within the context of the above describe any activities specifically aimed at giving visibility to the cooperation between UNESCO and the Donor(s) under this project (e.g. media coverage, use of the logo on the publications, and other displays of the donor’s support, participation of the donor in project events, joint press conference, exposure on UNESCO’s or other web sites)

VII. Challenges, lessons learnt and modifications to the project that need the donor’s attention (and approval)

What are the key challenges/lessons learnt regarding the following:

- Attainment of the overall goal
- Attainment of expected results
- Ownership of key stakeholders
- Delivery of project outputs/deliverables
- Project management and implementation

What modifications to the approved project document and/or budget and/or work plan have to be presented to the donor and approved, as per provisions specified in the funding agreement? In case of modifications to the budget please indicate clearly in a comparative table the previously approved budget and the new proposed one.
VIII Annexes

I. Logframe matrix (where it exists)

II. List of publications, evaluation reports and other outputs/deliverables, when applicable

III. List of national and international staff; fellowships awarded

IV. List of major equipment provided under the project and status after termination contract period
Annex III
Template final narrative report

Comments and visa by the Director of the Division or the Head/Director of the field office or category 1 institute:

- Project Title
- Target Country or Region
- UNESCO Budget code and donor Reference if appropriate
- Funding source
- Total Budget approved
- Reporting Period
- Executing Agency
- Implementing partners
- Project starting date
- Project completion date
- Responsible Sector
- Name of Person completing Report

This final narrative report presents the main findings of a self-evaluation exercise conducted by the responsible UNESCO PO(s) and covers the following:

- Summary and Background
- Description of project implementation
- Progress towards results
- Sustainability and Exit/transition strategy
- Visibility
- Challenges and lessons learnt

I. Summary and Background (1 page)

II. Description of project implementation

- Activities undertaken
- Outputs/deliverables generated (quality, quantity, target groups, etc.)
- Any problems encountered in project delivery and corrective actions taken

III. Progress towards results

- Short narrative on the main results attained including from the perspective of the direct beneficiaries and specifying how these achievements contributed to the C/S higher-level (e.g. MLA) expected results. The narrative should include an account of the (partial) attainment of the project’s expected results (or lack thereof) as well as any other (in)direct (unexpected) results of the project.
• Short narrative on the main factors influencing the attainment of project results and (the likelihood) of the (full) attainment of the overall goal.

• Summary table with key performance indicators of (expected) results and associated baselines and qualitative and/or quantitative targets (building on the narratives under the previous two points).

Summary Table

<table>
<thead>
<tr>
<th>Overall goal of the project</th>
<th>Overall assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected Results</td>
<td>Performance Indicators (PI) and associated Target (T)/baselines (b)</td>
</tr>
<tr>
<td>----------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Programmed</td>
</tr>
<tr>
<td>Title of Expected Result N° 1</td>
<td>PI: T/b:</td>
</tr>
<tr>
<td>Title of Expected Result N° 2</td>
<td>PI: T/b:</td>
</tr>
</tbody>
</table>

Please note that the expected results should match those described in the project document or (in case of changes) any reported changes in follow-reports.

Projects are likely to generate other (in)direct effects apart from the (possible/partial) attainment of expected results. These should be described in the narrative (first and second bullet points). If any particular indicators have been defined with respect to these effects (with corresponding data collection), then they can be presented in table form as well.

IV. Sustainability and Exit/transition strategy

This section looks at if and how the benefits of the project will continue after the donor funding has ceased.

Where appropriate, describe the steps undertaken to ensure the following:

• Sustainability of activities, outputs/deliverables and results, including with reference where applicable to how capacity has been built under the project. Also describe any planned follow-up measures to ensure sustainability. In this section, it may also be useful to mention any additional funding or partnerships leveraged as a result of this project.

• Describe how the ownership (of activities, outputs/deliverables, results) by stakeholders has been promoted.

• Describe how tools, processes, outputs/deliverables (etc.) have been adopted, adapted, replicated and/or scaled up.

V. Visibility

• Which actions were undertaken during the project period in order to disseminate information or communicate on project activities and outputs/deliverables and results. If appropriate, mention any systems established under the project to promote south-south cooperation.
• Which other (in)direct effects, if any, apart from the (possible/partial) expected results has led to raising the visibility of the project

• Within the context of the above describe any activities specifically aimed at giving visibility to the cooperation between UNESCO and the Donor(s) under this project (e.g. media coverage, use of the logo on the publications, and other displays of the donor’s support, participation of the donor in project events, joint press conference, exposure on UNESCO’s or other web sites)

VI. Challenges and lessons learnt

What are the key challenges/lessons learnt regarding the following:

• Attainment of the overall goal
• Attainment of expected results
• Ownership of key stakeholders
• Delivery of project outputs/deliverables
• Project management and implementation

VII. Annexes

1. Self-evaluation approach (max. 1 page)
   • Describe the system for monitoring the project and if relevant how specific information on indicators of interest were collected
   • Mention the main sources of information for the self-evaluation
   • Refer to any challenges faced in preparing the self-evaluation (e.g. lack of data)

2. Logframe matrix (where it exists)

3. List of publications, evaluation reports and other outputs/deliverables, when applicable

4. List of national and international staff; fellowships awarded

5. List of major equipment provided under the project and status after termination contract period

6. List of progress reports prepared during the contract period
Acronyms
and Glossary
Acronyms

ADG: Assistant Director General
AO: Administrative Officer
BFM: Bureau of Financial Management
BKI: Bureau of Knowledge and Information Systems Management
BSP/CFS: Bureau of Strategic Planning – Division of Cooperation with Extrabudgetary Funding Sources
CAP: Complementary Additional Programme
C/4: UNESCO’s Medium-Term Strategy
C/5: UNESCO’s Programme and Budget
FO: Field Office
HRM: Bureau of Human Resources Management
IOS: Internal Oversight Service
LA: Legal Adviser
MDTF: Multi-Donor Trust Fund
PCPD: Post-Conflict and Post-Disaster
RB: Regular Budget
RBM: Results-Based Management
SISTER: System of Information on Strategies, Tasks and the Evaluation of Results
SWAP: Sector-Wide Approach
ToAA: Table on Delegated Authority and Accountability
UCPD: UNESCO Country Programming Documents
UNDAF: United Nations Development Assistance Framework
UNDG: United Nations Development Group
UNCTs: United Nations Country Teams
XB: Extrabudgetary
Glossary

Achievements: inform about major programmatic accomplishments. It is an assessment at a given point in time of the result or part of the result achieved in light of the performance indicators and the associated quantitative and/or qualitative targets. It includes information about the key outputs/deliverables produced and how these contribute to the attainment of results.

Activity or project: The third and lowest level in UNESCO’s programme structure. It is also referred to as work plans.

Administrative Agent (AA): The UN organization responsible for the administration of funds in a Pass-through Fund Management mechanism.

Baseline data: Data describing the situation before the implementation of the activity or project, related to each result, at each level. It is the starting point from which progress towards expected results will be measured.

Benchmark (Target): In UNESCO the term “benchmark” is used as an achievable target or a measure to be achieved for a performance indicator over a biennium. It is a reference point or standard to assess performance, ideally accompanied by baseline data describing the situation before the implementation of the activity or project, useful for assessment or comparisons.

Beneficiaries and target groups: Individuals, groups, or organizations that benefit, directly or indirectly, from the intervention. (e.g. Disadvantaged and excluded groups, Most vulnerable segments of society including Indigenous peoples). Direct beneficiaries represent those for which the element is primarily organized. Indirect beneficiaries refer to those who are affected by the element.

Biennial Sectoral Priority: To ensure a seamless transition between the Medium-Term Strategy and the biennial Programme and Budget, the Strategic Programme Objectives of the C/4 are translated into a limited number of Biennial Sectoral Priorities, which determine the programmatic profile for each Major Programme.

C/3: ‘Report of the Director General’ on the implementation of the (previous) Programme and Budget.

C/4: UNESCO Medium-Term Strategy (six years, 8 years from 2014 onwards)

C/5: UNESCO Programme and Budget (two years, 4 years from 2014 onwards).

Challenges and lessons learnt: constitute an assessment of success factors and critical difficulties encountered during the implementation which have affected the performance. The purpose is to propose, when feasible, measures to overcome the difficulties encountered and inform about lessons learned and share considerations on how the Organization can benefit from these in order to improve future programme delivery.

Category 1 institutes: institutes which come under the UNESCO umbrella and which are governed by their own boards.

Category 2 institutes: National bodies, financed by the host government, but working in areas of UNESCO competence.

Complementary Additional Programme (CAP): Designed as UNESCO’s main tool for the programming of extrabudgetary activities and resources, as well as resource mobilization. The CAP of projected/targeted extrabudgetary activities is the main tool for the programming of extrabudgetary activities in reinforcement of the C/5, and a vehicle for dialogue with donors. The CAP is designed to strengthen the alignment between extrabudgetary and regular programme resources through the creation of a unified results chain. An overview of
the CAP is issued in the form of a brochure at the beginning of each biennium. In addition, the live data base of proposals for funding is available through UNESCO’s internet and extranet sites and SISTER.

**Cost-Effectiveness/efficiency measures:** can be described as an assessment of whether interventions and outputs could have been delivered with fewer resources without reducing the quality and quantity of the achievements or whether the same (or greater) results could have been achieved at lower cost by considering alternative delivery approaches. A policy or a programme is effective when it achieves its result at the lowest cost possible, thus ensuring a maximum quality impact for the resources available. The purpose is to inform about the rational and measures taken to ensure the most cost-effective programme implementation and provide considerations on how costeffectiveness can be improved in future programme implementation.

**Cost Recovery Policy:** UNESCO’s Cost Recovery policy functions under two basic principles:

- all costs needed for the proper implementation of an extrabudgetary project should be budgeted for and charged to that project;
- costs should be recovered in cases where Regular Programme resources are used for an extrabudgetary project’s implementation.

**Delivering as One UN:** Report of the High-level Panel on United Nations System-wide Coherence in the areas of development, humanitarian assistance and the environment (A/61/583).

**Donations** are gifts, bequests, subventions or contributions (financial and/or in kind) which UNESCO receives directly from governments, public and private institutions, associations and private persons. The Organization may also receive funds for specific activities or projects from such bodies as the United Nations Development Programme (UNDP), other United Nations (UN) agencies, Member States, and international, regional or national organizations.

**Donated funds-in-trust:** Funds-in-trust contributions intended for the implementation of activities benefiting recipients other than the donor are termed donated funds-in-trust.

**Earmarked funds:** are funds specifically designated for a particular project. Lightly earmarked funds are funds given by a donor who may decide to support a UNESCO thematic or priority country programme without attaching it to a particular project. Un-earmarked funds are when donors provide contributions to UNESCO without specifying their use. It is then up to UNESCO to decide on the utilization of the funds. This is also termed budgetary support.

**Evaluation:** The systematic and objective assessment of on-going or completed activity/project, programme or policy, in light its design, implementation approach and the achievement of results. It measures and assesses the outcomes and impacts rather than the delivery of outputs/deliverables. The aim is to determine the relevance and fulfilment of results, efficiency, effectiveness, impact and sustainability.

**EX/4 Report:** Report by the Director-General on the execution of the Programme and Budget adopted by the General Conference.

**Extended Strategic Sectoral Frameworks (ESSFs):** The ESSF sets out the priorities and targets for resource mobilization for each Sector/Corporate Service, as foreseen in the Director-General’s Action Plan (174 EX/INF.4 Rev.) The ESSF constitutes a basis for the contribution of each programme Sector/Programme-related and Corporate Service to the CAP. In line with the Updated Extrabudgetary Resource Mobilization Strategic Plan (185 EX/INF.6), each Sector/Service should draw up an ESSF at the outset of a programming exercise so as to maximize the opportunity for establishing a clear strategic vision regarding the areas selected for resource mobilization.

**External evaluation:** an evaluation of a project conducted by independent entities and / or individuals outside the donor and UNESCO selected through a competitive process.
Extrabudgetary contributions are all funds paid into UNESCO other than the Member States’ assessed contributions; most of them (except additional appropriations to the Regular Programme), are classified as Programme Fiduciary Funds (PFF), and are largely synonymous with voluntary contributions.

The Fiduciary Principles Accord is an instrument designed to facilitate the transfer of funds from a World Bank-administered trust fund for crisis and post-crisis situations to a UN organization or from a UN led Trust Fund for crisis and post-crisis situations to the World Bank. This instrument allows the recipient of the funds to apply all its own regulations, rules and procedures.

**Funds-in-Trust (FIT):** Extrabudgetary contributions received from governments, organizations – international, national or non-governmental – foundations, private companies or other sources for the purpose of enabling UNESCO to carry out, on their behalf or at their request, specific activities that are consistent with the aims and policies of the Organization. Most funds-in-trust agreements are limited to a single donor and tied to a single project, but multi-donor trust funds may also be envisaged. Funds-in-trust may be donated (intended for utilization beyond the donor’s territory) or self-benefitting. FITs are utilized by UNESCO for the programming, implementation and supervision of extrabudgetary projects or programmes selected by the donor in cooperation with the Organization.

The Financial Management Framework Agreement was negotiated in March 2006 between the World Bank and the United Nations. The **World Bank makes grants to UN organizations from its own funds and from funds administered by itself from one or more donors.** Grant Funds benefit either developing countries, by providing support for particular programmes, or UN Organizations by supporting global and regional initiatives. This agreement sets out how the parties, acting within their respective applicable policies, rules and procedures, obtain reasonable audit assurance on the use of funds provided by the World Bank to an UN Organization.

**Functions (UNESCO’s functions in the C/4):** The range of functions that UNESCO performs. These are: laboratory of ideas, standard setter, clearing house, capacity-builder in Member States and catalyst for international cooperation.

**Implementation strategy:** The implementation strategy explains how to move from the current situation to the one described in the expected result (“result statement”). It should be action-oriented specifying the:

- Major issues to be addressed and relevant baseline;
- Rationale with the underlying assumptions and causal sequence of the interventions to be undertaken, the key outputs/deliverables deriving from them, the expected result(s) to be attained and measures to follow up on them as well as the long-term result foreseen beyond the biennial timeframe providing the overall perspective of the project. Finally, specify the manner in which this project will contribute to the attainment of the C/5 expected result(s);
- Major beneficiaries and key partners and their expected roles;
- Conclusions of a risk analysis related to the implementation. An uncertain event may impact the performance of the programme delivery either positively or negatively. The measures foreseen to mitigate the negative impact of a threat should be formulated.
- Exit or transition strategy is a statement indicating the way you intend to gradually phase out external support and have national partners take over; and the way you will change the modality of implementation. Once the foundations of the activity are established, the sustainability is driven by other players. UNESCO needs to ensure the smooth hand over of the activity, by ensuring the relevant skills transfer to (national) partners, or by building capacity to manage the activity for example.

The reinforcement of an activity by an extrabudgetary project can also be specified when appropriate. It is recalled that beneficiaries and partners should be involved from the planning/programming stage and throughout the cycle to favour ownership and sustainability of the activity.
**Input(s):** The financial (regular programme or extrabudgetary resources), human (the staff involved) and institutional resources (material resources available as the existing publications, toolkits etc ...).

**Intervention(s):** Act to be undertaken whose inputs are mobilized to produce specific outputs/deliverables.

**Joint management:** specific budget allocation modality or method of implementation of the European Union applicable to UNESCO (direct negotiation without going through a call for proposal process)

**Joint programming:** Joint programming is the collective effort through which UN organizations and national partners work together to prepare, implement, monitor and evaluate activities - notably achieving the Millennium Development Goals (MDGs) and other international commitments. Through joint programming, common results and modalities for supporting programme implementation are identified.

**Joint programme/project:** A joint programme is a set of activities contained in a common work plan and related budget, involving two or more UN organizations and (sub) national partners. The work plan and budget will form part of a joint programme document, which will also detail the roles and responsibilities of each partner in coordinating and managing activities.

**Joint programme Steering Committee:** This is a working coordination mechanism for a joint programme. The composition includes all the signatories of the joint programme document. The mechanism may also have other members as observers, such as donors and other stakeholders.

**Monitoring:** The function of Monitoring is to assess the actual situation compared to the programmed information originally defined and take corrective action when needed. Monitoring is part of programme management and should therefore not be considered as an additional task serving only reporting purposes. It allows keeping track of progress, to ensure that the implementation is on the right track and to take corrective measure when required. It furthermore facilitates reporting to key stakeholders and management on the progress achieved in a transparent and results-oriented manner in order to inform decision-making and to improve future policy and programme design.

**Means of verification:** The data sources and methodologies used to measure and analyze performance.

**Other Proprietary Funds (OPF):** include revenue-generating activities, programme support costs for Special Accounts and Trust Funds, the Staff Compensation Fund, the Terminal Payments Fund, and Headquarters-related Special Accounts. The United Kingdom and United States Special Funds are also included under this grouping. These funds are used to carry out programmes or to group other authorized expenditure. The residual right of ownership of all of these funds is ultimately vested in Member States.

**Output(s)/deliverable(s):** The first effect of the interventions which contributes to the attainment of results. It is a tangible or intangible product (e.g. new knowledge and skills) deriving from the interventions.

**Overarching Objectives of the C/4 (OO):** The Medium-Term Strategy is structured around five Overarching Objectives (OO) denoting areas where UNESCO has a unique profile and competency.

**Parallel Fund Management:** a fund management mechanism where each organization participating in the joint programme manages its own funds regardless of their source.

**Pass-through Fund Management:** This is a fund management mechanism where a donor or donors and UN participating organizations agree to channel funds for a joint programme through one participating UN organization. The UN organization channelling resources, in this case, is called the Administrative Agent (AA) and is jointly selected by all participating organizations. Programmatic and financial accountability rests with the participating organizations and national partners.
**Performance indicator(s):** A parameter used to assess and measure the progress related to an expected result or an aspect of it and to identify to what extent beneficiaries/target groups have been reached. The combination of all performance indicators captures the essence of the expected result.

**Plan of Operations:** an agreement for formalising the approval of the beneficiary government and providing legal protection to UNESCO.

**Pipeline Projects:** Projects in the process of being formulated.

**Pooled Fund Management:** A fund management mechanism where participating UN organizations work for common results with a common national or (sub-)national partner (e.g. Department, provincial office, NGO) and/or in a common geographical area. Under this option, UN organizations can pool funds together to one UN organization, called the Managing Agent, chosen jointly by the participating UN organizations in consultation with the (sub-)national partner.

**Procurement:** is the overall process of acquisition, by purchase or lease, of goods, works and/or services required by UNESCO.

**Programme Fiduciary Funds (PFF):** includes institutes, Special Accounts and Trust Funds set up in accordance with Financial Regulation 6.5 and 6.6. They are used to carry out extrabudgetary programme activities in accordance with the respective agreements signed between UNESCO and related parties or other legal authorities.

**Result:** (or “result statement”) describes a concrete, visible and measurable change in state, induced by the activity or project to be undertaken. It expresses the change induced by the implementation of the activity or project. In other words, it should convey how a specific situation is expected to be different from the current situation. For this reason, it should articulate what is to be different rather than what is to be done. In many cases, the expected result relates to the use of outputs/deliverables by intended beneficiaries.

**Results-Based Management (RBM):** It is a broad management strategy aimed at changing the way institutions operate, by improving performance, programmatic focus and delivery. It reflects the way an organization applies processes and resources to undertake interventions to achieve commonly agreed results. RBM is a participatory and team-based approach to programme planning and focuses on achieving defined and measurable results and impacts. It is designed to improve programme delivery and strengthen management effectiveness, efficiency and accountability. RBM helps moving the focus of programming, managing and decision-making from inputs and processes to the objectives to be met. In programming phase it ensures that there is a necessary and sufficient sum of interventions to achieve an expected result. During the implementation phase the RBM approach helps to ensure and monitor that all available financial, human and institutional resources continue to support the intended results.

**Results chain:** The aggregation of the results at one level should make it possible to achieve the expected result of the higher level. This process constitutes the results chain. At UNESCO, the results chain flows from the expected outcomes of the Medium-Term Strategy, down to the expected results defined in the biennial Programme and Budget to the expected results of the activity/project level, ensuring a seamless passage between the programmatic levels. This link established between the results at different programmatic levels ensures that the Organization focuses its resources on attaining the results defined at the highest levels.

**Secondments:** staff secondments from Member States and to a lesser degree from other United Nations agencies, multilateral developments banks and even some private sector partners are another modality through which UNESCO can supplement in-house expertise and capacities in programme implementation.

**Self-benefiting funds-in-trust:** Funds-in-trust contributions intended for the implementation of extrabudgetary projects and programmes for the benefit of the funding source are termed self-benefiting funds-in-trust.

**Self-evaluation:** an evaluation of a project conducted by the responsible PO.
**Special Account for Voluntary Contributions:** an account established in accordance with Financial Regulations 7.6 to receive voluntary contributions for which no purpose is specified.

**Strategic Programme Objectives of the C/4 (SPO):** Fourteen Strategic Programme Objectives (SPOs) translate the Overarching Objectives into programme-relevant and thematic terms. Each SPO builds in a linkage between normative and operational tasks.

**Sustainability:** An activity or project can be described sustainable when the benefits derived from it are maintained over time and beyond the Organization’s assistance. Involving beneficiaries and partners in the programme design and implementation favours ownership and is one step which participates in ensuring sustainability. The purpose is to report on the criteria or conditions put in place to assess prospects of the substantive, managerial and financial sustainability of an activity or project. In addition, indications about UNESCO’s exit, transition or phasing out strategies can prove useful.

**Target:** A quantitative and/or qualitative measure to be achieved for a performance indicator over a biennium. It is a reference point or standard to assess performance, ideally accompanied by baseline data describing the situation before the implementation of the activity or project, useful for assessment or comparisons.

**UNESCO Country Programming Document (UCPD):** It is designed to capture in a single document UNESCO’s activities/projects in a particular country, in a succinct and results-oriented comprehensive manner, whether funded from regular or extrabudgetary resources. The document is composed of a concise overview of pertinent developments relevant to UNESCO’s areas of competence for a given country (situation analysis) as well as a succinct results-based description of all UNESCO’s ongoing, recent and past support and activities/projects including cooperation with other United Nations partners and external donors.

**Voluntary contributions:** Contributions accepted either in cash or in kind other than assessed contributions.
Useful links and references

Intranet, list address

Extrabudgetary help desk, list address
http://www.unesco.org/en/donors

B4U Help Card

UNESCO Extrabudgetary Resource Mobilization Strategic Plan

Online Administrative Manual

Model Project Document

Template for Budget Workplan (Excel)

Updated agreement templates (all appendices to Manual Item 5.4 + template for special account)

RBM Material


Monitoring and Reporting Guidelines, available via the following link:

RBM Guiding Principles in English (42 pages), available via the following link:

SISTER Material

SISTER Help Cards 2.5.a and 2.5.b for creation the XB process, available via the following link:

SISTER Help Card 3.1 for entering monitoring information at the workplan level, available via the following link:
http://sister36c5.hq.int.unesco.org/Guidelines.aspx?id=110

SISTER Help Card 3.3 for Budget Operations, available via the following link:
http://sister36c5.hq.int.unesco.org/Guidelines.aspx?id=128

SISTER Help Card 4.1 for Search/Reports, available via the following link:
http://sister36c5.hq.int.unesco.org/Guidelines.aspx?id=130

Formats for narrative reports

Private Sector Guidelines

SISTER Help material
Reference Forms for FIT – AM Appendix 5.4

AM Appendix 5.4A «Model Letter for a Funds-in-Trust Project Agreement with a Donor»
AM Appendix 5.4B “Model of Funds-in-Trust Project Agreement with a Governmental Funding Source”
AM Appendix 5.4C “Model Letter for a Self-Benefiting Funds-in-Trust with Main Elements of the Plan of Operations”
AM Appendix 5.4D “Model Agreement for a Self-Benefiting Funds-in-Trust with Main Elements of the Plan of Operations”
AM Appendix 5.4E “Model Plan of Operation for a Funds-in-Trust Project (Agreement with the Beneficiary Country)”
AM Appendix 5.4F “Model Framework General Agreement for Funds-in-Trust Arrangements with a Donor Country”
AM Appendix 5.4G “Checklist for Project Document for Financing under Funds-in-Trust “
AM Appendix 5.4H “Checklist for Funding Agreement for a Funds-in-Trust Project”

Guidelines for partnering with UN system and reference forms – AM Appendix 5.5

AM Appendix 5.5A “Standard Memorandum of Understanding (MoU) For Multi-Donor Trust Funds and Joint Programmes Using Pass-Through Fund Management”
AM Appendix 5.5B “Standard Administrative Arrangement for Multi-Donor Trust Funds and Joint Programmes Using Pass-Through Fund Management”
AM Appendix 5.5C “Standard Memorandum of Understanding between the Participating UN Organizations and the Managing Agent for Pooled Fund Management”
AM Appendix 5.5D «Protocol on the Administrative Agent for Multi Donor Trust Funds and Joint Programmes, and One UN Funds”
AM Appendix 5.5E “Basic Agreement Document for Funds Directed to UN Agencies”

Guidelines for working with Multilateral Development Banks and other partners – AM Appendix 5.6

AM Appendix 5.6A “Accord Concernant l’exécution d’un projet financé par la Banque … Développement”
AM Appendix 5.6B “Fiduciary Principles Accord”
AM Appendix 5.6C “Model Agreement between UNESCO and the World Bank for Grant Financed Activities”
CAP Outlines and XB Projects Programming Guidelines
Help Card 2.5: The Extrabudgetary Process
Updated Extrabudgetary Resource Mobilization Strategic Plan (185 EX/INF.6)

Guidelines for partnering with the EU – AM Appendix 5.7