



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

GUIDELINES
ON
TECHNICAL COOPERATION PROGRAMMES
AND PROJECTS

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DIRECTOR-GENERAL'S ADMINISTRATIVE INSTRUCTION NO. 17/Rev.1

Guidelines for the Technical Cooperation Programme and Project Cycle

1. Director-General's Administrative Instruction number 17 (DGAI.17) of 15 March 2005 introduced technical cooperation guidelines covering the entire technical cooperation programme and project cycle.
2. The Guidelines are designed, inter alia, to contribute to improving the management of technical cooperation programmes and projects; facilitating the process flow; simplifying procedures and standardizing formats with a clear identification of the distribution of tasks, responsibilities, authority and accountability throughout the programme/project cycle. The Guidelines also take into account the principles of results-based management (RBM), thus ensuring that internal processes positively influence organizational performance and that the financial resources available to the Organization are used to efficiently and effectively fund priority activities yielding clearly identifiable and measurable results.
3. The Guidelines further aim to ensure that UNIDO's technical cooperation activities have an optimum impact on economic development through the effective harmonization of UNIDO's overall policies and approaches with the needs and development priorities of recipient countries. Special emphasis is placed on UN system coordination within the framework of UN Development Assistance Frameworks (UNDAFs) and/or Poverty Reduction Strategies (PRSs). They also call for close interaction and coordination of UNIDO's technical cooperation programmes and projects with the activities of other multilateral and bilateral development partners, as well as with national technical cooperation agencies and civil society organizations (CSOs).
4. These Guidelines have now undergone a fine-tuning exercise to refine them taking into account experience gained since their introduction in March 2005. This process, which was led by the Advisory Panel on PACs (APPAC), involved extensive consultations with all stakeholders in order to reflect a wide range of views. The Guidelines have also been made user-friendlier, inter alia, by separating the procedures applicable to Integrated Programmes and Projects and being placed on the UNIDO Intranet under Manuals with clickable features; they are also being published in a loose-leaf format in hard copy for the ease of all staff members.
5. The provisions contained in the revised Guidelines are operational with immediate effect, and thus supersede the DGAI.17 of 15 March 2005.

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Abbreviations

A

ATL Alternative Team Leader

C

CCA Common Country Assessment
CSF Country Service Framework

D

DG Director-General

E

EB Executive Board

F

FPCS Financial Performance Control System

G

GEF Global Environment Facility

I

ICM Information and Communication Management
ICS International Centre for Science and High Technology
IDF Industrial Development Fund
IF Integrated Framework
IP Integrated Programme
ITPO Investment and Technology Promotion Office

M

MD Managing Director
MDG Millennium Development Goals
MOSS Minimum Operating Security Standards
MORSS Minimum Operating Residence Security Standards

N

NEPAD New Partnership for Africa's Development
NGO Non-Governmental Organisation

O

OGV Bureau for Organizational Governance
OGV/LEG Office of Legal Affairs
OSL/EVA Evaluation Group
OSL/SPC Strategic Planning and Coordination Group
OSL/SPR Strategic Partnerships and Resource Mobilization Group

P

P & B Programme and Budget
PAC Programme Approval Committee
PCF Programme Coordination and Field Operations Division

<i>PCF/QPA</i>	Secretariat of the Quality Advisory Group and Programme Approval Committee
<i>PCF/RFC</i>	Regional and Field Coordination Branch (Regional Programmes)
<i>PCF/RST</i>	Research and Statistics Branch
<i>PCF/SPP</i>	Special Programmes Group
<i>PRS</i>	Poverty Reduction Strategies
<i>PRSP</i>	Poverty Reduction Strategy Plan
<i>PSF</i>	Programme Screening Form
<i>PSM</i>	Programme Support and General Management Division
<i>PSM/FIN</i>	Financial Services Branch
<i>PSM/FIN/FMT</i>	Financial management of Technical Cooperation Unit
<i>PSM/HRM</i>	Human Resource Management Branch
<i>PSM/HRM/SSR</i>	Staff Services and Employee Relations Unit
<i>PSM/OSS/PRS</i>	Procurement Services Unit
<i>PSM/OSS/GES</i>	General Support Services Group
<i>PTC</i>	Programme Development and Technical Cooperation Division

Q

<i>QAG</i>	Quality Advisory Group
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R

<i>RB</i>	Regular Budget
<i>RPTC</i>	Regular Programme of Technical Cooperation

S

<i>SRA</i>	Special Resources for Africa
<i>SSS</i>	Service Summary Sheet

T

<i>TF</i>	Trust Fund
<i>TL</i>	Team Leader

U

<i>UNDAF</i>	United Nations Development Assistance Framework
<i>UNDP</i>	United Nations Development Programme
<i>UNEP</i>	United Nations Environment Programme
<i>UR</i>	UNIDO Representative

Glossary

<i>Accountability</i>	Obligation to demonstrate that work has been conducted in compliance with agreed regulations, rules and standards or to report fairly and accurately on performance results vis-à-vis mandated roles and/or plans. This may require a careful, even legally defensible, demonstration that the work is consistent with the contract terms. In a programme/project, accountability may refer to the obligations of partners to act according to clearly defined responsibilities, roles and performance expectations, often with respect to prudent use of resources. (cf. OECD, DAC, Glossary of key terms in evaluation and results-based management).
<i>Analysis</i>	A process for determining causes of problems and their interrelationship. In-depth analysis sometimes requires a critical review of the assumptions behind the original problem definition itself. An analysis can reveal root causes that are common to different development problems (see also risk analysis below).
<i>Assessment</i>	A process for determining which problems exist, identifying opportunities and achievement. It calls for the use of qualitative and quantitative information to describe each problem.
<i>Common Country Assessment</i>	A country-based process for reviewing and analysing the national development situation; and identifying key issues as a basis for advocacy, policy dialogue and preparation of the UNDAF. The findings from this exercise are described in a CCA document. (cf. UNDP Programming Manual).
<i>Counterparts</i>	Government and institutional support systems, also referred to as supporters, intermediaries and direct beneficiaries.
<i>Country Cooperation Framework</i>	A document that outlines UNDP cooperation in a country. The framework identifies the objectives for UNDP support to national plans and programmes that are consistent with the poverty-elimination goals of UNDP. It highlights the programme areas, the intended strategies and results, the management arrangements and the financial scope (cf. UNDP Programming Manual).
<i>Effect</i>	Intended or unintended change due directly or indirectly to an intervention. (cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>Effectiveness</i>	The extent to which the development intervention's objectives were achieved or are expected to be achieved, taking into account their relative importance. (cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>Efficiency</i>	A measure of the economy with which resources/inputs (funds, expertise, time, etc.) are converted into outputs. (cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>End-user</i>	Enterprises or persons (doers).
<i>Evaluation</i>	Evaluation is an assessment, as systematic and impartial as possible, of a project, programme or an entire strand of activities under a single thematic or institutional heading. An evaluation should provide evidence-based

information that is credible, reliable and useful, thereby permitting the timely incorporation of findings, recommendations and lessons learned into the decision-making processes at the corporate, programme and project levels. Evaluations aim at determining the relevance, impact, effectiveness, efficiency and sustainability of the interventions and contributions of UNIDO. They focus on expected and achieved accomplishments, examining the results chain, processes, contextual factors and causality in order to ascertain the degree of achievement or lack thereof. (cf. UNIDO Evaluation Policy, UNIDO/DGB(M). 98).

<i>Finding</i>	A finding uses evidence from one or more evaluations to allow for a factual statement. (cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>Gantt chart</i>	A method of presenting information graphically, similar to a bar chart.
<i>Government Coordinating Agency</i>	The focal point on behalf of a Government that has overall responsibility for UNIDO-supported activities and communicates with UNIDO on programme and project matters.
<i>Immediate Objective</i>	See Results below.
<i>Independent Evaluations</i>	Independent evaluations are the responsibility of the UNIDO Evaluation Group (OSL/EVA). They provide an independent view on a given entity under evaluation, such as a project, a programme or an entire strand of activities under a thematic or institutional heading. Independent evaluations might be internally led by members of the Evaluation Group or externally led by independent consultants. Independent evaluations of technical cooperation activities can take the form of mid-term, terminal or ex-post evaluations. (cf. UNIDO Evaluation Policy, UNIDO/DGB(M). 98).
<i>Indicator</i>	A signal that reveals progress (or lack thereof) towards objectives: means of measuring what actually happens against what has been planned in terms of quantity, quality and timeliness. An indicator is a quantitative or qualitative variable that provides a simple and reliable basis to measure achievement, to reflect the changes connected to an intervention or to help assess performance. ((cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>Integrated Programme</i>	Packages of mutually reinforcing projects (see also programme component) that combine the collective experience of UNIDO and aim to achieve a clear development objective in a country.
<i>Lessons learned</i>	Generalisations based on assessments and evaluations of programmes and projects that can be drawn from specific circumstances and applied in broader terms. Frequently, lessons learned highlight strengths or weaknesses in the preparation, design and implementation of programmes and projects that affect performance, outcome and impact. ((cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>Logical Framework</i>	A management tool used to formulate, monitor and evaluate programmes and projects. It involves identifying strategic elements (inputs, outputs and outcomes (immediate objectives)) and their causal relationships, indicators, as well as the assumptions or risks that may influence success and failure. It thus facilitates the planning, implementation, monitoring and evaluation of programmes and projects. ((cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>Milestones</i>	Important events that mark the beginning/progress/ end of activities.

<i>Monitoring</i>	A continuing function that aims primarily to provide programme and project management and the main stakeholders with regular feedback and early indications of progress (or lack thereof) in the achievement of intended results. Monitoring tracks the actual performance or situation against what was planned or expected according to pre-determined standards and milestones
<i>Outcomes</i>	See Results below
<i>Outputs</i>	See Results below
<i>Performance</i>	The degree to which a programme, project or person operates according to specific criteria/standards/guidelines or achieves results in accordance with stated goals or plans. (cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>Programme component</i>	A programme component is part of the logical structure of an integrated programme. It comprises a set of specific objectives and a strategy defining how the outputs and outcomes of the individual projects within the component contribute to the achievement of the component objectives by means of synergy and interaction with each other.
<i>Projects</i>	Projects fall into two categories: those technical cooperation activities that are part of the logical structure of an integrated programme and those that are not. Projects in the second category, also known as stand-alone projects, encompass technical cooperation projects at the country, regional, interregional or global level, including research and global forum activities such as the establishment of Investment and Technology Promotion Offices (ITPOs) and International Technology Centres (ITCs).
<i>Relevance</i>	The extent to which the objectives of a programme and project are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies. (cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>Reliability</i>	Consistency or dependability of data and evaluation judgements, with reference to the quality of the instruments, procedures and analyses used to collect and interpret evaluation data. (cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>Results</i>	The output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention. Results can be obtained at different levels. Together, results at different levels form a results chain: output => outcome => impact. (cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>Outputs</i>	Specific products and services that emerge from processing inputs through the various activities of project. Outputs refer to the completion (as distinct from the conduct) of activities and are the type of results over which managers have a high degree of influence.
<i>Outcome (immediate objective)</i>	Outcomes (immediate objectives) describe the intended changes in development conditions resulting from technical cooperation programmes such as integrated programmes. The attainment of an outcome usually requires the collective efforts of several partners.

<i>Impact</i>	Impact describes the intended or unintended changes in the national development situation and the situation of the intended beneficiaries.
<i>Results-based management</i>	A holistic management system used by an organisation to ensure that: (a) all its activities contribute towards the achievement of its strategic objectives; and (b) results of activities are systematically assessed against objectives and target indicators as a means of continually improving strategy, performance and productivity. (cf. UNIDO Programme and Budget).
<i>Review</i>	An assessment of the performance of an intervention, periodically or on an ad hoc basis. (cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>Risk analysis</i>	An analysis or assessment of factors that affect or are likely to affect the successful achievement of a programme/project's objectives. A detailed examination of the potential unwanted or negative consequences to human life, property or the environment. A systematic process to provide information regarding such undesirable consequences; the process of quantifying the probability and expected impacts for identified risks. (cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>Self-evaluation</i>	Self-evaluations are periodic progress reviews of projects or programmes carried out by those responsible for implementation. Self-evaluations build on monitoring and reporting and take place according to the rules established in these guidelines. They are the vehicle for steering corrective action by line management. They are also the starting point for independent evaluations. (cf. UNIDO Evaluation Policy, UNIDO/DGB(M). 98).
<i>Service module</i>	A set of core services that address related industrial development needs within the context of the Organisation's mandate.
<i>Stakeholders</i>	Agencies, organisations, groups or individuals that have a direct or indirect interest in the development intervention and the achievement of its objectives. (cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>Sustainability</i>	The continuation of benefits from a development intervention after development assistance has been completed: the probability of continued long-term benefits or the resilience to risk of the net benefits flows over time. (cf. OECD, Development Assistance Committee, Glossary of key terms in evaluation and results-based management, Paris, 2002).
<i>Thematic evaluations</i>	Thematic evaluations provide strategic information to UNIDO management on policy-making and organizational effectiveness. Thematic evaluations may cover regional, corporate or organizational issues. Thematic evaluations are carried out at the request of UNIDO management and/or governing bodies. They may involve panels of independent evaluation or technical experts from other UN organizations or sources outside the UN system. (cf. UNIDO Evaluation Policy, UNIDO/DGB(M). 98).
<i>United Nations Development Assistance Framework</i>	A planning and resources framework for the country programmes and projects of agencies in the United Nations system. It is developed on the basis of the analysis and assessment of the common country assessment (CCA) (cf. UNDP Programming Manual).

I. INTRODUCTION

1. In keeping with the principles of results-based management¹, every care must be taken to ensure that internal processes positively influence organizational performance and the financial resources available to the Organization are used to fund efficiently and effectively priority activities that yield clearly identifiable and measurable results. A key element in that endeavour is the development of integrated programmes that have been described as the ‘comparative advantage’ of UNIDO. To ensure success, integrated programmes should:
 - Focus on the critical problems that constrain the achievement of a country’s development objectives;
 - Seek out areas where UNIDO assistance could have a catalytic or multiplier effect;
 - Look for synergy with United Nations and other external aid programmes;
 - Aim at a reasonable balance among economic, social and environmental considerations in line with the Millennium Development Goals.
2. The programme/project cycle spelt out in these *Guidelines* has been drawn up with those primary purposes in mind.
3. The *Guidelines* have been designed to contribute to improving the management of technical cooperation programmes and projects, facilitating the process flow, simplifying procedures and standardizing formats with a clear identification of the distribution of tasks, authority, responsibilities and accountability throughout the programme/project cycle.
4. They aim to ensure the development and delivery of UNIDO support programmes and projects that have an impact on economic development through:
 - (a) Effective harmonization of the overall policies and priorities of UNIDO and the Organization’s technical co-operation potential with the needs and development plans of the recipient countries as per Poverty Reduction Strategies (PRSs);
 - (b) Appropriate interaction with the activities of other multilateral and international organizations within the context of United Nations Development Assistance Frameworks (UNDAF), bilateral and national technical cooperation agencies and non-governmental organizations (NGOs);
 - (c) Consistent application of the logical framework throughout the programme/project cycle with the identification of clear and realistic objectives and outcomes (immediate objectives), including objectively verifiable indicators, as a tool to facilitate the management of the individual phases;
 - (d) Formulation and implementation of programmes and projects with in-built flexibility that permits adjustment to changing circumstances;
 - (e) Consistent application of quality criteria relating to the relevance, efficiency, effectiveness, impact and sustainability of programmes and projects;
 - (f) Smooth, efficient and effective process flow matched by optimal use of resources and the systematic collection, analysis and utilization of information and lessons learnt;
 - (g) Cross-organizational understanding and acceptance of the distribution of tasks, responsibilities and accountability for all parties involved in the programme/project cycle.

¹See Glossary for definition

5. *Application*

The process and procedures described in these *Guidelines* apply to all UNIDO programmes and projects (country, regional, interregional and global, as well as global forum and research activities) funded from technical cooperation funds (extra-budgetary, RPTC and SRA). They do not apply to programmes and projects financed under the multilateral funds of the Montreal Protocol. Furthermore, the guidelines do not apply to activities funded under the Regular Budget, i.e. other than RPTC and SRA.

6. *Structure*

The Guidelines have been structured along two distinct tracks, integrated programmes and projects, which lay down the process and procedures to be followed throughout the programme/project cycle. They identify the 'actors' involved at each stage and specify the responsibility and accountability of the individual 'actors'. The 'tools' to be used at each stage are appended to the guidelines in a separate section.

7. *Guiding principles*

Throughout the programme/project cycle, all activities should be guided by the following:

National development priorities/goals;

Development goals and targets set in the Millennium Declaration and by major international conferences;

UNIDO Business Plan, UNIDO Corporate Strategy, the medium-term programme framework, biennial programmes and budgets, together with the overall programmatic guidance provided by the Director-General and the Executive Board;

Poverty Reduction Strategies (PRSs), Common Country Assessments (CCAs)² and United Nations Development Assistance Frameworks (UNDAF)³;

Agreements with the other UN-system agencies and organizations;

Previous and current UNIDO approved programmes and projects, and related evaluations;

Regularly updated specific thematic strategies;

Country analyses and diagnoses (likewise regularly updated);

Information on general funding prospects, donor priorities and specific financing requirements;

Availability of expertise;

Sustainability of benefits generated by the programme/project;

Environmental and gender considerations; and

The requirements of the management control framework as presented in these guidelines

² CCA is the common instrument of the United Nations system to analyse the national development situation and identify key development issues with a focus on the MDGs and the other commitments, goals and targets of the Millennium Declaration and international conferences, summits, conventions and human rights instruments of the UN system. CCA and UNDAF Guidelines for UN Country Teams, October 2003.

³ UNDAF is the common strategic framework for the operational activities of the United Nations system at the country level. It provides a collective, coherent and integrated United Nations system response to national priorities and needs, including PRSs and equivalent national strategies, within the framework of the MDGs and the commitments, goals and targets of the Millennium Declaration and international conferences, summits, conventions and human rights instruments of the UN system. The UNDAF emerges from the analyses of the CCA and is the next step in the preparation of United Nations system country programme and projects of cooperation. CCA and UNDAF Guidelines for UN Country Teams, October 2003.

8. ***Fiduciary Responsibility***

The use of resources should be guided by the principles of fiduciary responsibility that have been or will be incorporated into the Organisation's operations. Consistent with best practice, these include: independent oversight, audit, evaluation and investigation functions; external financial audit; financial management and control frameworks; project appraisal standards, including environmental assessments and other safeguards measures, as appropriate; monitoring and project-at-risk systems; procurement; financial disclosure; hotline and whistle-blower protection, and codes of ethics. Programme and project implementation will be regularly assessed in the light of those standards, which as the guidelines develop over time, will be duly assessed and amended as appropriate.

II. THE STAGES OF THE CYCLE

1. Programmes and projects are planned and implemented following a sequence that begins with an agreed overall strategy and leads on to the identification of ideas and proposals for specific action. Those are then formulated, approved, implemented, monitored and ultimately evaluated, the findings being taken into account when planning and implementing similar and follow-up programmes and projects in the future. This cycle comprises five discrete stages:

- Identification
- Formulation
- Review and approval
- Implementation
- Evaluation

Two multi-phase activities extend over a number of stages (see Diagram 1):

- Monitoring and self-evaluation
 - Resource mobilization
2. Monitoring and self-evaluation is a management review function carried out both within the house and in the field that extends throughout the programme/project cycle, as well as being a requirement for resource mobilization. The progress reports provide the main stakeholders in a programme or project and the UNIDO management with early indications of progress towards the achievement of programme/project outcomes and objectives and/or any problem areas that need to be addressed.
 3. Resource mobilization comprises the identification and securement of programme and project funding in cooperation with potential donors and funds. It is a cross-organizational multi-phase activity that begins in the identification stage and extends through formulation into formal negotiation with potential donors and multilateral funds on to both the implementation and evaluation stages.
 4. Whereas each stage may vary in terms of duration and importance and in terms of the different programme and project procedures, all five stages are bound by certain common programming principles:
 - Use of a common logical framework in the analysis of problems and the identification of workable solutions;
 - Preparation of clear and structured key documents to facilitate decision-making at the various levels;
 - Maximum consultation with and involvement of all actors;
 - Clear programme and project focus on the achievement of sustainable outcomes and impact;
 - Full incorporation of quality criteria at all stages of the cycle.
 5. The logical framework is a management tool used to formulate, monitor and evaluate programmes and projects. It involves identifying strategic elements (inputs, outputs and outcomes (immediate objectives)) and their causal relationships, indicators, as well as the assumptions or risks that may influence success and failure. It thus facilitates the planning, implementation and evaluation of programmes and projects⁴. Diagrams 2 attached describes the basic structure of a UNIDO programme/project based on the logical framework.
 6. Quality criteria constitute an integral component of the logical framework. They are relevance, efficiency, effectiveness, impact and sustainability. The matrix in Diagram 3 attached, illustrates the correlation between the logical framework and quality criteria.
 7. The above principles are applied to both integrated programmes and projects.
 8. Integrated programmes are packages of mutually reinforcing projects that combine the collective expertise and experience of UNIDO and aim to achieve a clear development objective in a country.

⁴ cf. Glossary of key terms in evaluation and results-based management, DAC Working Party on Evaluation

9. A programme component is part of the logical structure of an integrated programme. It comprises a set of specific objectives and a strategy defining how the outputs and outcomes of the individual projects within the component contribute to the achievement of the component objectives by means of synergy and interaction with each other.
10. Projects fall into two categories: those technical cooperation activities that are part of the logical structure of an integrated programme and those that are not. Projects in the second category, also known as stand-alone projects, encompass technical cooperation projects at the country, regional, interregional or global level, including research and global forum activities such as the establishment of Investment and Technology Promotion Offices (ITPOs) and International Technology Centres (ITCs). Stand-alone projects are not customarily carried out in countries where an integrated programme is in operation or is in the course of being developed, unless expressly approved by the PAC and/or EB for funding or other reasons. If a new project is being considered in a country with an integrated programme, its possible incorporation into the integrated programme should first be discussed with the team leader.
11. For those countries where a Country Service Framework (CSF) is ongoing, it may continue and the current guidelines relating to integrated programmes apply.⁵ However, no new CSFs shall be developed.
12. ***The parties involved***

Within the context of the programme/project cycle, the following parties have distinct roles to play:

Director-General As per Article 11 paragraph 3 of the Constitution of UNIDO, the Director-General is the chief administrative officer of the Organization and has the overall responsibility and authority to direct the work of the Organization. Therefore, during the programme and project cycle, he/she, *inter alia*, provides overall policy and programmatic guidance on all aspects of the cycle, issues general directives and chairs the Executive Board.

Managing Directors They are responsible and accountable to the Director-General for the efficient, effective and timely implementation of policy decisions and the achievement of pre-determined goals. Applying the principles of results-based management, they provide for the efficient, effective and timely completion of programme/project activities in compliance with the relevant decisions, regulations, rules and other instructions. They oversee the implementation of recommendations arising from independent evaluations and auditors. They also play a key role in determining the thematic and regional priority strategies of the Organization and specifying programme priorities. A Division heads, the MDs, PTC and PCF ensure that the Branch Directors and Regional Programme Chiefs, as applicable, exercise their monitoring and technical responsibilities, thus ensuring that delivery targets are met. They also chair the six-monthly review meetings of overall progress that are convened to discuss common implementation problems and propose remedial measures, as well as chair the coordination meetings in respect of countries without an IP where there are a cluster of stand-alone projects (such as the former CSF countries). They are also required to oversee the mandatory review and update of all integrated programmes, as well as establish the continued validity of a programme or programme component. They mediate in disputes on operational issues that may arise between Directors in their respective Divisions.

Executive Board A body established and chaired by the Director-General, *inter alia*, for the discussion of overall programmatic issues and consideration of technical cooperation activities. It approves: UNIDO-wide policies and programming strategies and priorities, as well as the thematic strategies that form the basis for the decision-making process in the Programme Approval Committees; rolling work plans prepared by the Regional Programmes (PCF/RFC) of countries in which Integrated Programmes are proposed; programmes and projects above a certain threshold; allocation of programmable resources at the disposal of the Organization; funds mobilization strategies; the biennial programmes of global forum activities. It also monitors progress of technical cooperation activities and determines corrective measures, whenever necessary; and reviews key results of the independent evaluations and related follow-up activities, as well as the work of the Programme Approval Committee.

⁵ See InfoBase for a current list of Country Service Frameworks, <http://intranet.unido.org/ODG/IPS.htmls>

Programme Approval Committee (PAC) The Programme Approval Committee (PAC) reviews and approves the programmes and projects of UNIDO within the parameters set by the Executive Board. The committee is mandated to: review and approve Programme Screening Forms and Service Summary Sheets; approve the appointment of team leaders and composition of teams for the formulation and implementation of integrated programmes; review and approve integrated programme and project documents, as well as revisions to and extensions of the same, as required; allocate UNIDO programmable resources for integrated programmes and projects within the allocation parameters set by the Executive Board; review and approve funds mobilization strategies relating to the integrated programmes under consideration; refer to the Executive Board all programme and project proposals that fall outside the parameters set by the Executive Board; report every six months to the Executive Board on major programmatic and other issues that emerge in the course of its work; and advise the Director-General and the Executive Board on matters pertaining to technical cooperation policy, programming and funds mobilization (see Director-General's Bulletin UNIDO/DGB/(P). 96).

Quality Advisory Group (QAG) The QAG screens and reviews all programme and project proposals submitted to the PAC in the form of programme screening forms, integrated programme documents, service summary sheets and project documents. It reviews the submissions in terms of their consistency, structure and logic; advises on the content of the submissions in terms of their compliance with established quality criteria (relevance, efficiency, effectiveness, impact and sustainability); consults with programme/project officers on their submissions prior to finalising its comments; and prepares comments on each submission for incorporation in the advisory note to be prepared for the PAC (see Director-General's Bulletin UNIDO/DGB/(P). 96).

Secretariat of the QAG and PAC The secretariat prepares the documentation to be considered by both the PAC and the QAG and coordinates all the administrative and substantive activities in support of the meetings of both bodies. It also exercises fund administration and fund coordination functions. It screens all incoming programme and project proposals; forwards all programme and project documents to the QAG; prepares and coordinates the submission of all documentation to the PAC; prepares project/budget revisions requiring approval by the PAC; recommends the most appropriate programmable sources of funding for all projects requiring UNIDO (co-)funding; records and follows up on PAC decisions and recommendations; drafts and distributes the minutes of the PAC meetings; prepares PAD authorization notes for the allotment holder and Financial Services Branch; prepares reports and/or provides inputs on the status of UNIDO programmable funds; and prepares (statistical reports) for the Director-General, the Executive Board and other stakeholders when requested (see Director-General's Bulletin UNIDO/DGB/(O). 95. Add.1).

Evaluation Group (OSL/EVA) The Evaluation Group attached to the Bureau for Organizational Strategy and learning is responsible for independent evaluations and acts as the focal point in UNIDO for issues related to evaluation methods. Evaluation is an assessment, as systematic and impartial as possible of a project, programme or theme. Independent evaluations provide evidence-based information that is credible, reliable and useful, permitting the timely incorporation of findings, recommendations and lessons learned into the decision-making processes at the corporate, programme and project levels.

PTC Branch Directors They are responsible and accountable to their Managing Director for the provision of efficient, effective and timely technical services by the staff they supervise. Their approval and countersignature of projects emanating from the Branches they manage is certification of the technical and qualitative soundness of the same. Branch Directors assume responsibility for guiding and overseeing technical inputs and services to programmes and projects in their respective areas, while ensuring the application of effective technical approaches. Within the context of integrated programmes, they work with other Branch Directors on developing new programme components that draw on more than one branch or staff member. They regularly review with their staff (either individually or collectively) the progress made in delivering the technical services related to the projects within their purview. They oversee the implementation of activities according to the principles of results-based management and ensure that team leaders and project managers maintain proper filing systems and submit monitoring and self-evaluation reports both in a timely manner and in keeping with agreed results-based management standards. The PTC Branch Directors ensure that objectives are met and corrective action is taken when required on a proactive basis. In the event of problems arising between members of the team, the Branch Directors play a key role in their resolution in the interests of smooth programme implementation. They are also responsible for periodic reporting to their Managing Director.

Regional Programmes The Regional Programme Chiefs are responsible and accountable to their Director and Managing Director, as well as being responsible for developing a coherent programmatic regional approach, completing country-specific analyses as the conceptual prerequisite for the design of programmes/projects, developing frameworks for UNIDO assistance to, and activities in, the countries in the regions/countries they cover on the basis of country-specific data and other information. In that context, the Regional Programmes prepare 2-year rolling work plans, which, based on information gathered from various sources, list countries in which integrated programmes are proposed for further development, together with an indication, to the extent possible, of specific areas on which the integrated programme would focus. Before formulation of an integrated programme can start the Regional Programmes prepare a detailed Programme Screening Form, identifying the overall objective/theme and quantify the funds needed for its formulation. The above is submitted to the PAC for its consideration. Approval by the PAC constitutes the basis for the further development of the integrated programmes so approved. Once an integrated programme has been formulated in a particular area of focus, it is transmitted to the PAC for further consideration and approval. Members of the Regional Programmes (PCF/RFC) also assume the team leadership and allotment holder responsibilities during the formulation stage of integrated programmes, unless they decide to delegate those responsibilities to a UNIDO Representative. In the subsequent implementation stage of those integrated programmes, members of the Regional Programmes (PCF/RFC) continue to act as team leaders (with a minor budgetary allotment for core co-ordination purposes, e.g. vehicle, driver), unless they decide to delegate that responsibility to the UNIDO Representative. During the programme implementation, the role of project manager and allotment holder shifts to the technical branch responsible for the individual programme component. That notwithstanding, the timing of all missions to the field by project managers has to be cleared with the team leader so as to ensure effective coordination of missions to the field. They also need to be informed of the international consultants' travel. Furthermore, Regional Programmes (PCF/RFC) clear the timing of travel to the field by project managers of stand-alone projects.

UNIDO Field Offices/Desks These offices/desks are responsible for the efficient and effective coverage of the activities of UNIDO in the field at the country and regional/sub-regional levels, as applicable. These offices/desks contribute, through strategic and technical information and programmatic inputs, to the country analysis and diagnosis activities essential to developing a coherent approach to the Organization's technical assistance activities. They actively involve national counterparts and development institutions in UNIDO programmes and projects, and strengthen the dialogue with governments, UN organizations, bi- and multilateral organizations, development finance institutions and regional organizations, as appropriate. They play a key role in assessing and monitoring the programming and delivery of technical assistance to their countries of coverage.

The UNIDO Representative (UR) The UR leads and coordinates the overall programme and project development in his/her country of coverage and at the regional/sub-regional levels, and oversees the delivery of high-level technical services within the context of the same. The UR plays a key role in identifying areas that augur well for donor funding and in which UNIDO interventions could have a major impact. In the formulation stage of an integrated programme in his/her country of coverage, if delegated by the Regional Programmes (PCF/RFC), the UR also acts as team leader and allotment holder for the programme. In the subsequent implementation of that programme and if so delegated by the Regional Programmes (PCF/RFC), the UR also acts as team leader (with a minor budgetary allotment for core co-ordination purposes, e.g. vehicle, driver) while the role of project manager/allotment holder remains with the technical branch responsible for the individual programme component or project. Should the UR be nominated as a team leader, he/she may consider nominating a Vienna-based alternate team leader to provide essential support in terms of monitoring and reporting on implementation.

Resource Mobilization Staff in both OSL/SPR and PCF/QPA are involved in resource mobilization at various stages of the identification, formulation and implementation process. Resource mobilization extends from the identification of potential sources of programme and project funding in strategic co-operation with bilateral donors and multilateral funds to formal negotiations with, and securement of, funds from the same prior to and during the implementation of a programme or components thereof. They are also involved in monitoring such funds once secured.

Team Leaders As described under Regional Programmes and UNIDO Representatives, the team leadership for integrated programmes rests with the Regional Programmes (PCF/RFC), unless they delegate that responsibility to the UR. They assume overall budgetary responsibility; this entails certifying that all budget revisions relating to projects within the framework of an integrated

programme meet the overall objectives of that integrated programme. The team leader is also responsible for the overall coordination and orchestration of an integrated programme. To that end, team leaders have to clear the timing of all travel undertaken by members of the team to the field, so as to ensure effective coordination of missions. During the identification and formulation stages, the team leader is the allotment holder for the formulation mission; during the implementation stage he/she may possibly be the allotment holder for a small core co-ordination budget (such as programme coordination, vehicle and driver) or be responsible for holding programmable funds available to the programme prior to their being sub-allotted to other members of the team. During the implementation of integrated programmes, the team leader is responsible for the preparation of the annual progress reports (Annex 14) related to the integrated programme as a whole. The team leader further ensures adherence to the programme document, the funding strategy and operational work plan, reports on the status of programme, resolves conflicts and maintains an extensive consultation process with all stakeholders. In respect of integrated programmes, the team leader constitutes the central access point for the evaluators. He/she is responsible for preparing a comprehensive dossier on the integrated programme and its component projects.

Alternate Team Leaders Drawn for the most part from the Regional Programmes or the Field Offices, the alternate team leader assumes the team leader's administrative duties in the latter's absence on leave or mission. However, responsibility for preparing the annual progress reports cannot be delegated to the alternate team leader.

Project Managers Project managers, who are generally drawn from the staff of PTC, bear overall responsibility during the implementation stage for planning, managing, monitoring and reporting on a programme component of the integrated programme or project. They are responsible and accountable for the cost-effective and timely use of resources required to ensure the achievement of the programme component/project objectives. They maintain comprehensive projects files (both in hard copy and in electronic format) and complete monitoring and self-evaluation reports every six months according to agreed standards (Annex 15). They contribute to the maintenance of an updated UNIDO information system (Infobase), providing key documents, such as project documents, monitoring reports, consultants' reports, self-assessment and terminal reports. They ensure adherence to the programme/project document, the funding strategy and operational work plan, as well to maintaining an extensive consultation process with all stakeholders, and securing the requisite clearances in respect of all components that fall within their purview. Managers of projects that are within the framework of an integrated programme are responsible for: keeping the team leader fully informed at all times on the activities, outputs and outcomes of their projects; and ensuring the full integration of their projects with those of others to achieve common objectives. They also assume to the full the responsibility, authority and accountability of an allotment holder (see allotment holder below). In addition to their managerial functions, they also provide key inputs into the development and formulation of projects, funds mobilisation, co-ordination and data collection.

Allotment Holders/Alternate Allotment Holders The allotment holder is personally responsible and accountable for the optimum utilization of an allotment in accordance with the approved programme or project, as well as for all the certification actions. Allotment holders who are managers of projects within the framework of an integrated programme together with their alternates are responsible for: keeping the team leader fully informed at all times on the status of the allotment. He/she is also personally responsible and accountable for the preparation of both progress and terminal reports on project activities. In those instances where both the allotment holder and the sub-allotment holder (see below) are absent, Branch Directors may act as substitute allotment holders. The allotment holder also initiates proposals for necessary allotment/PAD revisions. If required, he/she issues in consultation with his/her Branch Director sub-allotments to others working on the programme component or project (see sub-allotment holder below). The allotment holder also designates an alternate allotment holder who acts in his/her absence and is personally responsible and accountable for his/her actions. **On no account can funds be transferred (i.e. lent or borrowed) from one programme/project to another.** An allotment holder is not permitted (even on a temporary basis) to borrow funds from another allotment, project or source of funds. Similarly, they are not allowed to charge expenditures incurred under one project to another or to transfer funds from one project to another, except in those cases where one project has provided to another legitimate services that can be invoiced. That transfer must be duly obligated against the 'paying' project and payment requested from Financial Services. The Director-General's Administrative Instruction No. 6 of 13 May 1998 provides detailed information on the authority, responsibility and accountability of allotment holders and alternate allotment holders; in cases of doubt these detailed instructions should be referred to (see Appendix 1 for relevant extracts).

Sub-Allotment Holders Sub-allotment holders are responsible only for their sub-allotment. However, a sub-allotment is not a self-contained component with a separate guaranteed budget. It is a means of delegating implementation in part to another staff member and ensuring correct recording of service delivery. It remains an integral part of the overall programme/project budget and can only be revised as part thereof in consultation with the allotment-holder. Subject to the normal rules and procedures and in agreement with the counterparts and donors, the allotment holder can revise the sub-allotment at any time. As in the case of allotment holders, a sub-allotment holder is not permitted (even on a temporary basis) to borrow funds from another allotment, project or source of funds. Similarly, they are not allowed to charge expenditures incurred under one project to another or to transfer funds from one project to another, except in those cases where one project has provided to another legitimate services that can be invoiced. That transfer must be duly obligated against the paying project and payment requested from Financial Services.

Support Services During the programme/project cycle, a number of support services are provided by various branches/services of the Programme Support and General Management Division (PSM). These include:

PSM/FIN: Review of trust fund agreements to ensure compliance with financial regulations, rules, procedures and instructions; the issuance of allotments; financial processing of budgetary revisions; payments to consultants, experts, suppliers, contractors, etc.; authorization of obligations and payments to field; processing of field inter office vouchers; accounting; reporting; reviewing and recommending deviations from the standard level of reimbursement for programme support and administrative services;

PSM/HRM: Recruitment and management of consultants and experts;

PSM/ICM: Provision of the information infrastructure (Infobase) that allows all parties involved to upload and share information, as well as monitor the timely delivery of reports;

PSM/OSS/PRS: Procurement of equipment and subcontracting;

Support services are likewise provided by the Bureau for Organizational Governance (OGV). For the most part these include:

OGV/LEG (review of trust funds to ensure compliance with legal provisions)

Further details are contained in Appendix 2.

III. INTEGRATED PROGRAMMES

Stage 1

IP 01.00.00 IDENTIFICATION

IP 01.01.00 Structure

Identification comprises two sub-stages:

Provision of programmatic direction
Programme identification

IP 01.02.00 Programmatic direction

IP 01.02.01 Definition, purpose and outputs

1. Programmatic direction comprises the provision by the Director-General and the Executive Board of general policy and overall programmatic guidance (see paragraph 7 of Introduction for listing of basic policy documents). This is supplemented by the development of thematic priority strategies and specification of programme priorities, on the basis of which clearly defined programmes can be identified.
2. The purpose of this stage is to maintain a direct link between executive policy- and decision-making and the identification and design of integrated programmes.
3. The outputs of this sub-stage are the conceptual prerequisites and strategic guidance for the identification of programmes in the form of thematic strategies and programme priorities.

IP 01.03.00 Activities

IP 01.03.01 *Step 1: Provision of overall programmatic direction*

Responsibility: Director-General and/or Executive Board

IP 01.03.02 *Step 2: Drafting of thematic priority strategies*

The thematic priority strategies represent the Organisation's response to international development priorities and offer donors and developing country partners alike a clearer understanding of the potential contributions that UNIDO can make to overcoming specific problems and achieving related outcomes (immediate objectives).

Responsibility: Directors of Branches involved in each thematic priority

IP 01.03.03 *Step 3: Approval of thematic priority strategies*

The thematic priority strategies are submitted to the Executive Board for review and approval.

Responsibility: Executive Board

IP 01.04.00 Programme identification

1. As a matter of policy, the preferred mode of operation at the country level is that of an integrated programme (IP). Integrated programmes are packages of mutually reinforcing projects that combine the collective experience and expertise of UNIDO and aim to achieve a clear development objective in a country. However, integrated programmes can only be implemented to good effect in those instances where:
 - (a) An explicit counterpart request has been made and full political commitment to adopting a comprehensive approach towards a specific development objective exists;
 - (b) Prospective counterparts for interrelated services have sufficient absorptive capacity and are consistent in their approach; and
 - (c) The donor community can be expected to display sufficient interest in funding an integrated programme.
2. In all cases where the above conditions do not apply, UNIDO should adopt an individual project approach (see Project (PR) chapter).

IP 01.04.01 Definition, purpose and outputs

1. Identification comprises the initial selection of programme proposals for further development.
2. The purpose of this sub-stage is to identify, on the basis of an analysis of the situation prevailing in recipient countries, potential programmes that:
 - (a) Are in keeping with the Organisation's thematic priorities and operational capacity;
 - (b) Respond to the needs and interests of the recipient country or region; and
 - (c) Offer a relevant and technically sound response to specific problems and the attainment of outcomes (immediate objectives).
3. The outputs of this sub-stage are decisions to proceed with the development and formulation of integrated programmes on the basis of the information provided in programme screening forms (Annex 1) and, if required, requests for funding of preparatory assistance (Annex 3).

IP 01.05.00 Approach

1. Integrated programmes are packages of mutually reinforcing projects that combine the collective expertise and experience of UNIDO and aim to achieve a clear development objective in a country.
2. Integrated programmes are complex undertakings that require a specific strategy and structure. They consist of a number of components that set specific objectives and develop strategies defining how the individual projects will achieve those objectives (see Diagram 6 for structure). Integrated programmes hinge on careful preparation, as well as on cross-organizational coordination and teamwork. The decision to proceed with their development depends on a number of factors related to the development challenge, the counterparts' absorptive capacities, the likelihood of reaching the target beneficiaries, the response capacity of UNIDO and funding prospects.
3. UNIDO should ensure that its programming efforts are compatible with national development efforts and policies, in particular the poverty reduction strategy, and the MDG targets and indicators. It should also ensure that its programming efforts are coordinated with those of the United Nations system, such as the Common Country Assessment (CCA) and United Nations Development Assistance Framework (UNDAF), as well as those of development finance institutions, bilateral and multilateral donors and international non-governmental organizations (see Diagrams 4 and 5 attached).

IP 01.06.00 Activities

IP 01.06.01 *Step 1: Collation of information*

Information is gathered from the field, studies and research, and other sources, including programme/project proposals already received and an assessment of donor priorities in specific countries. The information so gathered serves as input to a country analysis, on the basis of which the Regional Programmes can identify those countries in which an integrated programme is a feasible proposition and those countries in which individual (stand-alone) projects may be the preferred option.

Responsibility: Regional Programmes and Field Offices, with support from PTC and OSL/SPR

IP.01.06.02 *Step 2: Preparation of regional work programme*

Based on the information gathered, the Regional Programmes (PCF/RFC) prepare 2-year rolling work plans for their respective regions, which, drawing on information gathered from various sources, contain a list of countries in which integrated programmes are proposed for further development. The plans also indicate, to the extent possible, specific areas on which the integrated programmes would focus. These plans are submitted to the Executive Board for its consideration through MD/PCF.

Responsibility: Regional Programmes (PCF/RFC) and Field Offices (PCF/FLD)

IP 01.06.03 *Step 3: Preparation of programme screening forms*

Following approval by the Executive Board of the 2-year rolling work plans, but before the formulation of an integrated programme starts, the Regional Programmes (PCF/RFC) prepare a detailed programme screening form, identifying the overall objective/theme and quantifying the funds needed for its formulation and the related mission (Annex1). The aim of a formulation mission is to clarify jointly with the government and other local actors the overall objective of the integrated programme and its main components. The programme screening forms are submitted to PCF/QPA for review. Submissions should be addressed to the Chair of the PAC; they must reach the PCF/QPA at least two weeks before the PAC meets.

Responsibility: Regional Programmes (PCF/RFC) and Field Offices (PCF/FLD)

IP 01.06.04 *Step 4: Preparation of advisory notes*

Prior to their review by the PAC, the Quality Advisory Group (QAG) undertakes a first review of the programme screening forms. The QAG summarises its comments in an advisory note, which is subsequently submitted to the PAC together with the corresponding programme screening form.

Responsibility: Quality Advisory Group and PCF/QPA

IP 01.06.05 *Step 5: Review of programme screening forms*

1. The PAC reviews the programme screening form on the basis of the advisory note and overall UNIDO criteria, whereafter it may decide to:
 - (a) Proceed with the programme proposal and undertake the formulation mission;
 - (b) Postpone the decision pending further analysis (possibly involving a preliminary exploratory mission to clarify the overall objective and main components); or
 - (c) Reject the proposal.

2. Approval of the programme screening form by the PAC constitutes the basis for the further development of the integrated programme. If the proposal to undertake a formulation mission is approved, funds are also allocated at this point in time.

Responsibility: PAC

Stage 2

IP 02.00.00 FORMULATION

IP 02.01.00 Formulation: definition, purpose and outputs

1. Formulation comprises the preparation of fully-fledged programme documents derived from the programme screening forms that the PAC reviewed and approved.
2. The purpose of this stage is to develop preliminary proposals into fully-fledged integrated programmes based on the findings of formulation missions where appropriate.
3. The outputs of this stage are fully developed programme documents (Annex 4), supplemented by a funding strategy note, when required.

IP 02.02.00 Approach

1. The formulation of an integrated programme is a team effort, with tasks being carried out in common and with each player fulfilling a distinct role. Team leadership rests with Regional Programmes (PCF/RFC), unless they delegate that responsibility to the UR; the team members are drawn from the respective branches of PTC, PCF/RST and PCF/SPP.
2. Overall responsibility for formulation and coordination rests with the team leader who holds the allotment; responsibility for the technical inputs to the projects under the various programme components rests with the team members. The PAC approves the appointment of the team leader and the composition of the team, whose members assume the following specific responsibilities:
 - (a) The team leader is responsible for establishing the team undertaking the formulation mission and preparing for the same in cooperation with the other members of the team (project managers).
 - (b) The team leader is responsible for the overall format and structure of the final document. He/she drafts the 'strategic' or general chapters of the programme document, ensuring that it responds to demand and the specific country conditions. In those chapters, the focus lies on context, host country strategy/institutional framework, government and counterpart commitment, linkages with the UN assistance framework and other related bi- and multilateral programmes, justification, related programmes and projects, ongoing and prior assistance, progress reviews and evaluation, as well as the legal context. The Regional Programme Chiefs are responsible for ensuring the substantive soundness of the chapters. The team leader is also responsible for ensuring that the logical framework is applied and proper objectively verifiable indicators are included in keeping with the UNIDO-wide results-based management.
 - (c) The team leader is also responsible for designing, monitoring and assessing the components of an integrated programme. He/she drafts the outcomes (immediate objectives), strategy and structure of each component. In those components, the focus lies on building a logical framework, within which individual projects can be designed to contribute to the overall goal of the integrated programme and the outcomes (immediate objectives) of its components. The team leader uses the component design as a management tool to ensure the contribution of individual projects to the overall goals agreed upon with government and counterparts. The outcomes of projects

are measured against those of the components. The team leader designs the components and the objectively verifiable indicators in close cooperation with the project managers.

- (d) The project managers, technical officers in PTC, PCF/RST and PCF/SPR are responsible for drafting individual projects within the integrated programme. In formulating those projects, the focus lies on outcomes (immediate objectives) and outputs with output and outcome indicators, inputs (encompassing terms of reference, job descriptions, equipment specifications and training activities), input-related budgetary requirements and the work plan. The PTC Branch Directors, the PCF/SPP Director or the PCF/RST Director are responsible for ensuring that: the outcomes (immediate objectives) set are realistic; the technical factors are sound and match the strategic considerations; and a logical framework is maintained (Annex 6).
- (e) The team leader ensures that the programme and programme components under preparation are fully compatible with national development efforts, including PRSs and UNDAF. He/she maintains close contact with the recipient government/stakeholders, seeking their concurrence with substantive changes to the concept or document agreed to during the formulation mission or ensuring final (re)confirmation of interest in and commitment to the programme and the availability of local inputs. The importance of involving local counterparts cannot be overemphasised. Frequent consultations with them and securing their full involvement in the formulation process makes for 'ownership' as well as facilitating funds mobilisation activities. Their involvement at the planning stage contributes significantly to the quality and implement ability of the programme, in addition to guarding against it being rejected for want of proper consultation. The Regional Programme Chiefs are responsible for ensuring that this step is carried out properly and efficiently.
- (f) Prior to finalizing the document, the team leader consults OSL/SPR on the funding strategy so as to be able to accommodate more efficiently the requirements of potential donors. The main aim of this consultation is to manage the Organization's limited resources as effectively as possible. To that end, the preliminary draft of the funding strategy note (see DGAI.11/Add.2 for format) is revised in the light of the data obtained during the mission or secured in the course of discussions with donors.
- (g) UNIDO charges reimbursement for programme support and administrative services costs calculated as a percentage of the programme/project value. In general the programme support costs are 13 per cent of the total project value or 10 per cent plus an adequate amount for technical support services. Requests for any deviations from the UNIDO policy set by the Director-General have to be submitted by the team leader through his/her Branch Director and Managing Director to the Director PSM/FIN. In accordance with financial rule 106.3 / 106.4(2), should the Director PSM/FIN determine that the estimated actual costs of programme support and administrative services in respect of an individual project or activity justify a different rate, the Director PSM/FIN advises the Director-General on the matter and seek his/her approval. No agreement on or commitment to a reduced rate with the donor and/or beneficiary shall be entered into, unless the Director-General's approval is obtained in writing.
- (h) The team leader also consults OSL/EVA on the observance of quality criteria and monitoring/evaluation requirements. For its part, OSL/EVA can bring to bear the experience it has gained when addressing comparable problems in a similar setting (lessons learned).

3. The above collaborative process is predicated on a teamwork culture characterised by clear identification and understanding of the roles of the various players. Mutual respect and aspirations in common are essential ingredients.

IP 02.03.00 Activities

IP 02.03.01 Step 1: Establishing the team for the formulation mission

1. Following clearance by the PAC of the programme screening form and its approval of the formulation mission, the team leader and the members of the team are entrusted with the task of preparing for and undertaking the formulation mission in keeping with the details of the team's composition and funds allocation contained in the programme screening form.
2. The team leader (a member of PCF/RFC, unless the task is delegated to the UR) assumes the role of allotment holder for the formulation mission that he/she organizes and coordinates jointly with the Regional Programme Chiefs and the PTC Branch Directors. The team leader is responsible for the organization and fielding of the formulation mission as well as for the subsequent coordination of the drafting of the integrated programme document.
3. Ideally, the team is composed of staff familiar with the country, with an in-depth knowledge of its industry and institutions, as well as the language spoken. In addition to being familiar with the country, its national development priorities, industry and institutions, the team leader should have a command of the official language spoken in the country. Subsequent changes in the team are made for compelling reasons only, subject to the concurrence of the team leader and the PTC Branch Director, the PCF/SPP Director or the PCF/RST Director, as appropriate. The PAC should be kept informed of all changes to the composition of the team.
4. The leader and members of the team responsible for ultimately implementing the programme/project are normally drawn from the team that undertakes the formulation mission; however, in the course of implementation, the PTC Branch Director may propose replacing members or adding others to the team in order to address additional or changing needs. In consultation with the team, the team leader nominates an alternate team leader (for the most part from Regional Programmes (PCF/RFC) or the Field Offices) to act during his/her absence on leave or mission. The person so nominated assumes the team leader's administrative duties such as clearing the timing of missions, consultant/expert assignments and revisions. The team leader's responsibility for preparing the annual progress report, however, cannot be delegated to the alternate team leader.

Responsibility: Team leader (a member of PCF/RFC unless the task is delegated to the UR).

IP 02.03.02 Step 2: Preparing for the mission

1. A formulation mission is the final step in a long preparatory process starting with an extensive review of all the information available to the Organization, with particular emphasis on the country information and related analyses available with PCF/RFC and the UNIDO Field Offices, topics previously addressed and the successes and failures of earlier projects.
2. The team reviews all available data, conducts a detailed analysis of the critical problems and their causes, considers alternative courses of action and defines the programmatic approach that will add most value to the country's industrial efforts.
3. The team leader also discusses funding issues with OSL/SPR to assess the general potential for funding, verify whether any donor has shown or is likely to show interest in the programme being proposed and identify other donors who might be contacted in the field.
4. As indicated in the step on preparing programme screening forms in Stage 1, it may prove necessary to field a preliminary exploratory mission to clarify the overall objective of the integrated programme and its main components (see IP.01.06 03).
5. The UNIDO field staff play a key role in the preparations for a formulation mission. They should collect all possible information, analyse the situation prevailing in the country, draw up a tentative list of potential counterparts and identify in preliminary terms their absorptive

capacity and any shortcomings. They should also establish the degree to which the UNIDO programme fits in with UN assistance frameworks. They are responsible for paving the way for the formulation mission in both substantive and logistical terms. In those countries where UNIDO does not have any field staff, PCF/RFC assumes these roles.

Responsibility: Team leader and members of the team.

IP 02.03.03 *Step 3: Fielding the mission*

1. Based on the prior definition of the UNIDO approach, the team will, on reaching the field, focus on specific substantive, technical and operational issues. This makes it easier to reach a common understanding with prospective counterparts and stakeholders on their specific requirements, the scope of the UNIDO programme, its integration with ongoing national efforts, joint responsibilities and implementation modalities.
2. From the earliest stage of the mission onwards, it is necessary to ensure commitment and ownership at the country level. Ownership of the development process is the key to the sustainability of the results achieved through technical cooperation. Ownership also plays a key role in mobilizing funds for the programme. This underscores the need to involve local counterparts in the process at the earliest opportunity and, if possible, identify a potential national programme coordinator (see IP 04.03.02).
3. Throughout the mission, the UR and the Field Office play a role of paramount importance, providing reliable information and so helping to ensure that the technical cooperation being planned within the context of the programme reflects the genuine needs of the country. To the extent possible, the mission should also meet representatives of the local donor community to learn what they are doing and how the programme might interface with their current interventions.
4. Designed to facilitate the team's work, two forms are attached: a tentative formulation mission outline (Annex 7) and a model matrix for identifying the potential UNIDO response (Annex 9).

Responsibility: Team leader

IP 02.03.04 *Step 4: Drafting the programme document*

1. On the basis of the formulation mission findings, the programme concepts and approach described in the programme screening form cleared by the PAC may well have to be supplemented or modified. After the formulation mission, a more realistic assessment can be made of the degree of ownership or commitment on the part of national stakeholders and a clearer picture of funding prospects will have emerged (See Diagram 6 for relationship between the integrated programme, programme components, projects and national frameworks). At the same time, certain ideas might well have to be dropped. This should not be seen as a sign of failure, but as recognition of realities in the field.
2. On their return from the field, the members of the team should review the consistency of the overall approach as presented in the original programme screening form and decide on responsibilities for finalising the programme components and project concepts. Work then starts on completing the programme document (Annex 4) and, where applicable, the project documents under the programme components (Annex 5 or 5a).
3. A full programme document is prepared, complete with project concepts. Once drafted in final form, the team leader submits it for formal clearance to the relevant Branch Directors.

Responsibility: Team leader

IP 02.03.05 *Step 5: Submission to PCF/QPA*

Once duly cleared and signed by the PTC Branch Directors and ultimately cleared by the team leader, the complete programme document, together with a funding strategy note (see DGAI.11/Add.2 for format), is signed by the PCF/RFC Director and forwarded to PCF/QPA.

Responsibility: PCF/RFC Director

Stage 3

IP 03.00.00 REVIEW AND APPROVAL

IP 03.01.00 Definition, purpose and outputs

1. Review and approval comprises the appraisal by the QAG and PAC of integrated programme proposals, on the basis of which the PAC may decide to: approve the programme; approve it subject to certain conditions being met; request re-submittal; or reject the programme.
2. The purpose of this stage is, inter alia, to ensure that all programmes approved:
 - (a) Relate to the development goals of the recipient country (countries) and the thematic priorities of the Organization:
 - (b) Are structured according to the logical framework approach; and
 - (c) Comply with accepted quality standards (relevance, efficiency, effectiveness, impact and sustainability).
3. The outputs of this stage are a series of harmonised and logically structured integrated programmes that have been duly reviewed and approved.

IP 03.02.00 Activities

IP 03.02.01 *Step 1: Preliminary screening of programme proposals*

1. On receiving the programme proposals, together with a funding strategy note, where applicable, PCF/QPA first checks the documents and the attachments thereto for completeness, formal compliance with administrative requirements and conformity with the previously approved programme screening form. Those proposals that do not pass muster in formal terms are returned to the originating unit for resubmission. Those that bear scrutiny are forwarded to the Quality Advisory Group.

Responsibility: PCF/QPA

IP 03.02.02 *Step 2: Preliminary review of programme proposals*

In order to ensure the technical soundness of the submissions, the QAG reviews the programme proposals in terms of their consistency, structure and logic, as well as their compliance with established quality criteria (relevance, efficiency, effectiveness, impact and sustainability). The Group consults with programme/project officers on their submissions prior to finalising its comments that are subsequently incorporated in the advisory note to the PAC.

Responsibility: QAG and PCF/QPA

IP 03.02.03 *Step 3: Revision of programme proposals*

Taking into account the points in need of clarification and other issues raised by QAG, the team leader revises the initial proposal and resubmits them through the PCF/MD to PCF/QPA for review by the PAC.

Responsibility: Team leader and PCF/MD

IP 03.02.04 *Step 4: Review of the programme proposals.*

The PAC reviews the programme proposals in terms of their adherence to the thematic priority areas and their compliance with the basic quality standards (relevance, efficiency, effectiveness, impact and sustainability). The PAC establishes the degree to which:

- (a) The outcomes (immediate objectives) of the programme are focused and the logical framework has been applied;
 - (b) Problems and constraints have been identified;
 - (c) The budget and outputs are linked;
 - (d) Results indicators are shown;
 - (e) Risk factors and critical assumptions have been identified;
 - (f) Synergies with UN country-level mechanisms have been verified;
 - (g) Internal integration is assured;
 - (h) Monitoring and evaluation plans are included;
 - (i) The funds mobilization strategy is appropriate;
 - (j) Regulations and guidelines have been duly observed.
2. In those exceptional instances where a proposed programme exceeds the allocation parameters of the PAC, the PAC submits the proposal to the Executive Board for its consideration. Similarly, the PAC submits proposals that fall outside the scope of the service modules to the Executive Board for its decision.

Responsibility: PAC

IP 03.02.05 *Step 5: Approval of the programme proposals and allocation of UNIDO programmable funds*

1. In this step, the PAC assumes three roles:
- (a) Approves programmes prior to their being submitted to governments for endorsement and to donors for funding;
 - (b) Allocates UNIDO programmable funds, where applicable, to programmes within the authority delegated to it by the Executive Board; and
 - (c) Reconsiders and approves previously approved programmes in those instances where the latter have undergone extensive revision or deviate significantly from the original design. (see IP 04.05.00).
2. After due consideration of the individual programme proposals, the PAC may:
- (a) Approve the programme proposal in toto, together with the funds mobilization strategy, where applicable;
 - (b) Make approval contingent on certain conditions being met (such as amendments to the programme and/or funding strategy) and assign the task of verifying compliance with those conditions to the appropriate body;
 - (c) Request re-submittal;
 - (d) Forward the proposal to the Executive Board;

- (e) Approve the appointment of the team leader and the composition of the team for the implementation of integrated programmes;
- (f) Approve the request for UNIDO programmable funds, if applicable; or
- (g) Reject the proposal.

The decision is duly recorded in the minutes. PCF/QPA circulates the minutes and posts them on the Intranet.

Responsibility: PAC and PCF/QPA

IP 03.02.06 *Step 6: Issuance of a PAD*

1. When the PAC decides to allocate UNIDO programmable funds, PCF/QPA authorises the issuance of a PAD and informs PCF/OMD of the same so that the relevant databases in InfoBase can be updated.
2. For all other sources of funds, PCF/QPA, OSL/SPR and PSM/FIN/FMT take appropriate action within their respective mandates for the issuance of PADs, taking into account the funds received.
3. The PAD issuance date is the programme/project starting date; the duration of the programme/project is calculated as of that date.

Responsibility: PAC, PCF/QPA, in concert with PCF/OMD, OSL/SPR and PSM/FIN/FMT

IP 03.02.07 *Step 7: Signature of the programme document*

Following approval by the PAC and, if so required, the Chair of the PAC signs the programme document to confirm the technical implementability of the programme.

Responsibility: PCF/QPA

IP 03.02.08 *Step 8: Government endorsement*

1. Following approval by the PAC of the programme, Government endorsement is sought. The approved programme document is thus sent through the PCF/RFC to the government/coordinating ministry concerned for formal endorsement. Endorsement may ensue through approval of an integrated programme or through a specific communication from the responsible authority. Government endorsement should also be obtained on the implementation modalities envisaged.
2. Upon receipt of Government endorsement, the Director-General signs the programme document in those instances where the document serves as a funding agreement.

Responsibility: PCF/RFC together with the UR and Field Office, as appropriate.

IP 03.02.09 *Step 9: Initiation of formal funds mobilization activities*

1. Based on the decision of the PAC, OSL/SPR initiates formal funds mobilization activities and submits the approved programme to the donors identified in the proposal.
2. The manner in which integrated programmes are submitted to potential donors depends on the latter's mode of operation. If the donor's approval system is decentralised, the programme is submitted through PCF/RFC and the URs/Field Offices to potential donors' representatives in the field who, if they so wish, can consult the UR/Field Office and the local counterparts on the programme.
3. Upon receipt of funds from donors, a PAD is issued in compliance with IP.03.02.06 above.

Responsibility: Team leader with support from OSL/SPR

Stage 4

IP 04.00.00 IMPLEMENTATION

IP 04.01.00 Definition, purpose and outputs

1. Implementation comprises that phase of the programme cycle during which approved and duly funded programmes are carried out, involving the provision of the inputs needed to undertake activities and realise the outputs. Throughout this stage, programme budgets undergo revision and periodic re-phasing.
2. The purpose of this stage is to ensure that: inputs are provided on time; the activities undertaken as intended; and the programmes implemented in keeping with the strategy adopted. The ultimate aim of this phase is to achieve the programme outcomes (immediate objectives) and produce the outputs and complete activities in a verifiable manner.
3. The outputs of this stage are efficient and effective integrated programmes.

IP 04.02.00 Approach

1. Regardless of the type and nature of the programme, the implementation of integrated programmes is a team effort, with tasks being carried out in common and with each player fulfilling a distinct role. The emphasis lies on integration with members of the team making every effort to ensure compatibility between their various projects; for example, production-oriented projects should complement (rather than clash with) projects aimed at creating an environment conducive to private enterprise. As in the formulation stage, team leadership rests with the Regional Programmes (PCF/RFC) unless they delegate that responsibility to the UR; however, the team leader has no implementation responsibilities and holds no allotment other than the resources for a small co-ordination budget (such as programme coordination, monitoring and evaluation, vehicle and driver). In consultation with the team, the team leader nominates an alternate team leader (for the most part from PCF/RFC or the Field Offices) to act during his/her absence on leave or mission. The person so nominated assumes the team leader's administrative duties such as clearing the timing of missions, consultant/expert assignments and revisions. The team leader's responsibility for preparing the annual progress report, however, cannot be delegated to the alternate team leader.
2. In those instances where the team leader is the UR, regular review meetings with headquarters are held by means of teleconferencing or on-line conferencing. Furthermore, The UR may seek the support of a Vienna-based alternate team leader to hold the in-house meetings on his/her behalf and report back.
3. The team members who are drawn from the respective branches of PTC and in certain instances from PCF/SPP or PCF/RST are entrusted with the responsibility for implementing the projects under the programme components and holding the allotments. The PAC should be kept informed of all changes in the composition of the team undertaken in consultation with the respective Branch Directors. Responsibility for appointing or changing the team leader, however, rests solely with the PAC.

IP 04.03.00 Activities

IP 04.03.01 *Step 1: Implementation planning*

1. Given the complexity of integrated programmes and the fact that more often than not only partial funding is secured at the outset, the team leader and his/her team need to draft up-to-date work plans (updated annually) and define an implementation strategy for the programme. In so doing, consultations are held with all parties involved, both in the house and in the field. It is most important that the programme counterparts be fully involved in drawing up and updating the work plan. The detailed implementation plan comprises two segments:
 - (a) A funding strategy which focuses on those components of the programme for which funding still has to be secured; and

- (b) An operational work plan, which takes the form of a Gantt chart (Annex 10) and provides a diagrammatic overview of programme implementation.
- 2. The team leader ensures that the data relating to the above two segments are regularly entered through PSM/ICM into the integrated programme and monitoring systems (InfoBase).
 - (i) Funding strategy

The team should also refine and update continuously the funding strategy in keeping with the funding strategy note endorsed by the PAC (see IP 03.02.05). Any changes in the funding strategy should be effected in close consultation with OSL/SPR, the parties concerned in the country and donors.
 - (ii) Operational work plan

The operational work plan should provide details of implementation, normally in the form of a Gantt chart. It serves as a management tool for the team leader and the team enabling them to review the outputs to be produced and their result indicators. It normally covers a period of twelve months. It further serves as a yardstick against which the issuance of PADs and allocation of sub-allotments can be checked and component progress can be measured in terms of activity and budget line. The work plan is prepared by the leader and members of the team - in consultation with the counterparts and (if applicable) other stakeholders. The plan is periodically updated. A standard format is attached (Annex 10). Consensus should be reached (in writing) with the national counterparts on the implementation of the work plan.

Responsibility: Team leader, in concert with team members responsible for individual programme components and national counterparts

IP 04.03.02 Step 2: Establishing coordination mechanisms

1. Key to an efficient and effective implementation process is the establishment *ab initio* of coordination mechanisms both in the house and in the field.
2. At headquarters, coordination and monitoring can be ensured through regular meetings of:
 - (a) The teams attached to the individual programmes to review programme progress (as circumstances demand, generally once a month); and
 - (b) All team leaders with the team members, Regional Programme Chiefs, PCF/MD, PTC/MD, OSL/SPR and support services to review together overall progress, discuss common implementation problems and initiate remedial measures (every six months).
3. In the field, coordination and monitoring are essential to securing full stakeholder ownership and commitment, alerting the teams to impending problems, initiating corrective action and facilitating implementation. The national counterpart, a government appointee, assumes many of these tasks. However, in those countries without a UNIDO office, the situation may call for the appointment of national programme coordinator as a direct counterpart. The earlier such a person is appointed, the greater the sense of ownership. If such a person is required, the team leader should prepare the job description.
4. If foreseen in the programme document or otherwise required, the team leader should also assist the Government and other stakeholders in setting up mechanisms to ensure that:
 - (a) Programme activities are well coordinated, synergetic and technically sound;
 - (b) Overall effective monitoring of the programme activities is assured;

- (c) Plans for and progress towards producing outputs and achieving the outcomes (immediate objectives) of the programme are regularly reviewed;
 - (d) Fund-raising for programme components is carried out;
 - (e) The necessary programme policy, strategy and implementation decisions are taken at the country level;
 - (f) Synergies with UNDAF and the activities of other donors are maintained; and
 - (g) The synergy effects of the integrated programme are demonstrated and it is perceived as an entity.
5. The team leader is also responsible for ensuring that consultations are held throughout the implementation process with all stakeholders, including tripartite reviews as specified in the programme document.

Responsibilities: Team leader, PCF/MD

IP 04.03.03 *Step 3: Updating of programmes during implementation*

1. The development of an integrated programme is a rolling process that has to adapt to changing realities and the securement of funds for its implementation is often complex. As a result some projects within the programme are elaborated in detail at a later stage and the relevant project documents are submitted to individual donors thereafter. This usually comes about as a result of: (a) donors expressing interest in principle in funding specific projects within those components; (b) new developments emerging that call for reformulation; or (c) counterparts requesting a change in approach.
2. When formulating these projects, every care must be taken to maintain the integrity of the programme approach while taking due account of the donors' requirements. Throughout this process, OSL/SPR assumes an active role.
3. If the project is an integral part of the approved programme, the project manager in close consultation with the team leader prepares a project document (Annex 5 or 5a) for review by the QAG and submission to the PAC.
4. If the projects deviate significantly from the original summary description in the approved programme document and necessitate the inclusion of a new component or extensive revision of the original component, the team leader works together with PTC on revising the programme document. Together with a memorandum explaining the extent of the deviation, the team leader submits to PCF/QPA a proposal relating to the 'new' programme component and related projects in the form of a new programme component/project document with an explanation of the link with the integrated programme. If extensive, a revised programme document will be required. Following review by the QAG, the document is submitted to the PAC.

Responsibility: Team leader and team members, in consultation with OSL/SPR and PCF/QPA

IP 04.03.04 *Step 4: Programme and budget management*

1. The team leader is responsible for the overall coordination and orchestration of the integrated programme. Whereas during the identification and formulation stages, the team leader is also the allotment holder for the formulation mission, during the implementation stage he/she may possibly be the allotment holder for a small core co-ordination budget or be responsible for holding programmable funds available to the programme prior to their being sub-allotted to other members of the team.
2. The team leader reports to the PCF/MD based on the information emanating from the regular meetings of the team members/allotment holders (project managers); he/she regularly updates

the InfoBase. The team leader also certifies that prior to their submission, budget revisions for individual programme components are in compliance with the overall objectives of the integrated programme (see revision below).

3. The team members, who are supervised by their Branch Directors in order to ensure that outcomes are achieved and immediate objectives are met and corrective action is taken when required, assume the function of allotment holders for the individual programme components or projects. It may thus well happen that a programme has a number of allotment holders and sub-allotment holders appointed by the team leader, all of whom should ensure that data pertaining to the financial status of the allotment(s) they are managing are entered into the data-base. In the event of problems arising between members of the team, the Branch Directors shall play an active role in their resolution in the interests of smooth programme implementation. The team leader confers with his/her Director who takes up the issue with the Branch Director(s) of the team member(s) involved. If no solution is found at that level, the Managing Directors mediate in the matter.
4. Allotment holders are fully responsible for their entire budget and also act as certifying officers for the respective accounts. This includes responsibility for revising the allotment, ensuring optimum utilization of the total allotment and preparing both progress and final reports on project activities. The allotment holder designates an alternate allotment holder who acts in his/her absence.
5. The allotment holder should keep the team leader informed of all developments relating to the programme component or project, including travel of consultants to the field.
6. If so required, the allotment holders in consultation with the Branch Directors nominate sub-allotment holders; the latter are responsible only for their sub-allotments and provide inputs related to the same for inclusion in the progress and final reports on project activities. However, a sub-allotment is not a self-contained component with a separate guaranteed budget. It is a means of delegating implementation in part to another staff member and ensuring correct recording of service delivery. It remains an integral part of the overall programme budget and can only be revised as part thereof (see IP 04.04.00 below).
7. It should be noted that allotment holders (and sub-allotment holders) are not allowed (even temporarily) to borrow funds from another allotment, project or source of funds in order to carry out an activity. Similarly, they are not allowed to charge expenditures relating to one project to another or to transfer funds from one project to another, except in those cases where one project has provided legitimate services to another that can be invoiced. That transfer must then be duly obligated against the 'paying' project and payment requested from Financial Services.
8. A description of inputs and related budget lines is given in Annex 12.

Responsibility: Team leader and the allotment/sub-allotment holders

IP 04.03.05 Step 5: Operational completion

One month prior to the scheduled operational completion date, a completion date alert (Annex 11) is issued in electronic form via FPCS, containing the most recent financial data together with a full inventory and highlighting any actions that still need to be taken. Once the completion date has elapsed, the project manager receives an updated version of the completion date alert outlining the various steps he/she has to take. The project manager signs and returns to PSM/FIN the duly completed form, copying it to all parties involved. On receiving the form, PSM/FIN does not enter into any further obligations against the project. Non-expendable equipment is dealt with according to standard procedures. Projects within an integrated programme are automatically declared operationally complete six months after the original completion date.

Responsibility: Team member concerned, PSM/FIN and PSM/OSS/GES

IP 04.04.00 Programme revision

IP 04.04.01 Revision: definition, purpose and outputs

1. Revision relates to a change in circumstances that warrants modification of the work plan, programme activities/inputs and, ultimately, reconfiguration of the programme.
2. The purpose is to accommodate changes by adjusting the scope (outcomes and outputs) of programmes and the related budgets in the interests of smooth and efficient programme implementation, while ensuring conformity with beneficiary priorities and donor requirements/agreements.
3. The outputs of this phase are revised programmes.

IP 04.05.00 Approach

Revisions have to be prepared each time the approach (design) of a programme and/or its budget is changed. The situation may have changed in the country, new requirements may have been identified, additional funding may have to be mobilized and UNIDO may need to respond to a request by the recipient government or a donor to revise or include additional components and/or outputs. Revisions are also necessary in those instances where certain components of an integrated programme have to be changed or dropped for want of funds or other reasons.

IP 04.06.00 Activities

IP 04.06.01 *Step 1: Review of approved integrated programme at team level*

The team leader and the team review the overall programme and individual components. In the course of that review, they:

- (a) Identify additional components that would lend strength to the programme or attract funding; and
- (b) Propose the elimination of those programme components that are no longer required or have no prospects of mobilizing the funds needed for their implementation.

Responsibility: Team leader and members of the team

IP 04.06.02 *Step 2: Review of approved integrated programmes at the level of national partners*

The findings of the preceding team review are discussed with national partners, whose agreement is sought on any modifications to the programme deemed necessary.

Responsibility: Team leader and national partners

IP 04.06.03 *Step 3: Submission of revised integrated programme to the PAC*

1. Following the discussions with national partners, the programmes, if modified, are submitted to the PAC for review and approval of the changes proposed. The submission to the PAC takes the form of a memorandum from the team leader outlining the extent of the changes.
2. Programmes shall normally have a duration of not more than five years (from the date on which the first PAD was issued) except those with a planned duration of more than five years; however, this may be extended by the PAC for one year, based on an analysis of the continued relevance and funding prospects of a programme.

Responsibility: Team leader and PAC

IP 04.06.04 Step 4: Review of requests for extension and/or revision

Requests for extension and/or revision fall into three distinct categories:

- (a) For all programmes and projects within integrated programmes, except those funded by UNDP and GEF sources (direct and indirect):**
 - i. PCF/QPA may approve requests for extensions up to one year beyond the original duration of the programme (starting with the date of PAD issuance) and the related budgetary revisions, if those extensions and revisions are within its mandate, subject to donor approval as required;
 - ii. PCF/QPA shall submit requests for extensions of more than one year beyond the original duration of the programme (starting with the date of PAD issuance) and the related budgetary revisions to the PAC for approval. After PAC approval has been secured, OSL/SPR obtains clearance and/or approval from donors as required.
- (b) For programmes and projects within an integrated programme funded by GEF sources (direct and indirect):**
 - i. PSM/FIN/FMT may approve requests for extensions of up to one year beyond the original duration of the programme (starting with the date of PAD issuance) and the related budgetary revisions, subject to prior approval by GEF sources (direct and indirect) and their meeting the criteria for revisions;
 - ii. PSM/FIN/FMT shall submit requests for extensions of more than one year beyond the original duration of the programme (starting with the date of PAD issuance) and the related budgetary revisions to the PAC for approval. Prior to securing PAC approval, PSM/FIN/FMT obtains clearance and/or approval from GEF sources (direct and indirect) as required.
- (c) For programmes and projects within an integrated programme funded by UNDP:**
 - i. Requests for extensions and/or revisions are submitted simultaneously to UNDP and the PAC. If the revision approved by UNDP differs from that of the UNIDO submission, the PAC should be duly informed.
 - ii. Under certain circumstances and in order to offset delays, advance authorisation by UNDP is accepted as long as (a) the PAC approves the programme/project revision and (b) UNDP approves it at a later date.

Responsibility: PSM/FIN/FMT and PCF/QPA

IP 04.06.05 Step 5: Revisions requiring submission to and approval by the PAC

- 1. When the revision relates to major changes in the scope (outcomes and outputs) or the design of the programme and component projects regardless of the source of funding, a full justification should be given in the project revision form (Annex 13) and cleared by the team leader, where appropriate. Where required, the new logical framework is explained, i.e. in those instances that:
 - (a) Require an increase in the overall budget;

- (b) Have a significant impact on the outcomes and/or approach of the programme due to component changes;
 - (c) Relate to a delay in programme completion of more than one year beyond the original completion date;
 - (d) Result in an increase of 20% or more than €5,000, whichever is higher, in the allocation for budget line 16 (staff travel) and/or an increase of €500 in the allocation for budget line 55 (hospitality). The percentage or amount shall take into account the cumulative effect of the revisions;
 - (e) Call for a major transfer of funds between major budget lines: 20% or more than €20,000, whichever amount is greater. The percentage or amount shall take into account the cumulative effect of the revisions.
2. The need for a full justification and time plan for completion also applies to the extension of projects with residual balances of 10% of the total budget or € 20,000 whichever is lower.

Responsibility: PCF/QPA, PSM/FIN/FMT and PAC

IP 04.06.06 Step 6: Issuance of a revised PAD

Upon completion of a positive review by the PAC, PCF/QPA and PSM/FIN/FMT take appropriate action within their respective mandates for the issuance of a PAD.

Responsibilities: PCF/QPA and PSM/FIN/FMT

IP 04.07.00 Rephasing

IP 04.07.01 Definition

Distinct from revision, rephasing relates to the annual rephasing of resources that were not utilised in the course of the year.

IP 04.07.02 Approach

Even if no change is required, the budgets of all ongoing projects under an integrated programme have to be re-phased once a year as soon as the final actual expenditures of the previous year are known so that any residual funds from that year can be used. As long as the completion date is set for the following year and no funds have been shifted between budget lines, all ongoing projects under the integrated programme are eligible for automatic rephasing. This takes place after the appropriate accounting cut-off date, where after a new budget revision number is given.

Responsibility: PSM/FIN/FMT in cooperation with project managers

Stage 5

IP 05.00.00 INDEPENDENT EVALUATION ⁶

IP 05.01.00 Independent evaluation: definition and purpose

1. Independent evaluation of an integrated programme is an activity within the programme cycle that attempts to determine, as systematically and as objectively as possible, the relevance, efficiency, effectiveness, impact and sustainability of the programme.
2. Independent evaluations take two distinct forms:

⁶The functions and principles of evaluation, the roles and responsibilities of the parties involved, as well as the management of and follow-up to the evaluation process are described in the Director-General's Bulletin on evaluation policy (UNIDO/DGB(M). 98). In respect of donor-funded projects to be evaluated, UNIDO accepts donor-defined evaluation policies and practices.

- i. Evaluations of integrated programmes; or
 - ii. Thematic evaluations of cross-programmatic or institutional issues.
- 3. Their preparation may involve panels of independent evaluators or technical experts from within the UN system or without.
- 4. OSL/EVA draws up a biennial evaluation plan listing the programmes to be evaluated, indicating the funding requirements and the source of funding (UNIDO RB or donor) for approval by the Executive Board.
- 5. Evaluation serves three main purposes:
 - (a) It assures accountability by reporting on UNIDO activities to: the governing bodies of UNIDO; partner and donor governments; stakeholders in UNIDO ranging from industry to those directly involved in UNIDO activities; the supporters and potential detractors of UNIDO interventions; and the taxpayer.
 - (b) It supports those who manage programmes at all levels in UNIDO, technical and coordination units alike, both at headquarters and in the field, as well as in counterpart organizations.
 - (c) It drives learning and innovation at the corporate and programme levels. To that end, evaluations attempt to draw general lessons from specific cases and make those lessons available to all those (within UNIDO and without) who might benefit from such experience so that they might constantly improve their day-to-day professional work and/or develop innovative approaches.

IP 05.02.00 Evaluations of integrated programmes

- 1. Directed towards UNIDO senior operational and programme management, recipient Governments and counterparts, as well as donors, integrated programme evaluations:
 - a) Assess the relevance of programmes to government policies, United Nations cooperation frameworks and UNIDO corporate strategy;
 - b) Assess the achievement of outputs, outcomes, and prospects for developmental impact with reference to performance indicators included in the original document;
 - c) Assess the efficiency and effectiveness of implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs; quality and timeliness of activities;
 - d) Submit proposals for improving implementation and/or amending the programme document in order to ensure outcomes, enhance impact and improve sustainability;
 - e) Identify lessons learned as they relate to broader application, replication of the programme approach and policies and strategies;
 - f) Provide a follow-up action plan listing actions to be taken by the different stakeholders.
- 2. Independent evaluations are mandatory for programmes of a certain size and may also be initiated in other instances:
 - (a) They are mandatory for the following integrated programmes:
 - (i) All integrated programmes involving an amount in excess of €1 million (excluding support costs); and
 - (ii) Integrated programmes being considered for extension into a new phase entailing more than € 1 million.
 - (b) They are also conducted in the following instances:

- (i) Evaluations based on requirements and evaluation mechanisms established in the funding agreement with the donor;
- (ii) Programmes encountering major implementation problems and/or serious disagreement between stakeholders or programmes displaying a remarkable measure of success or ‘replicability’. In those particular instances, the donors, the counterparts, UNIDO senior management or OSL/EVA (based on the findings of the self-evaluations) may initiate an independent evaluation at any time.

IP 05.04.00

1. For the most part directed towards UNIDO senior management and/or governing bodies evaluating cross-programmatic or institutional issues, thematic evaluations:
 - (a) Assess operational issues such as the effectiveness of particular service modules, various forms of technical cooperation delivery in specific fields (viz. capacity building for SME institutions) and the impact of global forum activities.
 - (b) Assess corporate issues such as the effectiveness of the Organisation’s field representation or the management of its investment promotion activities;
 - (c) Provide a follow-up action plan listing actions to be taken by the different stakeholders.
2. As a rule, thematic evaluations cover programmes under implementation in a number of countries. Their focus may be on evaluating:
 - (a) UNIDO or institutional issues within a specific UNIDO priority theme;
 - (b) Clusters of similar projects; or
 - (c) Selected cross-programmatic or other technical cooperation issues of particular interest to UNIDO management or policy-making bodies.
2. Thematic evaluations are conducted in accordance with the evaluation plan and work programme of OSL/EVA or at the request of UNIDO management or policy-making organs. The evaluations are planned and conducted in coordination and cooperation with all parties involved.

IP 05.06.00 Inputs to the evaluation process

(a) Team leaders

Team leaders have a crucial role to play. For integrated programmes, he/she is the evaluators’ central access point.

At the outset of the evaluation process, he/she is responsible for preparing a comprehensive information dossier on the integrated programme and the component projects for submission to OSL/EVA. Drawing on that information dossier, OSL/EVA assesses the ‘evaluability’ of the programme/project in question and designs the evaluation methodology.

At the end of the evaluation process, team leaders are responsible for drawing up an action plan based on the follow-up activities identified in the course of the evaluation. The plan lists all follow-up activities, indicating the responsibilities and accountability, as well as setting deadlines and reporting dates for the implementation of those activities.

Team leaders monitor the implementation of the follow-up activities; they prepare implementation reports in line with the dates given in the list of

follow-up activities. Those implementation reports are submitted to the respective line managers and copied to OSL/EVA.

(b) Project managers

Project managers provide complete and up-to-date information on their projects for inclusion in the dossier being prepared by the team leader. The information they provide includes: identification and planning documents; financial information; regular progress reports; back-to-office mission reports; and other background documentation.

(c) Field Offices

Field Offices draw up the programme for the field mission. Details are prepared in respect of the people to be met and the programme/project sites to be visited. Government representatives, donor representatives, all counterparts and relevant beneficiaries have to be identified and preparations made to meet them. Schedules have to be finalized for meetings with the UNDP Resident Coordinator and the full involvement of the UNIDO Field Office ensured throughout the mission.

(d) Managing Directors and Branch Directors

Managing Directors and Branch Directors are responsible for ensuring that all follow-up activities are carried out by their staff as planned. For evaluations related to institutional issues or a specific priority theme, a Director may be nominated to facilitate access to and preparation of the comprehensive information dossier.

(e) Other staff

As the term indicates, evaluations are by definition independent. They are undertaken, inter alia, by outside experts, recipient governments and donors as the case may be. If available and not directly involved in the programme being evaluated, qualified UNIDO staff may on occasion serve as members of an evaluation team, thus strengthening the learning process within UNIDO.

IP 06.00.00 MONITORING AND SELF-EVALUATION

IP 06.01.00 Definition, purpose and outputs

1. Monitoring and self-evaluation are management tools key to the continuous improvement of technical cooperation activities. Based on a participatory approach involving programme managers and their counterparts, these review functions extend throughout the programme cycle and constitute essential elements in resource mobilization.
2. The purpose of monitoring and self-evaluation is to provide the main stakeholders in a programme and the UNIDO management with early indications of progress towards the achievement of programme outcomes (immediate objectives) and outputs, as well as any problem areas that need to be addressed. On the basis of regular progress reviews, agreement can be reached on any programme changes required.
3. The outputs are regular progress reports prepared every twelve months by the team leaders providing insight into the current status of implementation and critical information on such aspects as synergy effects and any necessary remedial measures.

IP 06.02.00 Approach

In the case of programmes, the monitoring and self-evaluation process involves the preparation of:

- Progress reports
- Mandatory reviews and updates

IP 06.03.00 Activities

IP 06.03.01 Monitoring integrated programmes

1. The team leader monitors implementation activities related to integrated programmes on a continuous basis in order to ensure that activities occur as planned and remedial steps are taken as necessary. To that end, he/she (and the team) holds regular progress review meetings at headquarters and in the field.
2. In the course of monitoring developments at the field level, the field offices:
 - (a) Regularly review the status of implementation with counterparts and stakeholders;
 - (b) Brief and debrief experts and consultants;
 - (c) Attend local progress review meetings;
 - (d) Report back to the team on accomplishments and the need for remedial action, if any.
3. The allotment holders (project managers) also keep the team leader informed of all developments pertaining to their individual projects within the integrated programme, including details of the travel of international consultants to the field.
4. The allotment holders (project managers) also keep abreast of the overall programme implementation so as to ensure that the activities under their allotments contribute to the attainment of the outcomes (immediate objectives) of the programme as a whole, while seizing on every opportunity for effective coordination with, and enhanced synergy between, the programme components.
5. Such tools as funding strategy notes, operational work plans, previous project progress reports and back-to-office-mission reports support the monitoring activities at the team level and facilitate the preparation of programme progress reports (Annex 14) every twelve months.

Responsibility: Team leader and members of the team

IP 06.04.00 Categories and periodicity of reports

IP 06.04.01 Progress reports

1. Programme progress reports are composite reports combining information on the status of implementation with an assessment by the team leader of the current situation, identifying such factors as additional measures required and synergies achieved. The programme results are assessed against programme and component outcomes (immediate objectives), as well as project outcomes and outputs as a means of continually improving programme performance and productivity (results-based management). The progress reports have to be prepared every twelve months, i.e. at the end of December of each year.
2. The team leader prepares the programme progress report (Annex 14) on the basis of inputs and reports received from the project managers. The team leaders submit the annual progress reports to the Regional Programme Chiefs and PCF/RFC Director, with a copy to OSL/EVA for use in an annual statistical and analytical report on the timeliness and quality of the reports, as well as a copy to the RBM focal points. All progress reports are uploaded onto the InfoBase.
3. In those cases where a programme is to be extended or enter a new phase, the relevant progress reports are submitted to the PAC together with the evaluation summary note prepared by OSL/EVA containing its recommendations on the extension (Annex 16). For all programmes with a budget of more than € 1 million, those reports are supplemented by an

independent evaluation. Such independent evaluations should take place once within a three-year period from the date of approval.

IP 06.04.02 Mandatory reviews and updates

A mandatory review and update of all integrated programmes must be carried out after the first two years of implementation [calculated from the date the integrated programme was approved] and each year thereafter. Designed to establish the continued relevance and funding prospects of a programme, it requires that the team leader and the Regional Programme concerned submit a report on the implementation status of the programme to the PAC for its consideration and to the EB for information.

Responsibility: Team Leader and PAC

IP 06.05.00 Other sources of programme-related information

1. The UNIDO InfoBase <http://intranet.unido.org/Infobase> constitutes a current information resource. It has been designed to facilitate the work of both the Executive Board and the PAC, as well as provide up-to-date information to team leaders, project managers and other stakeholders.

(a) Data on technical cooperation

The InfoBase contains a series of executive reports on technical cooperation that can be swiftly accessed. From any where in InfoBase, select UNIDO Overviews from the drop-down menu on the top right-hand side of the page and then click on the first option: Technical Cooperation. Up comes a series of Reports ranging from yearly and monthly comparisons, integrated programme reports, to monthly reports by source of fund, region and Division/Branch.

(b) Decisions and minutes of EB and PAC meetings

An overview of the activities of both the EB and PAC, together with the minutes of all their meetings by date, are available on the UNIDO Intranet.

2. All the above menus can be accessed via the Intranet home page: <http://intranet.unido.org>. Proceeding from the drop-down menu of the first option (InfoBase), the user can select technical cooperation reports, programmable resources, Programme Approval Committee and Executive Board.

IP 07.00.00 RESOURCE MOBILIZATION

IP 07.01.00 Definition, purpose and outputs

1. Resource mobilization comprises the identification and securement of programme funding in cooperation with potential donors and funds. It is a cross-organizational multi-phase activity that begins in the identification stage and extends through formulation into formal negotiation with potential donors on to the implementation and evaluation stages.
2. The purpose of this activity is to ensure that funds are made available for the implementation of UNIDO priority programmes.
3. The outputs are adequately funded programmes.

IP 07.02.00 Approach

1. The funds commonly used by UNIDO for its projects are: funds programmable by the Secretariat; the Industrial Development Fund and similar voluntary contributions (third-party or self-financed trust funds); global funds related to specific purposes; and funds from UNDP

or other agencies. More detailed information is available in Resource Mobilization Note 1(Rev.2), Funding Options for UNIDO Technical Cooperation Activities, as well as in the Intranet Funds Mobilization Guide:

<http://intranet.unido.org/UserDocs/FundsMobilization/index.htmls>

2. Resource mobilization is a task incurring many responsibilities. The recipients of UNIDO services bear a primary responsibility; they must ensure that the activities being promoted relate to the country's development goals and priorities. They must also assume a leading role in mobilizing funds from various sources given the decentralized nature of donor funding and country-level decision-making, as well as the importance of demonstrating ownership and the high priority the recipient country gives to the programme.
3. In their capacity as the focal point for all fund mobilization matters related to an integrated programme, team leaders bear the primary responsibility for:
 - (a) Ensuring that resource mobilization is an integral part of programme identification and formulation;
 - (b) Drawing up a funding strategy with OSL/SPR; and
 - (c) Preparing resource mobilization strategies and action plans and coordinating the resource mobilization activities related to integrated programmes.

4. Separate guidelines are given in Resource Mobilization Note 2, (Rev.3), Funds Mobilization for Integrated Programmes, as well as in the Intranet Funds Mobilization Guide:

<http://intranet.unido.org/UserDocs/FundsMobilization/Mobilization-for-IP.htmls>

5. A major responsibility devolves on the UNIDO representatives in the field who, in addition to ensuring a programme's congruence with the country's declared development objectives, promote UNIDO activities with the donor community, UNDP and regional financial institutions and seek synergy with UN programming frameworks. Their crucial function takes on even greater importance given the decentralized nature of many donors' decision-making processes.
6. More detailed guidelines on the different responsibilities by type of funds are available in Resource Mobilization Note 4(Rev.2), Mobilizing Resources for UNIDO Programmes and Projects- Division of Responsibilities, as well as in the Intranet Funds Mobilization Guide:

<http://intranet.unido.org/UserDocs/FundsMobilization/responsibilities.htmls>

7. Information on priority countries and themes by donor is available from Resource mobilization Note no.3 (Rev 3), Funds Mobilization Information on Donor Priorities, as well as in the InfoBase.
8. UNIDO normally charges reimbursement for programme support and administrative services costs calculated as a percentage of the programme/project value. While, in general for IDF and trust fund contributions, the programme support costs are 13 per cent of the total project value or 10 per cent plus an adequate amount for technical support services, different levels can be applied for different sources of funding (e.g. GEF, UNDP) depending on the inputs required from the Organization. However, requests for any deviations from the UNIDO policy set by the Director-General have to be submitted by the team leader through his/her Branch Director and Managing Director to the Director PSM/FIN. In accordance with financial rule 106.3 / 106.4(2), should the Director PSM/FIN determine that the estimated actual costs of programme support and administrative services in respect of an individual project or activity justify a different rate, the Director PSM/FIN advises the Director-General on the matter and seek his/her approval. No agreement on or commitment to a reduced rate with the donor and/or beneficiary shall be entered into, unless the above process has been followed and the Director-General's approval obtained in writing.
9. Specific guidance is available in the Intranet Funds Mobilization Guide under:

<http://intranet.unido.org/UserDocs/FundsMobilization/support-costs.htmls>

10. As resource mobilization is a decisive input from the very outset, related activities are to be found in all stages of the programme cycle. Those activities, some of which are undertaken simultaneously [as distinct from sequentially], are described below for various stages of the cycle.

IP 07.03.00 Activities during the identification stage

IP 07.03.01 *Step 1: Advice to PCF/RFC and Field Offices*

OSL/SPR staff advise the team leader and the formulation team (Regional Programmes (PCF/RFC) and Field Offices) on the UNIDO approach to resource mobilization and on which donors are likely to be interested in specific subjects or themes, and how these should be approached (at the country level or headquarters). This should result in selected donors already being approached at the beginning of the process (see 07.03.03 below).

Responsibility: OSL/SPR in cooperation with team leader /Field Office.

IP 07.03.02 *Step 2: Identification of synergies*

The team leader (PCF/RFC and/or Field Offices) identifies synergies and cooperation/funding potential with UN agencies within the CCA and UNDAF framework, as well as with other multilateral and bilateral funds and programmes.

Responsibility: PCF/RFC and Field Offices

IP 07.03.03 *Step 3: Dialogue with donors and funding sources*

The URs or the Field Offices establish contacts and enter into dialogue with local donors and/or potential funding sources in the field, keeping the PCF/RFC and OSL/SPR fully apprised of and involved in all developments.

Responsibility: URs. (in those countries where there is neither a UR nor a Field Office, the responsibility rests with the team leader.)

IP 07.04.00 Activities during the formulation stage

IP 07.04.01 *Step 1: Advice to formulation mission teams*

OSL/SPR staff advise team undertaking formulation mission. This should result in close consultation with potential donors, as well as ensure a focus on those components that are expected to be fundable.

Responsibility: OSL/SPR

IP 07.04.02 *Step 2: In-mission consultations*

The team leader holds in-mission consultations with multilateral and bilateral donors, identifies co-operation opportunities, programme synergies and funding prospects, and agrees with government counterparts on joint follow-up action with respect to identified funding sources.

Responsibility: Team leader

IP 07.04.03 *Step 3: Formulation of funding strategy note*

During and following the formulation phase, the team leader assesses the funding potential of the various programme components, identifies actions relating to funding sources and drafts the funding strategy note (see DGAI.11/Add.2 for format of the funding strategy note). A member of OSL/SPR may be co-opted as a member of the team for the purposes of resource mobilization.

Responsibility: Team leader in consultation with OSL/SPR

IP 07.04.04 *Step 4: Post-mission briefing*

On completion of the mission, the team leader briefs OSL/SPR on funding sources identified and promotional action agreed upon with Government

Responsibility: Team leader

IP 07.04.05 *Step 5: Revision of funding strategy*

The team leader revises the funding strategy note for submission with programme document to PCF/QPA

Responsibility: Team leader in close consultation with OSL/SPR

IP 07.05.00 *Activities during the review and approval stage*

IP 07.05.01 *Step 1: Endorsement of funding strategy*

On the basis of the funding strategy note, the PAC reviews the funding strategy for integrated programmes and allocates UNIDO programmable funds based on the funding strategy note.

Responsibility: PAC

IP 07.05.02 *Step 2: Submission of programme document to donors*

1. Programme documents can only be formally submitted to donors once two prerequisites have been met: (a) the PAC and/or EB have approved the programme; and (b) the host government has officially approved the programme.
2. Preferably, the integrated programme is presented to the local donor community by the host government, involving other stakeholders. This should be followed by a series of bilateral meetings of the team leader and main counterparts with donor representatives.
3. More details are to be found in Resource Mobilization Note 2, (Rev.3), Funds Mobilization for Integrated Programmes.

<http://intranet.unido.org/UserDocs/FundsMobilization/support-costs.htmls>
4. Where considered useful, OSL/SPR staff may participate in this process.
5. As for the components of integrated programmes, most donors require a full project document. Otherwise, programme components can be presented in a more summary fashion. Those shorter descriptions, however, should convey the same essential information as in a longer project document; however, they can be largely based on the more succinct descriptions of the components in the programme document.
6. Based on the decision of the Executive Board or PAC, the team leader and/or OSL/SPR initiates formal funds mobilization activities and submits the approved programme/project to the donors identified in the proposal.
7. The manner in which integrated programmes or components are submitted to potential donors depends on the latter's mode of operation. If the donor's approval system is centralised, OSL/SPR submits the programme to the Permanent Mission in Vienna. If it is decentralised, the programme is submitted through team leaders and the Field Offices to potential donors' representatives in the field.

Responsibility: OSL/SPR in conjunction with team leader

IP 07.06.00 Activities after the review and approval stage

IP 07.06.01 *Step 1: Follow-up action*

Additional resource mobilization activities may prove necessary on review of the funding status, involving a redefinition of the funding strategy and the identification of programme- and/or project-specific promotional activities. This may entail, organizing resource mobilization meetings in the field or conducting follow-up resource mobilization missions to the country and/or selected donor countries.

Responsibility: Team leader in conjunction with OSL/SPR

IP 07.06.02 *Step 2: Preparation of funding agreements*

In those instances where a separate funding agreement between a donor and UNIDO is required, OSL/SPR initiates discussions and negotiates the terms of the agreement. The PCF/MD signs the same up to an amount of € 1 million. The Director-General signs in all other cases.

Responsibility: OSL/SPR

IV. PROJECT

Stage 1

PR 01.00.00 IDENTIFICATION

PR 01.01.00 Structure

Identification comprises two sub-stages:

- Provision of programmatic direction
- Project identification

PR 01.02.00 Programmatic direction

PR 01.02.01 Definition, purpose and outputs

1. Programmatic direction comprises the provision by the Director-General and the Executive Board of general policy and overall programmatic guidance (see paragraph 7 of Introduction for listing of basic policy documents). This is supplemented by the development of thematic priority strategies and specification of programme priorities, on the basis of which clearly defined projects can be identified.
2. The purpose of this sub-stage is to maintain a direct link between executive policy- and decision-making and the identification and design of individual (stand-alone) projects.
3. The outputs of this sub-stage are the conceptual prerequisites and strategic guidance for the identification of projects in the form of thematic strategies and programme priorities.

PR 01.03.00 Activities

PR 01.03.01 *Step 1: Provision of overall programmatic direction.*

Responsibility: Director-General and/or Executive Board;

PR 01.03.02 *Step 2: Drafting of thematic priority strategies*

The thematic priority strategies represent the Organisation's response to international development priorities and offer donors and developing country partners alike a clearer understanding of the potential contributions that UNIDO can make to overcoming specific problems and achieving related outcomes (immediate objectives).

Responsibility: Directors of Branches involved in each thematic priority.

PR 01.03.03 *Step 3: Approval of thematic priority strategy*

The thematic priority strategies are submitted to the Executive Board for review and approval.

Responsibility: Executive Board

PR 01.04.00 Project identification

1. As a matter of policy, the preferred mode of operation at the country level is that of an integrated programme (IP). Integrated programmes are packages of mutually supporting projects that combine the collective experience and expertise of UNIDO and aim to achieve a clear development objective in a country. However, integrated programmes can only be implemented to good effect in those instances where:

- (a) An explicit counterpart request has been made and full political commitment to adopting a comprehensive approach towards a specific development objective exists;
 - (b) Prospective counterparts for interrelated services have sufficient absorptive capacity and are consistent in their approach;
 - (c) The donor community can be expected to display sufficient interest in funding an integrated programme.
- 2. In all cases where the above conditions do not apply, UNIDO should adopt an individual (stand-alone) project approach (PR).

PR 01.04.01 Definition, purpose and outputs

- 1. Identification comprises the initial selection of project proposals for further development.
- 2. The purpose of this sub-stage is to identify, on the basis of an analysis of the situation prevailing in recipient countries, potential projects that:
 - (a) Are in keeping with the Organisation's thematic priorities and operational capacity;
 - (b) Respond to the needs and interests of the recipient country or region; and
 - (c) Offer a relevant and technically sound response to specific problems and the attainment of outcomes (immediate objectives).
- 3. The outputs of this sub-stage are decisions to proceed with the development and formulation of projects **either** as parts of an integrated programme **or** as individual (stand-alone) projects.

PR 01.05.00 Approach

- 1. Projects are packages of outputs aiming at specific outcomes and which use inputs to carry out the necessary activities. In the case of projects within integrated programmes, the objectives are stated in the relevant component of the integrated programme. Projects that are not within an integrated programme define their own objectives. However, potential for cooperation and coordination with other initiatives should be taken into account.
- 2. Proposals and requests for UNIDO projects can emanate from a variety of sources. These may include direct initiatives from government institutions, proposals for cooperation with other United Nations common-system organisations or development agencies, other national public or private sector organizations, as well as proposals from individual donors and donor countries. Stand-alone projects might also be identified in the course of collating information (see 01.06.01 below).
- 3. Proposals and requests for activities in countries where an integrated programme is being developed or already operating should first be submitted to, and discussed with the team leader of the integrated programme and the Regional Programme in order to consider their compatibility with, and integration in, the integrated programme where viable. For projects other than those within the context of an integrated programme, a full justification for their initiation should be given - and solely when specific additional resources are available.
- 4. For the purposes of these guidelines, research and global forum activities funded from sources other than the Regular Budget that are not related to the research programme for the medium-term programme framework of UNIDO⁷ are treated as projects.

⁷ Research projects related to the research programme for the medium-term programme framework are submitted to the Executive Board, after being cleared by the PCF/RST Director and endorsed by the PCF/MD.

PR 01.06.00 Activities

PR 01.06.01 *Step 1: Collation of information*

Information is gathered from the field, studies and research, and other sources, including programme/project proposals already received and an assessment of donor priorities in specific countries. The information so gathered serves as input to a country analysis, on the basis of which the Regional Programmes can identify those countries in which an integrated programme is a feasible proposition and those countries in which individual or stand-alone projects may be the preferred option.

Responsibility: Regional Programmes and Field Office, with support from PTC and OSL/SPR

PR 01.06.02 *Step 2: Preparation of service summary sheets*

1. Before investing time and other resources in the development of a project, a service summary sheet (Annex 2) is prepared. It describes the content of the project and includes information relating to linkages within the Organization and without, while giving summary details of such items as the proposed project budget and funding, as well as details of any preparatory assistance, if required.
2. For projects within an integrated programme see programme identification and preparation of programme screening forms (IP 01.06.03).

Responsibility: Regional Programmes (general issues) in consultation with PTC (technical issues)

PR 01.06.03 *Step 3: Submission of service summary sheets*

1. The service summary sheets are submitted to the PCF/QPA. If funds are required for developing and formulating the project, this is indicated in the service summary sheet (Annex 2) and full details are given in the request for preparatory assistance related to project development and formulation (Annex 3).
2. Given the multiplicity of projects, every care must be taken to ensure effective coordination with and between the PCF/RFC where appropriate. Submissions should be addressed to the Chair of the PAC; they must reach at least two weeks before the PAC meets.

Responsibility:

- (a) For country and regional projects: Regional Programmes in consultation with PTC.
- (b) For global and interregional programmes and projects: PCF/RFC Director in cooperation with PTC.

PR 01.06.04 *Step 4: Preparation of advisory notes*

Prior to their review by the PAC, the Quality Advisory Group (QAG) undertakes a first review of the service summary sheets. The QAG summarises its comments in an advisory note, which is subsequently submitted to the PAC together with the corresponding service summary sheet.

Responsibility: Quality Advisory Group and PCF/QPA

PR 01.06.05 *Step 5: Review of the service summary sheets*

1. The PAC reviews the individual service summary sheets on the basis of overall UNIDO criteria and in the light of the advisory note prepared by QAG, whereafter it may decide to:
 - (a) Proceed with the project proposal;

- (b) Postpone the decision pending receipt of further information; or
 - (c) Reject the proposal.
- 2. Approval of the service summary sheet or the memorandum constitutes the basis for further development of the project.

Responsibility: PAC

Stage 2:

PR 02.00.00 FORMULATION

PR.02.01.00 Formulation: definition, purpose and outputs

1. Formulation comprises the preparation of fully-fledged project documents derived from the service summary sheets (or programme screening forms in the case of projects within an integrated programme) that the PAC reviewed and approved.
2. The purpose of this stage is to develop preliminary proposals into fully-fledged projects based on the findings of formulation and preparatory missions where appropriate.
3. The outputs of this stage are fully developed project documents (Annex 5 or 5a), supplemented by a funding strategy note, where necessary.

PR 02.02.00 Approach

1. Responsibility for formulation usually rests wholly with the technical branches in PTC whose staff members assume the duties of project manager and allotment holder throughout this and later stages as designated by the Branch Director. Formulation of the project document (Annex 5 or 5a) follows the sequence of steps outlined below.
2. Projects within an integrated programme are formulated after the formulation mission (IP.02.03.03) by technical officers in PTC, PCF/RST and PCF/SPP as project managers in consultation with the team leader.
3. Project documents for research and global forum activities that are not related to the research programme in the medium-term programme framework of UNIDO are also formulated according to the sequence of steps indicated below⁸. Those projects may well be implemented in Divisions other than PTC.
4. The project manager bears overall responsibility and is accountable for the formulation process:
 - (a) The project manager is responsible for setting the project in context and describing its origin, the problem to be addressed and the target beneficiaries, as well as its relevance to the recipient countries' development objectives and the corporate strategy of UNIDO. A cogent justification is given for the approach adopted and the role the Organisation will assume. The project manager conducts an extensive desk review of related programmes and projects, ongoing and prior assistance, as well as any legal considerations.
 - (b) The project manager drafts the project document, describing the objectives, the approach to be adopted, expected outcomes (immediate objectives), outputs and activities, timelines and associated risks. The budgetary requirements linked to the project activities are itemised, as are the monitoring, reporting and evaluation mechanisms, together with the

⁸Research projects related to the research programme for the medium-term programme framework (which are usually funded from the Regular Budget) are submitted to the Executive Board, after being cleared by the PCF/RST Director and endorsed by the PCF/MD.

objectively verifiable indicators elaborated for the project. The project manager also ensures that all prior obligations have been met and the project is on a sound legal footing. The PTC Branch Directors are responsible for ensuring that the objectives set are realistic, the technical factors match the strategic considerations and a logical framework is maintained (see Annex 6). For those projects carried out in Divisions other than PTC, a similar delegation of responsibilities is maintained.

- (c) The project manager is responsible for ensuring that: inputs from other relevant service modules and Branches are sought; and formulation is based on a team approach wherever appropriate. He/she consults with the Regional Programmes (PCF/RFC) to ensure that the project responds to the recipient countries' needs and creates linkages with related programmes and projects at the country level in the interest of complementarities and synergy. If necessary, he/she also consults with OGV/LEG to ensure that the project complies with all legal requirements and with PSM/FIN to ensure compatibility with UNIDO financial rules and regulations as well as OSL/EVA on the observance of quality criteria and monitoring/evaluation requirements.
- (d) The project manager also consults OSL/SPR on the funding strategy so as to be able to accommodate more efficiently the requirements of potential donors.
- (e) UNIDO normally charges reimbursement for programme support and administrative services costs calculated as a percentage of the programme/project value. While, in general for IDF and trust fund contributions, the programme support costs are 13 per cent of the total project value or 10 per cent plus an adequate amount for technical support services, different levels can be applied for different sources of funding (e.g. GEF, UNDP) depending on the inputs required from the Organization. However, requests for any deviations from the UNIDO policy set by the Director-General have to be submitted by the team leader through his/her Branch Director and Managing Director to the Director PSM/FIN. In accordance with financial rule 106.3 / 106.4(2), should the Director PSM/FIN determine that the estimated actual costs of programme support and administrative services in respect of an individual project or activity justify a different rate, the Director PSM/FIN advises the Director-General on the matter and seek his/her approval. No agreement on or commitment to a reduced rate with the donor and/or beneficiary shall be entered into, unless the above process has been followed and the Director-General's approval obtained in writing.

PR 02.03.00 Activities

PR 02.03.01 *Step 1: Drafting the project document*

1. The project manager is responsible for drafting the project document (Annex 5 or 5a) in close consultation with the Regional Programmes (or with the team leader in the case of projects within an integrated programme).
2. A full project document is prepared. A distinction is made between projects entailing funds of more than €200,000 (Annex 5) and those entailing funds of less than €200,000 (Annex 5a). The latter requires fewer details.
3. Once drafting is complete, the project manager signs off the document. It is then cleared by the PTC Branch Director, the PCF/SPP Director or the PCF/RST Director, as applicable.

Responsibility: Project manager

4. In the case of a project within an integrated programme, the team leader checks whether the project is fully in line with the programme and component objectives set out in the

programme document. After clearance by the PTC Branch Director, the PCF/SPP Director or the PCF/RST Director, as applicable, the team leader indicates his/her assent in writing.

Responsibility: Team leader

PR 02.03.02 *Step 2: Submission to PCF/QPA*

1. Once duly signed and cleared, the project document, together with a funding strategy note where applicable (see DGAI.11/Add.2 for format), is forwarded to PCF/QPA.
2. In those instances where the project document has been prepared according to a specific (different) donor format, the covering memorandum should indicate the differences and a sample donor format should be attached to the project document. Should the donor format not include all the information normally required in a UNIDO submission, the key missing information should be spelt out in the covering memorandum. A checklist to facilitate this comparison of donor formats is attached (Annex 8).

Responsibility: Team leader and PTC Branch Director, the PCF/SPP Director or the PCF/RST Director, as applicable.

Stage 3

PR 03.00.00 REVIEW AND APPROVAL

PR 03.01.00 Definition, purpose and outputs

1. Review and approval comprises the appraisal by the QAG and PAC of project proposals, on the basis of which they may decide to: approve the project; approve it subject to certain conditions being met; request re-submittal; or reject the project.
2. The purpose of this stage is to ensure that all projects approved:
 - (a) Relate to the development goals of the recipient country (countries) and the thematic priorities of the Organization;
 - (b) Are structured according to the logical framework approach; and
 - (c) Comply with accepted quality standards (relevance, efficiency, effectiveness, impact and sustainability).
3. The outputs of this stage are a series of harmonized, logically structured projects that have been duly reviewed and approved.

PR 03.02.00 Activities

PR 03.02.01 *Step 1: Preliminary screening of project proposals*

1. On receiving the project proposals, together with a funding strategy note, where applicable, PCF/QPA first checks the documents and the attachments thereto for completeness, formal compliance with administrative requirements and conformity with the previously approved service summary sheet (or the programme screening form in the case of a project within an integrated programme). Those proposals that do not pass muster in formal terms are returned to the originating unit for resubmission. Those that bear scrutiny are forwarded to the Quality Advisory Group.
2. One exception is made in respect of post-crisis activities. Given the unpredictable nature of crises and the need to provide an urgent response in emergency situations, proposals relating to projects arising out the involvement of UNIDO in post-crisis programmes are submitted through PCF/QPA direct to the PAC. A summary service sheet does not have to be prepared, nor does the proposal have to be reviewed by the QAG. This fast-track procedure applies solely to post-crisis activities.

Responsibility: PCF/QPA

PR 03.02.02 *Step 2: Preliminary review of project proposals*

In order to ensure the technical soundness of the submissions, the QAG reviews the project documents in terms of their consistency, structure and logic, as well as their compliance with established quality criteria (relevance, efficiency, effectiveness, impact and sustainability). The Group consults with project officers on their submissions prior to finalising its comments that are subsequently incorporated in the advisory note to the PAC.

Responsibility: QAG and PCF/QPA

PR 03.02.03 *Step 3: Revision of project proposals*

Taking into account the points in need of clarification and other issues raised by QAG, the project manager revises the initial proposal and resubmits them through the PTC/MD to PCF/QPA for review by the PAC.

Responsibility: Project manager and PTC/MD

PR 03.02.04 *Step 4: Review of the project proposals.*

1. The PAC reviews the project proposals in terms of their adherence to the thematic priority areas and their compliance with the basic quality standards (relevance, efficiency, effectiveness, impact and sustainability). The PAC establishes the degree to which:
 - (a) The objectives of the project are focused and the logical framework has been applied;
 - (b) Problems and constraints have been identified;
 - (c) The budget and outputs are linked;
 - (d) Results indicators are shown;
 - (e) Risk factors and critical assumptions have been identified;
 - (f) Synergies with UN country-level mechanisms have been verified;
 - (g) Internal integration is assured;
 - (h) Monitoring and evaluation plans are included;
 - (i) The funds mobilization strategy is appropriate;
 - (j) Regulations and guidelines have been duly observed
2. In those exceptional instances where a proposed project exceeds the allocation parameters of the PAC, the PAC submits the proposal to the Executive Board for its consideration. Similarly, the PAC submits proposals that fall outside the scope of the service modules to the Executive Board for its decision.

Responsibility: PAC

PR 03.02.05 *Step 5: Approval of project proposals and allocation of UNIDO programmable funds*

1. In this step, the PAC assumes three roles:
 - (a) Approves projects prior to their being submitted to governments for endorsement and to donors for funding;

- (b) Allocates UNIDO programmable funds, where applicable, to projects within the authority delegated to it by the Executive Board; and
 - (c) Reconsiders and approves previously approved projects in those instances where the latter have undergone extensive revision or deviate significantly from the original design. (see PR 04.05.00).
- 2. After due consideration of the individual project proposals, the PAC may:
 - (a) Approve the project proposal in toto, together with the funds mobilization strategy, where applicable;
 - (b) Make approval contingent on certain conditions being met (such as amendments to the project and/or funding strategy) and assign the task of verifying compliance with those conditions to the appropriate body;
 - (c) Request re-submittal;
 - (d) Forward the proposal to the Executive Board;
 - (e) Approve the request for UNIDO programmable funds, if applicable; or
 - (f) Reject the proposal.
- 3. The decision is recorded in the minutes. PCF/QPA circulates the minutes and posts them on the Intranet.

Responsibility: PAC

PR 03.02.06 *Step 6: Issuance of a PAD*

1. When the PAC decides to allocate UNIDO programmable funds, PCF/QPA authorises the issuance of a PAD and informs PCF/OMD of the same so that the relevant databases in InfoBase can be updated.
2. For all other sources of funds, PCF/QPA, OSL/SPR and PSM/FIN/FMT take appropriate action within their respective mandates for the issuance of PADs, taking into account the funds received.
3. The PAD issuance date is the project starting date; the duration of the project is calculated as of that date.

Responsibility: PAC, PCF/QPA, in concert with PCF/OMD, OSL/SPR and PSM/FIN/FMT

PR 03.02.06 *Step 7: Signature of the project document*

Following approval by the PAC and, if so required, the Chair of the PAC signs the project document to confirm the technical implementability of the project. GEF project documents are signed by the PTC/MD.

Responsibility: PCF/QPA

PR 03.02.07 *Step 8: Government endorsement*

1. Following approval by the PAC of the project, Government endorsement is sought. The approved project document is thus sent through the Regional Programmes to the government/coordinating ministry concerned for formal endorsement. Endorsement may ensue through approval of a project or an integrated programme or through a specific communication from the responsible authority. Government endorsement should also be obtained on the implementation modalities envisaged.
2. Upon receipt of Government endorsement, the Director-General signs the project document in those instances where the document serves as a funding agreement.

Responsibility: PCF/RFC together with UR and Field Office as appropriate.

PR 03.02.08 *Step 9: Initiation of formal funds mobilization activities*

1. Based on the decision of the PAC, OSL/SPR initiates formal funds mobilization activities. Stand-alone projects, research and global forum activities are submitted through OSL/SPR to the donors.
2. The manner in which projects are submitted to potential donors depends on the latter's mode of operation. If the donor's approval system is decentralised, the project is submitted through the Regional Programmes and the URs/Field Offices to potential donors' representatives in the field.
3. Upon receipt of funds from donors, a PAD is issued in compliance with PR 03.02.05 above.

Responsibility: OSL/SPR

Stage 4

PR 04.00.00 IMPLEMENTATION

PR 04.01.00 Definition, purpose and outputs

1. Implementation comprises that phase of the project cycle during which approved and duly funded projects are carried out, involving the provision of the inputs needed to undertake activities and secure the outputs. Throughout this stage, project budgets undergo revision and periodic re-phasing.
2. The purpose of this phase is to ensure that: inputs are provided on time; the activities undertaken as intended; and the projects implemented in keeping with the strategy adopted. The ultimate aim of this phase is to achieve the project outcomes (immediate objectives), produce the outputs and complete activities in a verifiable manner.
3. The outputs of this stage are efficient and effective projects.

PR 04.02.00 Approach

Responsibility for implementation rests wholly with the technical branches in PTC or, in certain cases, PCF/SPP and PCF/RST, whose staff members assume the duties of project manager and allotment holder.

PR 04.03.00 Activities

PR 04.03.01 *Step 1: Implementation planning*

At the very outset, the project manager (allotment holder) draws up an operational work plan in consultation with the counterparts and (if applicable) other stakeholders. The operational work plan should provide details of implementation, normally in the form of a Gantt chart. It serves as a management tool for the project managers (allotment holders) enabling them to review the outputs to be produced and their result indicators. It normally covers a period of twelve months. It serves as a yardstick against which project progress can be measured in terms of activity and budget line. The plan is periodically updated and the data included in the InfoBase. A standard format for the operational work plan is attached (Annex 10).

Responsibility: Project manager (allotment holder)

PR 04.03.02 *Step 2: Establishing coordination mechanisms*

Key to an efficient and effective implementation process is the establishment ab initio of coordination mechanisms both in the house and in the field.

(a) At headquarters

At headquarters, coordination is assured through regular meetings of managers of projects within one specific region who review together with the relevant Regional Programme (as convenors of the meetings) overall progress, common problems and share country experience (every six months).

Responsibility: PCF/RFC and project managers

(b) In the field

Co-ordination at the field level is even more important, particularly for projects within an integrated programme. Field-level coordination mechanisms involving all project counterparts are established according to the specific requirements of the project. They are spelt out in the project document. Regular meetings are held at the field level to review the status of the implementation with the counterparts and stakeholders.

Responsibility: Field Office and project manager (allotment holder)

PR 04.03.03 Step 3: Project and budget management

1. In addition to being responsible for the technical implementation of the projects, the project managers are the allotments holders. In compliance with their role as supervisors, Branch Directors oversee the project managers. They ensure that objectives are closely coordinated with integrated programmes in the region, objectives are met and corrective action is taken when required. In the event of problems arising, the Branch Directors shall play an active role in their resolution in the interests of smooth project implementation. If no solution is found at that level, the Managing Director mediates in the matter.
2. Allotment holders are fully responsible for their entire budget and also act as certifying officers for the respective accounts. This includes responsibility for revising the allotment and ensuring optimum utilization of the total allotment and preparing both progress and terminal reports on project activities. The allotment holder designates an alternate allotment holder who acts in his/her absence.
3. If so required, the allotment holders in consultation with the Branch Directors nominate sub-allotment holders; the latter are responsible only for their sub-allotments. However, a sub-allotment is not a self-contained component with a separate guaranteed budget. It is a means of delegating implementation in part to another staff member and ensuring correct recording of service delivery. It remains an integral part of the overall project budget and can only be revised as part thereof (see PR 04.04.00 below).
4. It should be noted that allotment holders (and sub-allotment holders) are not allowed (even temporarily) to borrow funds from another allotment, project or source of funds in order to carry out an activity. Similarly, it should be noted that they are not allowed to charge expenditures relating to one project to another or to transfer funds from one project to another, except in those cases where one project has provided legitimate services to another that can be invoiced. That transfer must then be duly obligated against the 'paying' project and payment requested from Financial Services.
5. A description of inputs and related budget lines is given in Annex 12.

Responsibility: Project manager (allotment holder) and the sub-allotment holders.

PR 04.03.04 Step 4: Operational completion

One month prior to the scheduled operational completion date, a completion date alert (Annex 11) is issued in electronic form via FPCS, containing the most recent financial data together with a full inventory and highlighting any actions that still need to be taken. Once the completion date has elapsed, the project manager receives an updated version of the completion date alert outlining the various steps he/she has to take. The project manager signs and returns to PSM/FIN the duly completed form, copying it to all parties involved. On

receiving the form, PSM/FIN does not enter into any further obligations against the project. Non-expendable equipment is dealt with according to standard procedures. All projects are automatically closed six months after the original completion date.

Responsibility: Project manager (allotment holder), PSM/FIN and PSM/OSS/GES

PR 04.04.00 Project revision

PR 04.04.01 Definition, purpose and outputs

1. Revision relates to a change in circumstances that warrants modification of the work plan, project activities/inputs and, ultimately, reconfiguration of the project budget.
2. The purpose is to accommodate changes by adjusting the scope (objectives and outputs) of projects and the related budgets in the interests of smooth and efficient project implementation, while ensuring conformity with beneficiary priorities and donor requirements/agreements
4. The outputs of this phase are revised or rephrased projects and related budgets.

PR 04.05.00 Approach

Revisions have to be prepared each time the approach (design) of a project and/or its budget is changed. The situation may have changed in the country, new requirements may have been identified, additional funding may have to be mobilized and UNIDO may need to respond to a request by the recipient government or a donor to revise or include additional components and/or outputs. Revisions are also necessary in those instances where certain projects within an integrated programme have to be changed or dropped for want of funds or other reasons.

PR 04.06.00 Activities

PR 04.06.01 *Step 1: Preparation of request for the revision of a project and its budget*

1. Requests for budget revisions are prepared and submitted by the project manager (allotment holder). If the project is a component part of an integrated programme, the standard revision request form (Annex 13), which provides details of the budgetary change and a justification for the revision, is forwarded to the team leader (or alternate team leader) for clearance, who certifies that the budget revisions for the individual component are in accordance with the overall objectives of the IP. The standard revision request form must be accompanied by a PAD budget revision history form and a working budget proposal prepared using FPCS. Those documents are then forwarded to PSM/FIN/FMT where the budget lines, currency and balance of funds are checked. Once cleared, the request is transmitted to PCF/QPA, except for UNDP- and GEF-funded projects (see 04.06.02 below).
2. If the revision incurs transfers between budget lines (or budget years), the reasons should be given in the revision request form. A mere description of the changes does not suffice, as they should be apparent from the standard budget revision form, particularly where changes in terms of outputs, outcomes and performance indicators are concerned. It is not enough to request a change on the grounds that the counterpart or donor so wishes. Justifications are needed not only for the shift to a new budget line, but also for the release of the funds from the previous budget line.
3. Up to a maximum of six months after the scheduled completion date, the PAC may still consider and approve requests for extensions and revisions. The project manager prepares a full justification for the extension/revision. Full account has to be taken of funding arrangements that are often time-bound and an extension thereof may well require the donor's prior approval. The request has to be reviewed and endorsed by the Managing Director within the six-month period. The request is then forwarded to PSM/FIN/FMT for further action (see 04.06.02 and 04.06.03 below).

4. In the absence of the revision being approved within that six-month period, the project is declared operationally complete at the earliest possible juncture, but no later than six months after the originally scheduled completion date.
5. No project shall be extended beyond five years (from the date on which the first PAD was issued), except those with a planned duration of more than five years. Those projects may be extended one further year, if required.

Responsibilities: Project manager/allotment holder (subject to clearance by the team leader, where applicable)

PR 04.06.02 *Step 2: Review of requests for extension and/or revision*

Requests for extension and/or revision fall into three distinct categories:

- (a) **For all projects except those funded by UNDP and GEF sources (direct and indirect):**
 - i. PCF/QPA may approve requests for extensions up to one year beyond the original duration of the project (starting with the date of PAD issuance) and the related budgetary revisions, if those extensions and revisions are within its mandate, subject to donor approval as required;
 - ii. PCF/QPA shall submit requests for extensions of more than one year beyond the original duration of the project (starting with the date of PAD issuance) and the related budgetary revisions to the PAC for approval. After PAC approval has been secured, PCF/QPA obtains clearance and/or approval from donors as required.
- (b) **For projects funded by GEF sources (direct and indirect):**
 - i. PSM/FIN/FMT may approve requests for extensions of up to one year beyond the original duration of the project (starting with the date of PAD issuance) and the related budgetary revisions, subject to prior approval by GEF sources (direct and indirect) and their meeting the criteria for revisions;
 - ii. PSM/FIN/FMT shall submit requests for extensions of more than one year beyond the original duration of the project (starting with the date of PAD issuance) and the related budgetary revisions to the PAC for approval. Prior to securing PAC approval, PSM/FIN/FMT obtains clearance and/or approval from GEF sources (direct and indirect) as required.
- (c) **For projects funded by UNDP:**
 - i. Requests for extensions and/or revisions are submitted simultaneously to UNDP and the PAC. If the revision approved by UNDP differs from that of the UNIDO submission, the PAC should be duly informed.
 - ii. Under certain circumstances and in order to offset delays, advance authorisation by UNDP is accepted as long as (a) the PAC approves the programme/project revision and (b) UNDP approves it at a later date.

Responsibility: PSM/FIN/FMT and PCF/QPA

PR 04.06.03 *Step 3: Revisions requiring submission to and approval by the PAC*

1. When the revision relates to major changes in the scope (objectives and outputs) and design of the project regardless of the source of funding, a full justification should be given in the project revision form (Annex 13) and, where required, the new logical framework explained, i.e. in those instances that:
 - (a) Require an increase in the overall budget;

- (b) Have a significant impact on the objectives and/or approach of the project;
 - (c) Relate to a delay in project completion of more than one year beyond the original completion date;
 - (d) Result in an increase of 20% or more than €5,000, whichever is higher, in the allocation for budget line 16 (staff travel) and/or an increase of €500 in the allocation for budget line 55 (hospitality). The percentage or amount shall take into account the cumulative effect of the revisions;
 - (e) Call for a major transfer of funds between major budget lines: 20% or more than €20,000, whichever amount is greater. The percentage or amount shall take into account the cumulative effect of the revisions.
2. The need for a full justification and clear time plan for completion also applies to the extension of projects with residual balances of 10% of the total budget or €20,000 whichever is lower.

Responsibility: PCF/QPA ,PSM/FIN/FMT and PAC

PR 04.06.04 *Step 4: Issuance of a revised PAD*

Upon completion of a positive review by the PAC or PCF/QPA, the request is forwarded to PSM/FIN for the issuance of a PAD

Responsibilities: PCF/QPA and PSM/FIN

PR 04.07.00 Rephasing

PR 04.07.01 Definition

Distinct from revision, rephasing relates to the annual rephasing of resources that were not utilized in the course of the year.

PR 04.07.02 Approach

Even if no change is required, the budgets of all ongoing projects have to be re-phased once a year as soon as the final actual expenditures of the previous year are known so that any residual funds from that year can be used. As long as the completion date is set for the following year and no funds have been shifted between budget lines, all ongoing projects are eligible for automatic rephasing. This takes place after the appropriate accounting cut-off date, whereafter a new budget revision number is given.

Responsibility: PSM/FIN/FMT in cooperation with project managers

Stage 5

PR 05.00.00 INDEPENDENT EVALUATION⁹

PR 05.01.00 Definition and purpose

1. Independent evaluation of a project is an activity within the project cycle that attempts to determine, as systematically and as objectively as possible, the relevance, efficiency, effectiveness, impact and sustainability of the programme.
2. In the case of projects, evaluations take the form of mid-term or terminal evaluations. They draw on the progress reports drafted by those implementing UNIDO technical cooperation

⁹ The functions and principles of evaluation, the roles and responsibilities of the parties involved, as well as the management of and follow-up to the evaluation process are described in the Director-General's Bulletin on evaluation policy (UNIDO/DGB(M). 98). In respect of donor-funded projects to be evaluated, UNIDO accepts donor-defined evaluation policies and practices.

activities (see Monitoring and self-evaluation). Their preparation may involve panels of independent evaluators or technical experts from within the UN system or without.

3. OSL/EVA draws up a biennial evaluation plan listing the projects to be evaluated, indicating the funding requirements and the source of funding (UNIDO RB or donor) for approval by the Executive Board.
4. Evaluation serves three main purposes.
 - (a) It assures accountability by reporting on UNIDO activities to: the governing bodies of UNIDO; partner and donor governments; stakeholders in UNIDO ranging from industry to those directly involved in UNIDO activities; the supporters and potential detractors of UNIDO interventions; and the taxpayer.
 - (b) It supports those who manage projects at all levels in UNIDO, technical and coordination units alike, both at headquarters and in the field, as well as in counterpart organizations.
 - (c) It drives learning and innovation at the corporate and programme levels. To that end, evaluations attempt to draw general lessons from specific cases and make those lessons available to all those (within UNIDO and without) who might benefit from such experience so that they might constantly improve their day-to-day professional work and/or develop innovative approaches.

PR 05.02.00 Mid-term/terminal evaluations

1. Directed towards UNIDO senior operational and programme management, recipient Governments and counterparts, as well as donors, mid-term/terminal evaluations:
 - (a) Assess the relevance of projects to government policies, United Nations cooperation frameworks and UNIDO corporate strategy;
 - (b) Assess the achievement of outputs, outcomes, and prospects for developmental impact with reference to performance indicators included in the original document;
 - (c) Assess the efficiency and cost-effectiveness of implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs; quality and timeliness of activities;
 - (d) Submit proposals for improving implementation and/or amending the project document in order to ensure outcomes, enhance impact and improve sustainability;
 - (e) Identify lessons learned as they relate to broader application, replication of the programme approach and policies and strategies;
 - (f) Provide a follow-up action plan listing actions to be taken by the different stakeholders.
2. Mid-term and terminal evaluations are mandatory for the following projects:
 - (i) Those with UNIDO inputs (budget without support costs) exceeding €1 million;
 - (ii) Those being considered for extension in excess of €0.7 million.
3. They are also conducted in the following instances:
 - (i) Project subject to evaluation requirements and mechanisms established in the funding agreement with the donor;
 - (ii) Projects encountering major implementation problems and/or serious disagreement between stakeholders or programmes displaying a remarkable

measure of success or ‘replicability’. In those particular instances, the donors, the counterparts, UNIDO senior management or OSL/EVA (based on the findings of the self-evaluations) may initiate an independent evaluation at any time.

PR 05.03.00 Inputs to the evaluation process

(a) Project managers

Project managers have a crucial role to play. At the outset of the evaluation process, they are responsible for preparing a comprehensive information dossier providing complete and up-to-date information on their projects for submission to OSL/EVA. The information they provide includes: identification and planning documents; financial information; regular progress reports; back-to-office mission reports; and other background documentation. Drawing on that information dossier, OSL/EVA assesses the ‘evaluability’ of the project in question and designs the evaluation methodology.

At the end of the evaluation process, project managers are responsible for drawing up an action plan based on the follow-up activities identified in the course of the evaluation. The plan lists all follow-up activities, indicating the responsibilities and accountability, as well as setting deadlines and reporting dates for the implementation of those activities.

Project managers monitor the implementation of the follow-up activities; they prepare implementation reports in line with the dates given in the list of follow-up activities. Those implementation reports are submitted to the respective line managers and copied to OSL/EVA.

(b) Field Offices

Field Offices draw up the programme for the field mission. Details are prepared in respect of the people to be met and the project sites to be visited. Government representatives, donor representatives, all counterparts and relevant beneficiaries have to be identified and preparations made to meet them. Schedules have to be finalized for meetings with the UNDP Resident Coordinator and the full involvement of the UNIDO Field Office ensured throughout the mission.

(c) Managing Directors and Branch Directors

Managing Directors and Branch Directors are responsible for ensuring that all follow-up activities are carried out by their staff as planned. For evaluations related to institutional issues or a specific priority theme, a Director may be nominated to facilitate access to and preparation of the comprehensive information dossier.

(d) Other staff

As the term indicates, evaluations are by definition independent. They are undertaken, inter alia, by outside experts, recipient governments and donors as the case may be. If available and not directly involved in the programme being evaluated, qualified UNIDO staff may on occasion serve as members of an evaluation team, thus strengthening the learning process within UNIDO.

PR 06.00.00 MONITORING AND SELF- EVALUATION

PR 06.01.00 Definition, purpose and outputs

1. Monitoring and self-evaluation are key management tools for the continuous improvement of technical cooperation activities. Based on a participatory approach involving project managers and their counterparts, these review functions extend throughout the project cycle and constitute essential elements in resource mobilization.
2. The purpose of monitoring and self-evaluation is to provide the main stakeholders in a project and the UNIDO management with early indications of progress towards the achievement of project outcomes, outputs and objectives, as well as any problem areas that need to be addressed. On the basis of regular progress reviews, agreement can be reached on any project changes required.
3. The outputs are regular progress reports prepared every six months by the project managers providing insight into the current status of implementation and highlighting any necessary remedial measures, coupled with the identification of synergy effects and critical information requirements.

PR 06.02.00 Approach

In the case of projects, the monitoring and self-evaluation process involves the preparation of:

- i. Progress reports
- ii. Terminal reports

PR 06.03.00 Activities

PR 06.03.01 Monitoring projects

1. The project manager monitors project activities on a continuous basis in order to ensure that activities occur as planned and remedial steps are taken as necessary. In that context, feedback from the field is of elemental importance, with the field office reporting back on accomplishments and the need for remedial action, if any. On the basis of those reports from the field, the project manager reviews the status of implementation with a view to ensuring the quality and timely delivery of both inputs and outputs, in keeping with the project objectives and within the budget allotted.
2. Such tools as funding strategy notes, operational work plans, previous monitoring reports and back-to-office-mission reports support the monitoring activities at the project level and facilitate the preparation of project progress reports (see below) every six months.

Responsibility: Project manager

PR 06.04.01 Categories and periodicity of reports

(a) Progress reports

1. Project progress reports are composite reports combining information on the status of implementation with an assessment by project manager of the current situation, identifying such factors as additional measures required and synergies achieved. The project results are assessed against project outcomes, outputs and objectives as a means of continually improving project performance and productivity (results-based management). The reports have to be prepared every six months, i.e. at the end of June and December of each year. The first report in any year focuses primarily on the implementation aspects, with self-evaluation assuming a less prominent role. The second report six months later, however, accords both features equal weight.
2. Project managers prepare the progress reports for individual projects according to a standard format (Annex 15). They submit their reports to their line managers (in the case of projects

within an integrated programme to the team leader as well), with a copy to OSL/EVA for use in annual statistical and analytical report on the timeliness and quality of the reports, as well as a copy to the RBM focal points. All progress reports are uploaded onto the InfoBase.

3. In those cases where a project is to be extended or enter a new phase, it is crucial that a sound self-evaluation be conducted that is subsequently reviewed by OSL/EVA. The relevant progress reports are submitted to the PAC together with the evaluation summary note (Annex 16) prepared by OSL/EVA, containing their recommendations on the extension. For all projects with a budget of more than €1 million, those reports are supplemented by an independent evaluation.
4. Progress reports also serve as an input to the tripartite reviews that the three parties [UNIDO, the beneficiary government and the donor] undertake to assess the effectiveness and impact of projects.

(b) Terminal reports

Terminal reports mark the closure of a project and are usually submitted to the final tripartite review meetings. Prepared by the project manager, they generally double up as final reports to donors, where needed.

PR 06.05.00 Other sources of project-related information

1. The UNIDO InfoBase <http://intranet.unido.org/Infobase/> constitutes a current information resource. It has been designed to facilitate the work of both the Executive Board and the PAC, as well as provide up-to-date information to team leaders, project managers and other stakeholders.

(a) Data on technical cooperation

The InfoBase contains a series of executive reports on technical cooperation that can be swiftly accessed. From any where in InfoBase, select UNIDO Overviews from the drop-down menu on the top right-hand side of the page and then click on the first option: Technical Cooperation. Up comes a series of reports ranging from yearly and monthly comparisons, integrated programme reports, to monthly reports by source of fund, region and Division/Branch.

(b) Decisions and minutes of EB and PAC meetings

An overview of the activities of both the EB and PAC, together with the minutes of all their meetings by date, are available on the UNIDO Intranet.

2. All the above menus can be accessed via the Intranet home page:
<http://intranet.unido.org/> Proceeding from the drop-down menu of the first option (InfoBase), the user can select technical cooperation reports, programmable resources, Programme Approval Committee and Executive Board.

PR 07.00.00 RESOURCE MOBILIZATION

PR 07.01.00 Definition, purpose and outputs

1. Resource mobilization comprises the identification and securement of project funding in cooperation with potential donors and funds. It is a cross-organizational multi-phase activity that begins in the identification stage and extends through formulation into formal negotiation with potential donors on to the implementation and evaluation stages.
2. The purpose of this activity is to ensure that funds are made available for the implementation of UNIDO priority projects.
3. The outputs are adequately funded projects

PR 07.02.00 Approach

1. The funds commonly used by UNIDO for its projects are: funds programmable by the Secretariat; the Industrial Development Fund and similar voluntary contributions (third-party or self-financed trust funds); global funds related to specific purposes; and funds from UNDP or other agencies. More detailed information is available in Resource Mobilization Note 1(Rev.2), Funding Options for UNIDO Technical cooperation Activities, as well as in the Intranet Funds Mobilization Guide:

<http://intranet.unido.org/UserDocs/FundsMobilization/index.htmls>

1. Resource mobilization is a task incurring many responsibilities. The recipients of UNIDO services bear a primary responsibility; they must ensure that the activities being promoted relate to the country's development goals and priorities. They must also assume a leading role in mobilizing funds from various sources given the decentralized nature of donor funding and country-level decision-making, as well as the importance of demonstrating ownership and the high priority the recipient country gives to the project.
2. In their capacity as the focal point for all fund mobilization matters related to a project, project managers bear the primary responsibility for:
 - (a) Ensuring that resource mobilization is an integral part of project identification and formulation;
 - (b) Drawing up a funding strategy with OSL/SPR; and
 - (c) Preparing resource mobilization strategies and actions plans and coordinating the resource mobilization activities related to projects.

4. For projects within integrated programmes, separate guidelines are given in Resource Mobilization Note 2, (Rev.3), Funds Mobilization for Integrated Programmes, as well as in the Intranet Funds Mobilization Guide:

<http://intranet.unido.org/UserDocs/FundsMobilization/Mobilization-for-IP.htmls>

5. A major responsibility devolves on the UNIDO representatives in the field who, in addition to ensuring a programme's or project's congruence with the country's declared development objectives, promote UNIDO activities with the donor community, UNDP and regional financial institutions and seek synergy with UN programming frameworks. Their crucial function takes on even greater importance given the decentralized nature of many donors' decision-making processes.
6. More detailed guidelines on the different responsibilities by type of funds are available in Resource Mobilization Note 4(Rev.2), Mobilizing Resources for UNIDO Programmes and Projects- Division of Responsibilities, as well as in the Intranet Funds Mobilization Guide:

<http://intranet.unido.org/UserDocs/FundsMobilization/responsabilities.ihmls>

7. Information on priority countries and themes by donor is available from Resource mobilization Note no.3 (Rev 3), Funds Mobilization Information on Donor Priorities, as well as in the InfoBase.
8. UNIDO normally charges reimbursement for programme support and administrative services costs calculated as a percentage of the programme/project value. While, in general for IDF and trust fund contributions, the programme support costs are 13 per cent of the total project value or 10 per cent plus an adequate amount for technical support services, different levels can be applied for different sources of funding (e.g. GEF, UNDP) depending on the inputs required from the Organization. However, requests for any deviations from the UNIDO policy set by the Director-General have to be submitted by the team leader through his/her Branch Director and Managing Director to the Director PSM/FIN. In accordance with financial rule 106.3 / 106.4(2), should the Director PSM/FIN determine that the estimated actual costs of programme support and administrative services in respect of an individual project or activity justify a different rate, the Director PSM/FIN advises the Director-General on the matter and

seek his/her approval. No agreement on or commitment to a reduced rate with the donor and/or beneficiary shall be entered into, unless the above process has been followed and the Director-General's approval obtained in writing.

9. Specific guidance is available in the Intranet Funds Mobilization Guide under:

<http://intranet.unido.org/UserDocs/FundsMobilization/support-costs.htmls>

10. As resource mobilization is a decisive input from the very outset, related activities are to be found in all stages of the project cycle. Those activities, some of which are undertaken simultaneously [as distinct from sequentially], are described below for various stages of the cycle.

PR 07.03.00 Activities during the identification stage

PR 07.03.01 *Step 1: Consultations with OSL/SPR*

Where appropriate, project managers consult OSL/SPR on potential funding sources prior to indicating the same in the summary service sheets.

Responsibility: Project manager

PR 07.04.00 Activities during the review and approval stage

PR 07.04.01 *Step 1: Submission of project document to donors*

OSL/SPR identifies one or more potential donors and submits the project officially.

Responsibility: OSL/SPR

PR 07.05.00 Activities after the review and approval stage

PR 07.05.01 *Step 1: Follow-up action*

Additional resource mobilization activities may prove necessary on review of the funding status, involving a redefinition of the funding strategy and the identification of programme- and/or project-specific promotional activities. This may entail, organizing resource mobilization meetings in the field or conducting follow-up resource mobilization missions to the country and/or selected donor countries.

Responsibility: Project manager in conjunction with OSL/SPR

PR 07.05.02 *Step 2: Preparation of funding agreements*

In those instances where a separate funding agreement between a donor and UNIDO is required, OSL/SPR initiates discussions and negotiates the terms of the agreement. The PCF/MD signs the same up to an amount of €1 million. The Director-General signs in all other cases.

Responsibility: OSL/SPR

Annex 1

PROGRAMME SCREENING FORM

Programming Exercise For Integrated Programme in (country)

I. BACKGROUND (approx. 2-3 pages)

A. Country interest

Indicate whether (a) the process was initiated directly by the country or by UNIDO; (b) the Government is aware of the implications of the programme approach and committed to it.

B. Principal industrial development issues

The principal industrial development challenges confronting the country should be concisely set out. The main opportunities and constraints at the national or local level (as appropriate) should be included.

C. Country strategy

The country vision for industrial development: objectives, relationship to overall development goals, order of priorities, target beneficiaries, relevant policies and key players (including other UN agencies and technical cooperation organizations) with appropriate cross-reference to sources of information.

D. Specific industrial issues to be addressed by UNIDO

Say whether: (a) the industrial objectives to be supported by UNIDO have been clearly identified; (b) there is a common understanding with the Government. Describe the action that the country is taking to achieve the objectives identified above: existing programmes, institutions involved, resources available and major weaknesses encountered.

E. RBM code (see Annex 17) and thematic area code¹⁰

F. Possible sources of funding

Overview of the aid provided by the international donor community and UNIDO (financial magnitude, focus and priorities, lessons learned). Indicate whether a UNDAF framework exercise has been already carried out or is planned. Indicate whether there are any limitations on potential funding (e.g. funding can be foreseen only from UNDP; some donors may be interested but a major marketing effort would be needed) that are likely to have significant implications for UNIDO's response.

¹⁰ The theme codes are: EAE, PRP and TCB

II. PROPOSED FOLLOW-UP (2 pages, excluding annexes)

A. Identification of requirements

Request	By whom?	On what occasion?

B. Analysis of requests received

Complete and annex Attachment I for each request.

C. Recommended action

- Proposed type of integrated programme

Describe the tentative structure of the programme and indicate whether a single national programme or a local or sectoral programme is appropriate. Suggest and justify whether: (a) all requests can be included in the programme; (b) only some should be included; (c) additional issues should be addressed or ongoing or pipeline projects could be integrated into the programme.

- Formulation mission details
- Proposed composition of team

Indicate the key competencies and skills of the team members

- Proposed timing

Indicate whether the programming exercise can start immediately or should be deferred.

- Requested budget

Provide breakdown by consultants (international and local), travel costs and miscellaneous

Need for preliminary exploratory mission

Indicate whether such a mission is needed to clarify jointly with government and other local actors the overall objective of the programme and its main components. If so, provide details of resources required.

- Open questions

List any additional points that should be considered by the Executive Board when making a decision and by the team leader and his/her team when formulating the programme.

Submitted by:

Name and signature of Regional Programme officer:

Date:

Name and signature of PCF/RFC Director:

Date:

Attachment 1 : Analysis of requests

Complete the following table for each request

REQUEST :				
Key issues		Low	Medium	High
Relationship to industrial objectives/priorities to be supported by UNIDO				
Possibility of synergy with	Country efforts			
	UNDP/UNDAF			
	Other external aid			
Funding potential	UN system			
	Other donors			
Expected contribution to:	Poverty reduction			
	Trade capacity building			
	Energy and environment			
	Women			
	International development objectives			
Relationship with	UNIDO ongoing and pipeline projects			

Recommendation:	<i>Clarify whether any political commitment has been made. Identify strength or comparative advantage of UNIDO vis-à-vis other assistance agencies.</i>
------------------------	---

Prepared by:

Name and signature of Regional Programme officer:

Date:

Annex 2

Service Summary Sheet

Programme/project/ research title:

Country:

Date proposal received by UNIDO:

Origin of proposal:

(Provide name of requesting organization describing the nature of the organization, if necessary, government, institution or enterprise and indicating whether it is a follow up to a Programme/Project Progress Review or an in-depth evaluation. For research projects, cite reference to medium-term programme framework)

Problem/research issue to be addressed:

(Provide a short description of the problem addressed and its relation to the development goals of the country or, in the case of research, its relationship to the Corporate Strategy and the medium-term programme framework)

Expected target beneficiaries:

(For technical cooperation: Who will benefit from the counterpart organization's increased capacity as a result of the services delivered, for example - shoe manufacturing industry or small-scale entrepreneurs. Are the problems of the target beneficiaries known, what are they? Be as gender specific as possible. How will the proposed service help solve those problems? Can the target beneficiaries be reached through the counterpart structure envisaged?)

For research: Identify the users of the project outputs: UNIDO technical cooperation activities, policymakers, business community, development agencies, research community and international organizations. Identify also the service modules that will benefit from the research project.)

Counterpart organizations (for technical cooperation only):

(What are the functions of the counterpart organization with regard to the problem area discussed above? What constraints does the organization face when helping the target beneficiaries solve their problems? Will women benefit? If already assisted, why is UNIDO assistance required once more?)

Programme/project/research purpose:

(What service(s) are being requested of UNIDO? How will the service proposed be used by the counterpart organization to solve their constraints and problems? How will the research project contribute towards improving the research issues to be addressed?)

International development goals :

(Indicate the specific international development goals addressed and the measurement of impact in terms of specific indicators. Describe how the project could contribute, directly or indirectly, to the country's efforts to realize both the MDGs and those set by subsequent global conferences such as Finance for Development and World Summit on Sustainable Development)

RBM code (see Annex 17) and thematic area code¹¹

Immediate objectives and expected outcomes and outputs:

(Provide a short description of the results UNIDO services will yield, including performance indicators at the output and outcome level, and indicate the relevance of outcomes to national development objectives and priorities)

¹¹ The theme codes are: EAE, PRP and TCB

Proposed cross-organizational linkages and service required:

(Indicate what service modules will be offered and the units involved. Describe team-building steps undertaken to date and describe what is planned. In the case of research projects indicate other research institutions directly involved in the project and describe the mode of cooperation.)

Country-level coherence (for technical cooperation only):

(In order to avoid duplication, indicate linkages and synergies with any other development cooperation agencies such as multilateral, bilateral and non-governmental organizations active in this area in the country. Indicate the extent of the project's contribution to the country-level programming framework (CCA and UNDAF)?)

Estimated budget:

(Indicate as far as possible the inputs required and the amounts involved by budget line.)

Expected source of funding: *(Insert "X" in the applicable box below)*

UNIDO Programmable Funds:	<input type="checkbox"/>
IDF/TF:	<input type="checkbox"/>
SF:	<input type="checkbox"/>
UNDP:	<input type="checkbox"/>
Other ():	<input type="checkbox"/>
Not known:	<input type="checkbox"/>

Strategy envisaged for mobilizing funds:**Are funds required for developing and formulating the project? (For technical cooperation only)**

___ yes ___ no

If yes, please provide information on the TOR of the mission and indicate the proposed budget and source of funding, together with details of the related inputs and activities (see separate form: Request for funding of preparatory assistance, Annex 3)

Name of proposed project manager:

Name and signature of submitting PCF/RFC officer:

Date:

Name and signature of PTC Branch, PCF/SPP or PCF/RST officer:

Date:

I certify herewith that the above request for services has been positively assessed against all the relevant UNIDO criteria, and that, when further developed, it stands a good chance of being successfully funded and implemented by UNIDO.

Name and signature of Chief, Regional Programme

Date:

Name and signature of Director, PTC

Name and signature of Director PCF/RST (for research projects)

Name and signature of Director PCF/SPP (for special programme projects)

For global and interregional projects

Name and signature of Director, PCF/RFC

cc. Managing Director, PTC
Managing Director, PCF

Annex 3

REQUEST FOR FUNDING OF PREPARATORY ASSISTANCE RELATED TO PROJECT DEVELOPMENT AND FORMULATION

Description of activities

(Please describe the activities and complete the table below)

Activity	Responsibility	Estimated completion date

Expected outputs

(For each activity, please describe expected output and output indicator)

Proposed budget

1. International staff
2. National staff
3. Staff travel

TOR for mission

(Please describe the terms of reference for the formulation mission. Annex 7: Outline for a formulation mission should be taken into account)

Outline of job description(s):

Prepared by:

Name and signature of PCF/RFC officer:

Date

Name and signature of PCF/RFC Director:

Date

Annex 4



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

INTEGRATED PROGRAMME OF TECHNICAL COOPERATION

WITH(country)

..... (month, year)

Programme title:

(The title should clearly indicate the programme focus and link to the overall objective)

Starting date:

Duration:

Total funds required (in cash)
(in kind)

Government co-ordinating agency:

Host region counterpart:

Executing agency:

United Nations Industrial
Development Organization
(UNIDO)

Brief description:

Approved:

	Signature:	Date:	Name and title
On behalf of:	-----	-----	-----
On behalf of UNIDO:	-----	-----	-----

TABLE OF CONTENTS

Executive summary

Part I	The integrated programme within the country context
Part II	Aims, expected results and structure of the programme
Part III	Programme management
Part IV	Estimated budgetary requirements with budget sheets for: (a) programme as a whole; and (b) components broken down into individual projects

EXECUTIVE SUMMARY

Brief description of the industrial development issues; country objectives and action that the country is taking to achieve them; critical problems identified; positioning of UNIDO country strategy vis-à-vis the objectives of other donors; agreed thematic priorities/areas and sectors to be assisted; main objective of the programmes; main outputs of individual programme components; main outcome indicators; summary of implementation arrangements.

PART I THE INTEGRATED PROGRAMME WITHIN THE COUNTRY CONTEXT

Expanding on the specific findings and conclusions drawn during the formulation mission(s), this part should provide an overview of the country's industrial development and those aspects relevant to the provision of support by UNIDO.

1. Overview of the industrial situation

A brief description of: (a) industry at the national (and if appropriate, local) level and its contribution to the economy of the country; (b) the key sectors and subsectors in terms of output and value-added, employment (gender disaggregated if appropriate); (c) geographical distribution, size of enterprises and ownership patterns; (d) major export markets and product lines; (e) investment and technology flows; (f) regional groupings within which the country operates and their implications for the manufacturing sector.

2. Country strategy, efforts and weaknesses

Strategy and action that the country is taking to achieve the objectives (existing programmes and institutions involved, resources available). Target beneficiaries, relevant policies and key players. Special emphasis should be placed on the poverty reduction strategy papers, wherever appropriate. Major weaknesses encountered (at the policy, institutional and enterprise levels). The principal industrial opportunities and challenges that confront the country. Indicate the applicable MDGs and targets set by subsequent global conferences such as Finance for Development and World Summit on Sustainable Development), and describe general awareness of the same over the past few years, in terms of pertinent legislation or monitoring of progress towards their achievement.

3. External assistance and UN coordination frameworks

Give an overview (financial magnitude, focus and priorities, and lessons learned) of initiatives funded through external aid originating from UNDAF, financial institutions and regional banks, bilateral donors, international NGOs and UNIDO's specific role and position within it.

4. The strategy of the integrated programme

In simple terms indicate the main sectors and targets addressed by ongoing and prior UNIDO- TC, its impact and sustainability, the main constraints as well as lessons learned (refer to previous evaluations and self evaluations).

Describe the strategy of the Integrated Programme, indicating how it will help to achieve the country's industrial objectives including the outcomes of capacity building, demonstration projects, awareness raising, direct assistance at enterprise level, training, etc.

Describe the programme's specific role vis-à-vis the initiatives mentioned under point 3, including envisaged partnerships and clear complementarities (UNIDO's position on the cooperation map).

Describe linkages between the individual components and between the components and the development objective of the IP.

Describe the expected scenarios at the end of this phase of the Integrated Programme and give identify prerequisites for sustainability and impact (e.g. further cooperation in related sectors, dissemination of demonstrated methodologies, etc.).

4. RBM code (see Annex 17) and thematic area code¹²

¹² The theme codes are: EAE, PRP and TCB

PART II

AIMS, EXPECTED RESULTS AND STRUCTURE OF PROGRAMME

To meet results-based management (RBM) requirements, integrated programmes as well as projects must be aligned with the priorities and objectives laid out in the Programme & Budgets of UNIDO (P&B). The objectives of IP components should be a concretion of the objectives defined in the corresponding programme component in the P&B. The same is true for the outcomes and performance indicators.

≡ *Complete and insert programme summary matrix.*

≡ *For each programme component include:*

- a) *Component objective*
- b) *Expected outcomes and performance indicators (wherever possible indicators should contain quantitative targets)*
- c) ***Either***
 - *Project documents based on the component objectives and outcomes described under a) and b).*

or, for those objectives and/or outcomes where no project document is yet available

- *Project concepts, based on the objectives, outcomes and performance indicators described under a) and b, including a tentative list of outputs (use project concept matrix).*
- d) *A component strategy explaining the specific approach of the component and the critical problems addressed; integration with country efforts, external aid programmes and ongoing projects of UNIDO, if appropriate; counterparts and their role; target beneficiaries; implementation modalities; integration/relation between individual projects and with other IP components.*

The logical framework approach should apply and objectively verifiable indicators included at each level of the logical framework.

PART III

PROGRAMME MANAGEMENT

This chapter should provide a clear picture of the manner in which the programme will be managed and monitored both at headquarters and in the field.

1. **Coordination and monitoring**
Describe the arrangements foreseen for: (a) ensuring coordination between the different components, projects and counterparts involved in the programme (steering committee, review meetings etc.); (b) monitoring the efficiency and effectiveness of service delivery; (c) coordination of work between team leader, project managers and field offices and (d) maintaining synergy with UNDAF and other external aid programmes. Describe the benefits expected from coordination and synergy.
2. **Programme evaluation requirements**
Specify the type and approximate timing of self-evaluations and independent evaluation(s) of the programme or one or more of the programme components and allocate adequate funds for the same.
3. **Prior obligations and prerequisites**
List those country or UNIDO actions required before the programme can start operations.
4. **Risks**
List any external factors that may affect the delivery of the UNIDO assistance and indicate what actions have been or will be taken to reduce them.
5. **Legal context**
Cite the Standard Basic Assistance Agreement or other pertinent agreement(s)

PART IV. ESTIMATED BUDGETARY REQUIREMENTS

≡ *Complete budget sheets (budget estimates for both the overall programme and the components broken down into individual projects, see also TC budget lines and their explanation (InfoBase)).*

Programme summary matrix*(Complete the following table and insert in PART II of the programme document)*

COUNTRY'S INDUSTRIAL OBJECTIVE(S) to be supported by UNIDO <i>(Where applicable, the role of industrial development as defined within UNDAF should be referred to)</i>	
---	--

OBJECTIVE OF THE UNIDO PROGRAMME <i>(Ideally an integrated programme should have one objective, at most two. Use UNIDO corporate strategy as guidance for the formulation of the programme objectives)</i>
--

Programme component I		
Component objective <i>(corresponding to programme component objectives in P&B)</i>		
Projects	Outcomes (use indicators of P&B as guidance)	<i>Performance indicators (include quantitative targets where possible and refer to International development objectives)</i>
I.1. <i>(Number & title)</i>	I.1.1	
	I.1.2.	
I.2.	I.2.1.	
	I.2.2.	
I.3.	I.3.1.	
	I.3.2.	

Programme component II		
Component objective <i>(corresponding to Programme Component Objectives in P&B)</i>		
Projects	Outcomes (use indicators of P&B as guidance)	<i>Performance indicators (include quantitative targets where possible and refer to International development objectives)</i>
II.1. <i>(Number & title)</i>	II.1.1	
	II.1.2.	
II.2.	II.2.1.	
	II.2.2.	
II.3.	II.3.1.	
	II.3.2.	

Programme component III		
Component objective <i>(corresponding to Programme Component Objectives in P&B)</i>		
Projects	Outcomes (use indicators of P&B as guidance)	<i>Performance indicators (include quantitative targets where possible and refer to International development objectives)</i>
III.1. <i>(Number & title)</i>	1.1	
	1.2.	
III.2.	2.1.	
	2.2.	
III.3.	3.1.	
	3.2.	

Project Concept summary matrix

(Complete the following table for **each** project for which no project document is yet available and insert at the end of PART II of the programme document)

OBJECTIVE(S) OF PROJECT 1

Project 1		<i>Implementing service module</i>	<i>Party responsible</i>	<i>Output indicator</i>
Output 1				
Output 2				
Output 3				
Output 4				

OBJECTIVE(S) OF PROJECT 2

Project 2		<i>Implementing service module</i>	<i>Party responsible</i>	<i>Output indicator</i>
Output 1				
Output 2				
Output 3				
Output 4				

Annex A: (Indicative) work plan

Outputs	Responsibility	Month after start													
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.1															
1.2															
1.3															
2.1															
2.2															
2.3															
2.4															

Annex B: Outline of duties and expertise required for international experts
Outline of duties and expertise required for subcontracts larger than € 70,000.

Example IP summary matrix applying the new template:

COUNTRY'S INDUSTRIAL OBJECTIVE(S) to be supported by UNIDO	Expand job opportunities in the manufacturing sector by modernising industries with linkages to agriculture (agro based industries).
--	--

OBJECTIVE OF THE UNIDO PROGRAMME <i>Strengthen public and private governance of and support to agro-based industrial sectors to improve framework conditions for existing and new productive investment.</i>
--

Programme component I		
Component Objective: P&B Component D.5: Agro-related capacity-building activities <i>To strengthen forward and backward agro-industrial linkages</i>		
Projects	Outcomes	Performance indicators
US/EEE/06/XXX Establishment of industrial support services within the Chamber of Industry	<ul style="list-style-type: none"> Industry supplied with relevant support services such as entrepreneurial training, market intelligence and technology assessments. 	<ul style="list-style-type: none"> 80% satisfactory or above rating of services by entrepreneurs
YA/EEE/06/XXX Quality programme for the food industry	<ul style="list-style-type: none"> Productivity and competitiveness improved in food processing plants Export performance of food processing plants improved Food safety compliance improved in critical food processing plants 	<ul style="list-style-type: none"> 30% total factor productivity increase within 2 years in 80% of companies assisted 10% increase of export share within 2 years in 80% of companies assisted pre-certification capacity built within 2 years in 80% of assisted plants
XA/EEE/06/XXX Trade negotiation and market access capacity building for MOA, MTI and Chamber of Industry	<ul style="list-style-type: none"> Improved market access for food industry Increased capacity utilisation of existing plants 	<ul style="list-style-type: none"> 80% satisfactory or above rating of training by trainees 30% increase in capacity utilisation within 2 years in 80% of companies assisted

Programme component II		
Component objective P&B Component D.4: Promotion of Domestic Investment, FDI and Alliances <i>To stimulate domestic and foreign direct investment</i>		
Projects	Outcomes (use indicators of P&B as guidance)	<i>Performance Indicators (include quantitative targets where possible and refer to International development objectives)</i>
II.1. (Number & title)	II.1.1	
	II.1.2.	
II.2.	II.2.1.	
	II.2.2.	
II.3.	II.3.1.	
	II.3.2.	

Project concept summary matrix

(Complete the following table for each project for which no project document is yet available and insert at the end of PART II of the programme document)

OBJECTIVE(S) OF THE PROJECT 1				
Project 1 YA/EEE/06/XXX Quality programme for the food industry		<i>Implementing service module</i>	<i>Party responsible</i>	<i>Output indicator</i>
Output 1	HACCP Training for companies		MOA, PTC/AGRO	<ul style="list-style-type: none"> 80 staff of 40 companies trained in HACCP implementation
Output 2	Accreditation support for National standards institute's microbiology lab		MTI, PTC/ITP	<ul style="list-style-type: none"> pre-accreditation conditions established within 2 years
Output 3	Export enhancing advisory services		Chamber of Commerce, PTC/ITP; PTC/AGRO	<ul style="list-style-type: none"> demand for export advice created in 20 companies

Annex 5
Project Document (BUDGET MORE than € 200,000)



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Project of (country)¹³

Project number:

Project title:

Relationship to integrated programme

[For a project within an integrated programme, refer to relevant programme component and the relevant output.]

Thematic area code

Starting date:

Duration:

Project site:

Government

Co-ordinating agency:

Counterpart:

**Executing agency/
cooperating agency:**

Project Inputs:

- *UNIDO inputs:*

- *Support costs (....%):*

- *Counterpart inputs:*

- *Grand Total:*

Brief description:

- *(Include a description of the outcome to relevant national priorities, MDG and other international development targets) (with indicators)*

Approved:

Signature:

Date:

Name and title:

On behalf of

.....:

¹³ For regional, interregional and global projects, indicate the participating countries

On behalf of
UNIDO: _____

A. CONTEXT

B. REASONS FOR UNIDO ASSISTANCE

C. THE PROJECT

C.1. Objective of the project

C.2. The UNIDO approach

C.3 RBM code and thematic area code¹⁴

C.4. Expected outcomes

C.5. Outputs and activities

C.6. Timeline of the activities

C.7. Risks

D. INPUTS

D.1. Counterpart inputs

D.2. UNIDO inputs

E. BUDGET

F. MONITORING, REPORTING AND EVALUATION

G. PRIOR OBLIGATIONS AND PREREQUISITES

H. LEGAL CONTEXT

¹⁴ The theme codes are: EAE, PRP and TCB

UNIDO project documents are normally prepared for the following three concerned parties:

- The recipient (government/counterpart): to describe the services to be provided by UNIDO (the project document is similar to a contract between UNIDO and the host country, which is why it is preferable to have it signed by the recipient);
- The donor (if applicable): to justify the resources being requested/sought;
- UNIDO: to document its commitments/obligations and to provide a management tool for internal approval, implementation planning and evaluation.

Therefore, the overall purpose of a project document is to explain:

- What is the problem to be solved;
- Why UNIDO is a good partner for solving the problem;
- How UNIDO proposes to assist in solving the problem;
- What will be the results of UNIDO having intervened (the outputs and expected outcomes);
- What inputs and what budget UNIDO will require to solve the problem;
- How project implementation and achievement of results will be monitored and evaluated

A. CONTEXT

This part of the project document describes what led to the project, why it is needed, and why UNIDO is the relevant partner. The following issues – where relevant – need to be covered:

- The origin of the project (Where did the original request originate? Who originated it? What assistance was requested?)
- **The problem or challenge that needs to be resolved**
In addition to a description of the problem or challenge, it may help the reader if there is also a description of what is causing the problem / posing the challenge, the institutional framework that is in place to try to overcome the problem and the gaps in this framework. For a proper understanding, the reader may also need background information on the current situation in the area of the proposed assistance.
- The target beneficiaries (this is not the same as the counterpart or client! Target beneficiaries are those persons or institutions that will benefit if the problem / challenge is resolved)
- The policies, strategies or plans – if any – in place for resolving the problem / challenge (the reader may also need to be shown how these strategies or plans fit in with the relevant **development objectives** of the national authorities and, if applicable, of the UN country team (UNDAF, PRSPs, MDG and other international development targets and indicators)

B. REASONS FOR UNIDO ASSISTANCE

- The reason why the assistance of UNIDO is being requested (why can't the Government or counterpart or regional bodies implement the strategies or plans with the existing capacities? Where are the gaps in the existing capacities?)
- The reason why UNIDO is the most appropriate source of that assistance (how is it part of our mandate? What prior experience does UNIDO have with giving the desired assistance?)
- A statement to the effect that the desired assistance (or related/complementary assistance) is not already being given by other agencies / donors (this could require a description of any relevant development activities being already undertaken).

C. THE PROJECT

This part of the project document gives a detailed outline of the project that is being proposed. It is closely linked to the logical framework (see Annex 6) that has been prepared prior to the project document being started. In particular, the objective, outcomes, outputs, activities and risks will have been described in the logical framework.

C.1. Objective of the project

Describe the objective that UNIDO is setting for the project. In the case of a project within an integrated programme refer to both the programme and component objectives.

C.2. The UNIDO approach

Describe the approach that UNIDO will use to meet the objective it has set. This narrative will often cover the following four issues (although there could be more or less issues covered depending on the particulars of a project):

- There will be a description of the overall approach that UNIDO will be taking (often, this will be an approach distinctive to UNIDO that has been elaborated and refined over a series of projects)*
- There will be a description of the institutional arrangements that will be used (this could include a description of the scope of counterpart support, its absorptive capacity and a confirmation of its availability throughout the project)*
- There will be a description of the limits of the project – what it will NOT do (there will often be parts of the host country strategy that are outside the mandate of UNIDO or need other issues to be resolved before they can be worked on)*
- In cases where there have been previous relevant projects, by UNIDO or others, there will be a description of how the chosen approach has taken on board the lessons learned from these projects*
- In cases where there are relevant ongoing or pipeline projects or parallel activities, by UNIDO or others, there will be a description of how the chosen approach will link in with them.*

C.3. RBM code (see Annex 17) and thematic area code¹⁵

C.4. Expected outcomes

Describe the positive changes in the target beneficiary group that are expected to occur as a result of the project's implementation. The expected changes should be quantified wherever possible.

C.5. Outputs and activities

Describe the outputs that will be met, and the activities undertaken to meet them, to satisfy the project's objective. In the case of projects within an integrated programme describe the activities associated with coordination, integration and synergies together with the corresponding outputs. NOTE: The indicators elaborated for the outputs and activities in the logical framework are described below in the section on monitoring, reporting and evaluation (Section F).

¹⁵ The theme codes are: EAE, PRP and TCB

It is recommended that the following table be used when describing the outputs and activities:

Output 1: ...	
Activities	Responsibility
Output 2: ...	
Activities	Responsibility
etc.	

NOTE: In the Responsibility column list only those parties with PRIMARY responsibility for implementing the activity

C.5. Timeline of the activities

Fill in the following, or similar, table showing when the proposed activities will take place during the lifetime of the project

Activity	Months													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.1														
1.2														
1.3														
2.1														
2.2														
2.3														
2.4														

C.6. Risks

Describe any conditions external to the project (outside the control of the project manager) that must exist if:

- *The planned activities are to lead to the planned outputs;*
- *The planned outputs are to lead to the expected outcomes.*

AND where there is a good chance that they will not exist by the end of the project and so delay or prevent the production of outputs and/or the achievement of the expected outcomes.

D. INPUTS

This part of the project document describes all the inputs, from UNIDO or from the counterpart, that will be required to reach the desired outputs.

D.1. Counterpart inputs

- *Describe all professional and support staff, as well as trainees, that have been committed by the counterparts to the project.*
- *Describe all nationally provided equipment, supplies, contractor services as well as land, buildings and facilities that have been committed to the project.*
- *Indicate any cost-sharing contributions.*

D.2. UNIDO inputs

1. International staff

- a. *Describe the type of international staff the project will use, indicating the total number of work/months of each*
- b. *Describe their functions in the project: why do you need them? Why not use national staff instead?*

2. National staff

Describe the national professional and support staff the project will use. Why this number, why this type?

3. Sub-contracts

Describe each sub-contract and the reasons they are required

4. Training

- *Fellowships: indicate the subject, the duration, the type of persons to be awarded a fellowship, and the role the fellowships play in the project strategy.*
- *Study tours: indicate the purpose, the focus, the countries planned to be visited, the type of participants, and the role the study tours play in the project strategy.*
- *Workshops and/or expert group meetings/conferences: indicate the types of meetings, their purpose, their focus, the types of participants, and the role they play in the project strategy*

5. Equipment and supplies

- **List all major items of non-expendable equipment and the role they play in the project strategy.**
- *List all major items of expendable equipment and the role they play in the project strategy.*

E. BUDGET

At a minimum, prepare a budget using TC budget lines. It is recommended that project managers prepare activity-based budgets

Include in the budget the funds required to undertake the necessary independent evaluations of the project.

F. MONITORING, REPORTING AND EVALUATION

Reporting: *Describe what reports will be prepared during the project lifetime and when (with what frequency) (typically, the following kinds of reports will be generated: project technical reports, project progress reports, TPR reports)*

Monitoring: *Describe the mechanisms that will be used to monitor the progress and results of the project. A primary mechanism for evaluating the progress of projects will be the regular TPR meetings, but there may be others. Indicators for tracking the outputs, outcomes and objective, as well as their means of verification, will have been elaborated in the preparation of the Logical Framework. These should be reported here; it is recommended to use the following table:*

Results	Indicators	Means of verification
Objective		
Outcomes		
Outputs		

Describe how and by whom these indicators will be tracked and how, when and to whom the results will be reported.

Evaluation: Describe what kinds of evaluation the project will be subjected to (self-evaluation or independent evaluation) and when.

G. PRIOR OBLIGATIONS AND PREREQUISITES

List those government or UNIDO actions that must be completed before the project can start implementation, viz. completion of legal steps, establishment of an institutional network, provision of government inputs such as buildings and staff, or advance recruitment. Prerequisites are those government and UNIDO actions needed to permit the project to function and produce the outputs. Normally, they relate to adequate delivery of inputs, but may include active support from other government organizations, availability of statistics and key information.

H. LEGAL CONTEXT

Cite the Standard Basic Assistance Agreement or other pertinent agreement.

Annex 5a
Project document (budget less than €200,000)



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Project of (country)¹⁶

Project number:

Project title:

Relationship to integrated programme

[For a project within an integrated programme, refer to relevant programme component and the relevant output.]

Thematic area code

Starting date:

Duration:

Project site:

Government

Co-ordinating agency:

Counterpart:

**Executing agency/
cooperating agency:**

Project Inputs:

- *UNIDO inputs:*

- *Support costs (.... %):*

- *Counterpart inputs:*

- *Grand Total:*

Brief description:

(Include a description of the outcome to relevant national priorities and MDG and other international development targets) (with indicators)

Approved:

Signature:

Date:

Name and title:

On behalf of

.....:

¹⁶ For regional, interregional and global projects, indicate the participating countries

On behalf of
UNIDO: _____

A. CONTEXT

B. REASONS FOR UNIDO ASSISTANCE

C. THE PROJECT

C.1. Objective of the project

C.2. The UNIDO approach

C.3. RBM code and thematic area code¹⁷

C.4. Expected outcomes

C.5. Outputs and activities

C.6. Timeline of the activities

C.7. Risks

D. INPUTS

D.1. Counterpart inputs

D.2. UNIDO inputs

E. BUDGET

F. MONITORING, REPORTING AND EVALUATION

G. PRIOR OBLIGATIONS AND PREREQUISITES

H. LEGAL CONTEXT

¹⁷ The theme codes are: EAE, PRP and TCB

Annotations to project document with budget less than €200,000

- As in the case of larger projects, UNIDO project documents for smaller projects are prepared for the recipient, donor and UNIDO. However, the information to be provided for smaller projects can be more succinct and schematic.

A. CONTEXT

- This part describes briefly the events leading up to the project, the need for such a project and how that need can best be met.

B. REASONS FOR UNIDO ASSISTANCE

The reason for the request and a brief justification for the involvement of UNIDO as the most appropriate source of that assistance.

C. THE PROJECT

Based on the structure of the Logical Framework (see Annex 6) prepared prior to the project document being drafted, in particular, the objective, outcomes, outputs, activities and risks.

C.1. Objective of the project

Describe the objective that UNIDO is setting for the project.

C.2. The UNIDO approach

Describe the approach that UNIDO will use to meet the objective it has set, covering the following issues:

- The overall approach
- Institutional arrangements
- Limits of the project – what it will NOT do
- Incorporation of lessons learned from previous relevant projects
- Linkage to relevant ongoing or pipeline projects or parallel activities by UNIDO.

C.3. RBM code (see Annex 17) and thematic area code¹⁸

C.4. Expected Outcomes

Describe the positive changes in the target beneficiary group that are expected to occur as a result of the project's implementation. The expected changes should be quantified wherever possible.

C.5. Outputs and activities

Describe the outputs that will be met, and the activities undertaken to meet them, to satisfy the project's objective. NOTE: The indicators elaborated for the outputs and activities in the Logical Framework are described below in the section on monitoring, reporting and evaluation (Section F).

It is recommended that the following table be used when describing the outputs and activities:

Output 1:	
Activities	Responsibility
Output 2:	
Activities	Responsibility
etc.	

NOTE: In the Responsibility column list only those parties with PRIMARY responsibility for implementing the activity

¹⁸ The theme codes are: EAE, PRP and TCB

C.6. Timeline of the activities

Fill in the following, or similar, table showing when the proposed activities will take place during the lifetime of the project

Activity	Months													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.1														
1.2														
1.3														
2.1														
2.2														
2.3														
2.4														

C.6. Risks

Describe any conditions external to the project (outside the control of the project manager) that must exist if:

- The planned activities are to lead to the planned outputs;
- The planned outputs are to lead to the expected outcomes.

AND where there is a good chance that they will not exist by the end of the project and so delay or prevent the production of outputs and/or the achievement of the expected outcomes.

D. INPUTS

This part describes all inputs from UNIDO or from the counterpart.

D.1. Counterpart inputs

- Describe all professional and support staff, as well as trainees, that have been committed by the counterparts to the project.
- Describe all nationally provided equipment, supplies, contractor services as well as land, buildings and facilities that have been committed to the project.
- Indicate any cost-sharing contributions.

D.2. UNIDO inputs

1. International staff

- a. Describe the type of international staff the project will use, indicating the total number of work/months of each
- b. Describe their functions in the project: why do you need them? Why not use national staff instead?

2. National staff

Describe the national professional and support staff the project will use. Why this number, why this type?

3. Sub-contracts

Describe each sub-contract and the reasons they are required

5. Training

- Fellowships: indicate the subject, the duration, the type of persons to be awarded a fellowship, and the role the fellowships play in the project strategy.
- Study tours: indicate the purpose, the focus, the countries planned to be visited, the type of participants, and the role the study tours play in the project strategy.
- Workshops and/or expert group meetings/conferences: indicate the types of meetings, their purpose, their focus, the types of participants, and the role they play in the project strategy

6. Equipment and supplies

- **List all major items of non-expendable equipment and the role they play in the project strategy.**
- *List all major items of expendable equipment and the role they play in the project strategy.*

E. BUDGET

Prepare a budget using TC budget lines. It is recommended that project managers prepare activity-based budgets.

F. MONITORING, REPORTING AND EVALUATION

Reporting: Describe what reports will be prepared during the project lifetime and when (with what frequency)

Monitoring: Describe the mechanisms that will be used to monitor the progress and results of the project. A primary mechanism for evaluating the progress of projects will be the regular TPR meetings, but there may be others. Indicators for tracking the outputs, outcomes and objective, as well as their means of verification, will have been elaborated in the preparation of the Logical Framework. These should be reported here; it is recommended to use the following table:

Results	Indicators	Means of verification
Objective		
Outcomes		
Outputs		

Describe how and by whom these indicators will be tracked and how, when and to whom the results will be reported.

Evaluation: Describe what kinds of reports/evaluation the project will be subjected to and when.

G. PRIOR OBLIGATIONS AND PREREQUISITES

List those government or UNIDO actions that must be completed before the project can start implementation, viz. completion of legal steps, establishment of an institutional network, provision of government inputs such as buildings and staff, or advance recruitment. Prerequisites are those government and UNIDO actions needed to permit the project to function and produce the outputs.

H. LEGAL CONTEXT

Cite the Standard Basic Assistance Agreement or other pertinent agreement.

Annex 6
Logical framework

	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
Development goal/impact	What the target group achieves (benefit)			
Outcome(s)/immediate objective(s)/	What the target group does differently (change in behaviour)			
Outputs (results)	What the project achieves (create a potential)			
Activities	What the project does	N.A.	N.A.	

Annex 7

Outline for a formulation mission in connection with an integrated programme

No two missions are identical; each depends on the specific situation prevailing in the country under consideration. However, all missions have some stages in common.

Desk study

Prior to departure, a preparatory review is conducted. This is based on all available documentation and derived from the groundwork carried out by the UNIDO Field Representation at the country level and/or the regional programme country officer.

Introductory sessions

On arrival in the country, a series of introductory meetings are held with:

- (i) Main institutional counterpart to review the schedule and logistics of the mission;
- (ii) UNDP Resident Representative/Coordinator
- (iii) Local donor community (representatives of development finance institutions, bilateral and multilateral agencies, and international NGOs)
- (iv) Experts or consultants of ongoing UNIDO projects in the country.

Separate sessions and visits

In the course of the mission, meetings are held and visits organized on site in respect of each identified/tentative programme component/project. Participants in this stage include the prospective counterparts and stakeholders, as well as selected beneficiaries. The aim is to:

- (i) Obtain the information and data needed to design the programme;
- (ii) Establish, in particular the motives for or interest in assistance and the potential level of ownership;
- (iii) Assess the genuine situation on the ground, including the absorption capacity for UNIDO services;
- (iv) Agree, to the extent possible, on outputs, main activities, phasing and resources required;
- (v) Identify baselines for all proposed activities and agree on result indicators at the level of outputs, outcomes and impact based on the logical framework approach and identify the counterparts' ability and readiness to provide the local inputs;
- (vi) Identify the counterparts' ability to provide the local inputs;
- (vii) Define implementation modalities and foreseeable risks;
- (viii) Identify potential for internal synergies among service modules and synergies with UNDAF and other relevant country level programme.

Given the multiplicity/complexity of the above tasks it is essential that adequate time be allocated for such missions.

Wrap-up discussions with the key stakeholders

In the final stage of the mission, discussions are held with key stakeholders in order to:

- (i) Highlight/summarize the outcome of the various discussions and visits;
- (ii) Reach a common understanding on the scope, approach, counterparts and coordination arrangements in respect of the UNIDO integrated programme and individual projects;
- (iii) Prepare an outline of a joint marketing – funds mobilization strategy.

Final wrap-up sessions at the policy level

These sessions take place at the very end of the mission. They are normally held with the main institutional counterpart, donors and, if necessary, the UNDP Resident Representative to plan follow-up action.

If at the end of the mission, the overall concept of the programme is sufficiently clear and the outputs of individual projects have been adequately defined, consideration should be given to organizing a presentation of the overall concept and main components to the main donors and UNDP. A presentation of this kind could be chaired by a government representative.

The travel schedule of the Team Leader and the UR as well of other team members should be flexible in the interest of achieving the purpose of the mission. Short follow up missions by the Team Leader or certain team members essential to finalizing the programme/projects are acceptable.

Annex 8
Checklist for comparison of formats

Item no.	Annex 5/5A Project document	Donor template (page & paragraph numbers)
1	Project number	
2	Project title	
3	Starting date	
4	Duration	
5	Project site	
6	Government co-ordinating agency	
7	Counterpart	
8	Executing agency	
9	Cooperating agency	
10	Project inputs	
11	UNIDO inputs	
12	Support costs	
13	Counterpart inputs	
14	Grand total	
15	Brief description	
16	Approved	
17	Signature	
18	Date	
19	Name, on behalf of	
20	Title, on behalf of UNIDO	
21	Part A. Context	
22	The origin of the project	
23	The problem or challenge that needs to be resolved	
24	The target beneficiaries	
25	The policies, strategies or plans	
26	Part B. Reasons for UNIDO assistance	
27	Part C. The project	
28	C.1 Objective of the project	
29	C.2 The UNIDO approach	
30	C.3 RBM code and Thematic area code	
31	C.4 Expected outcomes	
32	C.5 Outputs and activities	
33	C.6 Timeline of the activities	
34	C.7 Risks	
35	Part D. Inputs	
36	D.1 Counterpart inputs	
37	D.2 UNIDO inputs	
38	International staff	
39	National staff	
40	Sub-contracts	
41	Training	
42	Equipment and supplies	
43	Part E. Budget	
44	Part F. Monitoring, reporting and evaluation	
45	Reporting	
46	Monitoring	
47	Evaluation	

48	Part G. Prior obligations and prerequisites	
49	Part H. Legal context	

Annex 9

MODEL MATRIX FOR IDENTIFYING THE POTENTIAL UNIDO RESPONSE

CRITICAL PROBLEMS	Are the main causes of the problems known?	Are the main causes addressed by the requests received from the country?	Are any of the causes dealt with by other donors?	UNIDO main services that can address the causes	Can UNIDO build on any of the strengths identified	Are there any factors that may negatively affect the delivery of the UNIDO services?	What is the funding potential for the proposed services and can specific donors be identified?	ISSUES FOR DISCUSSION

After the matrix is completed, the team will have an idea of what UNIDO can offer to address the main causes of the critical problems identified and the associated pros and cons. There may still be information gaps, but the range of services identified will provide a basis for clarification, discussion and further analysis in the field.

Note 1

In the event that some requests do not address the main causes of the critical problems, this should be discussed with the Government.

Note 2

The extent of involvement of other donors may have different implications for UNIDO. It can make UNIDO assistance redundant, offer opportunities for synergies or enable UNIDO to fill a visible gap.

Annex 10
OPERATIONAL WORK PLAN for (pls. insert COUNTRY Name)

Please use an appropriate tool

ID	Name	Input/BL	Duration	Start	Total Allotment	2006						2007									
						Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
1	<u>Project X</u>																				
2		11-50	26 wks	Mon 7/3/06	\$28,000																
3		15-00	13 wks	Mon 7/3/06	\$18,000																
4		16-00	4 wks	Mon 8/1/06	\$10,000																
5		17-01	35 wks	Mon 7/3/06	\$16,000																
6		17-02	52 wks	Mon 7/3/06	\$40,000																
7		21-00	4 wks	Tue 8/1/06	\$2,000																
8		33-00	4 wks	Mon 10/2/06	\$4,000																

Annex 11

Completion date alert

Project MPJOR02144 is to due to be Operationally Completed on 9/16/2006 the following actions need to take place:																
(a)	The assignment of all project personnel has been completed;		(d)	All items of equipment have been delivered to the project site and installed;												
(b)	All subcontracts that were awarded have been completed;		(e)	All technical reports scheduled in the last work plan have been submitted to the Government;												
(c)	All fellows have finished their studies;															
Please Note:	In accordance with DGB(P)72 an appropriate terminal report should have been completed as well.															
SECTION A: On-Line Project Detail Report as of 200606 in %. Reporting Year: 2006																
Project No:	MPJOR02144	Title:	REPLACEMENT OF CFC-11 AND CFC-12 WITH HCFC-141B AND HFC-134A IN THE PRODUCTION OF COMMERCIAL REFRIGERATION EQUIPMENT AT T E SECOND MEDIUM SIZE COMMERCIAL REFRIGERATOR MANUFACTURERS G ROUP (ABU AZMI, HASOUNI REFRIGERATION AND MAJDI)							MAH:	MALAYERI, AHMAD					
Est. Completed Date:	16-Sep-2006	Revision No:	L	Currency:	€	Donor:	KEN02 - Montreal Protocol	Program me Element:	4730 / BC15	IMPL/AH:	MALAYERI AHMAD					
Issue/Start Date:	28-Aug-2002	Status:	G - Completed all Stages			Country & Region:	Jordan / Western Asia Arab States			AAH:	OSHIMA, RYUICHI					
Project No:		Total		Current Year		Prior Years		Current Year		Current Year		Committed	Balance	Uncommitted		
		Allotment		Phasing		Expenditure		Disbursements		Bal. Unliquidated Obligations		Future Years	Current Year	Balance		
		W/M	€	W/M	€	W/M	€	W/M	€	W/M	€	€	€	€		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(4-8-10)	(2-6-8-10-11)		
MPJOR02144		0.0	336,687.7	0.0	(5,332.5)	0.0	0.0	0.0	(5,332.5)	0.0	0.0	0.0	0.0	0.0		
SECTION B: Project Inventory Control record																
The non-expendable equipment has to be: (please tick one box):																
<input type="checkbox"/> Transferred to the Government.		<input type="checkbox"/> Transferred to: (Name of institution)														
<input type="checkbox"/> To be disposed of.		<input type="checkbox"/> Transferred to Project: (Give number)														

Project No:	MPJOR02144	Title:											
MAH:	MALAYERI, AHMAD												
Asset Id	Description	Obligation No.	Received Date	Quantity	Ext Ref	Serial No.	Registration No.	Chassis No.	Engine No.	Original Project No.	Amount €	Amount EUR	Remarks
Country of location: Jordan													
40605001	PORT. EVAC. AND CHARGING STATION, HIGH CAP. VACUUMPUMP, LEAK DETECTOR, EVACUATING AND CHARGING STATION FELIX,	15000025	2003-05	34	15000025	-	-	-	-	-	\$45,176.84	€0.00	TOT SENT 25APR05
Total for project: MPJOR02144											€45,176.84	€0.00	

Annex 12

Description of inputs and budget lines

Typically, integrated programme components as well as technically cooperation projects contain some or all of the following inputs:

- (i) International and national experts/consultants and support personnel;
- (ii) Project travel;
- (iii) Monitoring and evaluation missions;
- (iv) Subcontracts for services;
- (v) Training;
- (vi) Equipment; and
- (vii) Miscellaneous

The pertinent directives, reference sources and forms for the above inputs are given below. It should also be noted that details of UNIDO Budgets can also be retrieved on line under *TC budget lines and their explanation* (see InfoBase).

It is further recalled that pursuant to Financial Rule 109.2 (3) no contract, agreement or undertaking of any nature for an amount exceeding € 2,000 shall be entered into until credits have been reserved in the accounts through the recording of an obligation to meet any expenditures.

It is further recalled that provision also has to be made for security costs related to compliance with MOSS and MORSS directives. Whereas standard operational costs related to common-system field security officers are borne under Regular Budget as are local security costs in those countries where UNIDO has offices, security costs arise in those countries where UNIDO only has project personnel. Such costs relate to ensuring that vehicles and the residences of international staff attached to projects are MOSS-compliant. Some of these costs could, for example, be absorbed under budget lines relating to project personnel, national experts and project vehicles. PSM is in the process of drawing up a system with the relevant procedures and indicative costs, all of which points up the need for project managers to take security costs into account when drawing up their project budgets.

(i) International and national experts/consultants

Expenditures under this heading relate to all costs incurred (except project travel) by international experts, short-term consultants, national professional officers, administrative personnel, UN volunteers, national experts/short-term consultants

In terms of budget lines, those inputs are:

- International experts/short-term consultants (BL 11): Expenditures under these relate to salary cost, the cost of travel related to appointment, initial briefing, debriefing, home leave and repatriation as well as other entitlements. For each expert/consultant a separate budget line should be used. Project travel shall be charged to BL 15.
- National professional officers (BL 12): Expenditures under this relate to all costs for national professional officer.
- Administrative support personnel (BL 13): Expenditures under this relate to costs of administrative support personnel in General Service category.
- UN volunteers (BL 14): Expenditures under this heading relate to all costs for UN volunteers.
- National experts/short-term consultants (BL 17): Expenditures under this relate to costs of national experts. Project travel shall be charged to BL 15 separately. If a lump sum service agreement includes project travel, the related cost may be charged exceptionally to BL 17.

Pursuant to DGAI No. 9 Addendum 2 in particular paragraph 39, no expert should commence work prior to signing a contract. Retroactive appointment of project personnel would also incur serious legal risks for the Organization, including financial liability.

Procedures for the recruitment of international and national experts/consultants are to be found in:

DG/AI. 9/Add.1/Annex 8 - Standards for the Recruitment and Management of Consultants and Short-term Experts recruited under Special Service Agreement

DG/AI.9/Add. 2 - New Management Framework, Service Management Cycle and Cost Accounting

Project Personnel – Procedural Manual [on line]

Special Service Agreement for experts on mission (Form)

Service Agreement for national experts (Form)

FOA/AI. 4 - New Management Framework, Service Management Cycle and Cost Accounting

FOA/AI. 4/Add1 - Guidelines and Procedures/Delegation of Authority for the Recruitment and Administration of National Experts¹⁹

In compliance with his/her core coordination function, the team leader is responsible for the recruitment of the national programme coordinator, if so required. Like the project managers, the team leader also briefs and debriefs international experts/consultants.

Copies of the recruitment forms are also sent to the team members' Branch Directors for monitoring purposes.

Responsibility: Project manager (allotment holder) with the support of PSM/HRM/HPD and, where appropriate, the Field Office.

(ii) Project travel (BL 15)

Expenditures under this heading relate to all travel costs incurred by experts assigned to the project and JPOs, including airfares, mileage, car hire, taxis and drivers' overtime.

Responsibility: Project manager (allotment holder)

(iii) Travel of UNIDO staff at headquarters, monitoring and evaluation missions (BL 16)

Programme/project management, expenditures under this heading relate to all travel costs incurred by UNIDO staff at headquarters, URs and evaluation consultants as well as associated agency consultants and staff, including airfares, DSA, terminal expenses, mileage and taxi fares. Fees paid to international consultants are entered against budget line 11, whereas those paid to national evaluation consultants are entered against budget line 17, with their local travel being counted against budget line 15.

¹⁹ See also change in procedure for recruitment of local project personnel, 2 December 2004

Official project-related travel undertaken by the team leader and team members should be authorized by the Branch Director and PTC/MD concerned, certified by the allotment holder of the travel budget to be drawn on. Similarly, the **timing** of all field missions, including technical support and monitoring missions by the team members, have to be cleared by the Regional Programmes and/or the Field Office concerned so as to ensure effective coordination of missions to the field after they have been approved by the Branch Director, PTC/MD. The **substantive** approval of such travel remains with the MD/PTC and the Branch Directors. Travel of evaluation consultants has to be cleared with OSL/EVA

Responsibility: Project manager (allotment holder) and his/her supervisor in consultation with team leader

(iv) *Subcontracts for services (BL 21)*

Expenditures under this heading relate to all costs relating to subcontracts negotiated by or with the clearance of Procurements Services. For decentralised procurement in the field, approval of delegation of authority should be obtained prior to starting any local procurement process. Certain procurement limits apply.

Requisitions and technical specifications/ terms of reference are issued by the project manager (allotment holder) and sent to PSM/OSS.

PSM/OSS/PRS issues, depending on the type of requirements, invitations to bid or requests for competitive proposals on an international basis. Geographical scope for invitations may be limited in accordance with Financial Rule 109.5(4) Reliance on competition.

In the course of preparing those invitations, recipient countries should indicate within one month their acceptance or rejection of the list of those subcontractors to be invited to tender bids.

No procurement of industrial goods and services in the amount of €20,000 and above shall be carried out in the field

Waiver of competitive bidding may be requested and authorized only in case the requirements of Financial Rule 109.5(5) Exceptions to competition are fulfilled.

After the closing date, all offers are submitted to the project manager (allotment holder) for technical evaluation.

Upon receipt of the technical evaluation from the project manager (allotment holder), PSM/OSS/PRS issues the requisite Purchase Order/Contract (if the latter is above €70,000, the case is submitted to the Contracts Committee for its recommendation and further approval by the PSM/MD)

Procedures for the negotiation and conclusion of subcontracts for services are to be found in:

Procurement Manual [on line]

FOA/AI. 6 – Decentralized procurement authority for UNIDO Field Offices

Financial Rules of UNIDO

Information note clarifying procedures in respect of international and local procurement in the amount of €20,000 and above issued 19 April 2004

Responsibility: Project manager (allotment holder) with the support of Procurement Services

(v) Training

Expenditures under this heading relate to all costs incurred with respect to individual fellowships (BL 31); study-tours (BL 32); in-service training within own country (BL 33); and workshop/seminars outside participants' countries (BL 35).

Procedures for the implementation and administration of training activities are to be found in:

FOA/AI. 5 - Guidelines and Procedures for the Implementation and Administration of UNIDO Fellowships and Study Tours by UNIDO Field Representatives²⁰

Policies and Procedures Governing the Administration of UNIDO Fellowships (doc. UNIDO/I0. 54 Rev, January 1990)

General Administrative Procedures for UNIDO Study Tours (March 1996)

Fellowship Travel and Payment Instructions (Form TPI)

Study Tour Travel and Payment Instructions (STPI)

Final Report of the Meeting of Fellowship Officers of the United Nations System and Host Country Agencies (November 2002)

Request for study tour (BL 32) (Form)

Responsibility: Project manager (allotment holder)

(vi) Equipment (BL 45)

Expenditures under this heading relate to all costs related to the purchase and maintenance of project-related equipment and premises. For decentralised procurement in the field, approval of delegation of authority should be obtained prior to starting any local procurement process. BL 43 is limited to ITPOs.

Non-industrial goods and services (furniture, cars, office equipment, telephone services, etc, mostly for field offices, but also in some cases project offices) in the range of € 20 – 75,000 may be procured locally subject to prior review and clearance by PSM/MD

Unless otherwise stated, terms of payment for non-expendable equipment provide for the retention of 10-20% of the total price pending conformation by the project manager of orderly delivery.

The External Auditors require that complete records be kept of all UNIDO assets.

Procedures for the acquisition of equipment are to be found in:

Procurement Manual [on line]

FOA/AI. 6 – Decentralized procurement authority for UNIDO Field Offices

Financial Rules of UNIDO

²⁰ Ibid

Information note clarifying procedures in respect of international and local procurement in the amount of €20,000 and above issued 19 April 2004

Responsibility: Project manager (allotment holder) with the support of Procurement Services

(vii) *Miscellaneous (BL 50s)*

Expenditures under this heading relate to all costs related to such items as vehicle maintenance and repairs, typing, editing and translation, counterpart staff and government officials travel, postage and communications, bank charges and photocopying. Other expenditures under this heading include hospitality (BL 55), which is subject to strict financial rules (see Financial Service Internal Instruction, No. 5/Rev. 4/Amend. 3)

Responsibility: Project manager (allotment holder)

Annex 13

UNIDO



ONUDI

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
ORGANISATION DES NATIONS UNIES POUR LE DEVELOPPEMENT INDUSTRIEL

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

TO/A:

Director, PSM/FIN

Date:

Through:

PCF/QPA

FROM/DE:

SUBJECT/OBJET: **Project/Budget Revision Request**

Based on the detailed explanations given in the Annex, including PAD Budget Revision History report *, and considering the attached Project Budget/Revision Sheets, you are kindly requested to issue a revised PAD.

Project Number with Revision letter:

Project Title:

RP Programme Component:

IDF Priority Area:

Donor Country:

** PAD Budget Revision History report should be attached, available in the FPCS, under "Excelsior Reports" in Personal Menu by entering project number and latest revision letter.*

Original PAD Date:

1st Revised PAD Date:

2nd Revised PAD Date:

3rd Revised PAD Date:

Cleared by: PSM/FIN/FMT

Project Number:

In order to speed up the in-house processing, it is imperative that the reasons for the proposed revision, including reasons for delays, be given in fullest detail. The explanations should cover the proposed changes on each budget line separately *. The justification should be given on a comparative, and on a budget-line-by budget-line basis.

A) Detailed justification/explanation for the proposed project/budget revision:

B) Scheduled operational completion

- (i) as per original project document (month/year)
- (ii) as per latest revision (month/year)
- (iii) as per revision now requested (month/year)

Signature of Team Leader (for IPs)

Date:

Ext:

Annex 14

Programme progress report



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
ORGANISATION DES NATIONS UNIES POUR LE DEVELOPPEMENT INDUSTRIEL

Programme Progress Report (as of)

Name of country

Title: Integrated Programme for

Brief description of the programme

Objective of the programme:

Completion date as per original programme document (month/year):

Expected completion date (month/year):

Total UNIDO budget (latest revised; excl. psc): €

Programme implementation highlights/ major milestones and performance indicators,

In the course of describing the programme activities, the team leader should focus on the policy relevance of the programme, counterpart ownership and sustainability of the programme interventions. Furthermore, an indication should be given of the target groups reached, synergies achieved and external linkages established as concerted action is essential to achieving progress towards the MDGs and other international development targets. Effective integration is key to the success of the programme as is the thorough application of the logframe. These elements should thus be reflected in the programme progress report. In addition to providing a summary of the funding situation and its impact on programme implementation, the report should also report on innovation and lessons learned (see also document IDB. 31/3).

1. Major highlights and achievements in the reporting period:

Describe in narrative form the main activities undertaken during the reporting period in line with programme document.

2. Major highlights and achievements in the reporting period:

*Describe in tabular form the priority activities undertaken during the reporting period in line with the programme document, together with the **outcomes** accomplished.*

List separately any outcomes added in reporting period.

Priority activities	Outcome	Performance indicator

Budget summary

Current planning figure (excl. psc): €

Programme component	Current Planning Figure	Total Allotment	Total Expenditure
1.0.00 yyyyyy	€	€	€
2.0.00 yyyyyy	€	€	€
3.0.00 yyyyyy	€	€	€
99.0.00	€	€	€
Total	€	€	€

3. Financial implementation of the project:

*Provide a description of the **main expenditures** (by major budget line, viz. personnel, subcontracting, travel, etc) during the reporting period and indicate **estimate of expenditures** for next reporting period - (attach copy of the latest FPCS report for more detailed information). Also describe the current status of funds mobilization activities and their implications for programme implementation.*

4. Synergies achieved

Describe potential synergies arising out of closer integration of the service modules within the programme or cooperation with (external) multilateral and bilateral programmes.

5. Main problems encountered and measures taken:

Describe the implementation constraints, reasons for delays encountered and remedial actions taken. Include actions taken on issues raised during recent field missions / implementation review meetings / steering committee meetings, etc.

4. Activities in the next reporting period:

*Describe / list priority activities and areas to be addressed during **next reporting period**, indicate timing and responsibility for taking them. Indicate any **adjustments** or additional measures recommended in the programme strategy, outputs, activities and requisite **change in inputs**. Indicate any lessons learned and the need for innovation.*

5. Assessment of the programme progress by national coordinator: - (optional)

*Provide any additional comments on points 1-5 above, if needed. Also indicate name, function.
Give a rating as indicated for all component outcomes and performance indicators in the programme document.*

Comments:

Component	Ahead of schedule	On schedule	Behind schedule	In trouble
1				
2				
3				
4				

Completed by:

_____ *name* _____ *signature* _____ *date*

7. Assessment & comments by EVA (if any):

(On completeness and credibility of information, involvement of counterparts, quality and rationale of actions taken and adjustments proposed)

Report prepared by:

Team leader:

_____	_____	_____
Name	signature	date

Regional Programme Chief:

_____	_____	_____
Name	signature	date

PCF/RFC Director:

_____	_____	_____
Name	signature	date

Explanatory note

1. **Timing & duration:** Each report covers a twelve-month period.
2. **Responsibility:** The responsibility for preparing the report lies with the team leader in consultation with the project managers
3. **Evaluation:** For the report to be used effectively as a tool for annual self-evaluation, programme counterparts need to be fully involved. The (main) counterpart can provide any additional information considered essential, including a simple rating of programme progress.
4. **Results-based management:** The annual programme progress reports are required by the RBM programme component focal points to obtain information on outcomes observed. A copy of the progress report in this standard format should be provided to them promptly.

Annex 15
Project progress form

UNIDO



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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
ORGANISATION DES NATIONS UNIES POUR LE DEVELOPPEMENT INDUSTRIEL

Progress Report covering ...[month]... 200x - ...[month].... 200x

Project number: XX//CTY/YY/xxx

Date of report:

Title of Project/Programme Component:

Date last report:

Total UNIDO Budget (latest revised; excl. psc): €

Completion date as per original project document (month/year):

Expected completion date (month/year):

Objective of the project:

Overall progress in achievement of the project's objective: %

1. Main activities conducted and achievements in the reporting period:

*Describe in tabular form the **main activities** undertaken during the reporting period in line with the project document, together with the **outputs** and **outcomes** accomplished.
List separately any outputs added in reporting period.*

Activity	Output produced or service delivered	Outcome observed

2. Main problems encountered and measures taken:

*Describe the implementation constraints, reasons for delays encountered and remedial actions taken. Include actions taken on issues raised during recent **field missions** / implementation review meetings / steering committee meetings, etc.*

3. Forthcoming work-plan:

*Describe / list priority activities and areas to be addressed during **next reporting period**, indicate timing and responsibility for taking them. Indicate any **adjustments** recommended in the project strategy, outputs, activities and requisite **change in inputs**.*

4. Financial implementation of the project:

*Provide a description of the **main expenditures** (by major budget line) during the reporting period and indicate **estimate of expenditures** for next reporting period - (attach copy of the latest FPCS report for more detailed information).*

5. Cooperation with other projects / components (applicable only to programme components):

Describe possible synergy effects arising out of cooperation between components or cooperation with (external) multilateral and bilateral programmes.

6. Assessment of the project progress by (main) counterpart: - (optional)

Provide any additional comments on points 1-4 above, if needed. Also indicate name, function. Give a rating as indicated for all outputs in the project document.

Comments:

Output	Ahead of schedule	On schedule	Behind schedule	In trouble
1				
2				
3				
4				

Completed by:

_____ *name* _____ *signature* _____ *date*

7. Assessment & comments by EVA (if any):

(On completeness and credibility of information, involvement of counterparts, quality and rationale of actions taken and adjustments proposed)

Report prepared by:

Project Manager:

_____ *name* _____ *signature* _____ *date*

Branch Director:

_____ *name* _____ *signature* _____ *date*

Explanatory note

1. **Application:** By virtue of its structure and the requirement that information be mainly provided at the activity, output and outcome levels, the template is appropriate to the range of technical assistance services that UNIDO provides (viz. institutional capacity building, technical meetings, investment & technology promotion).
2. **Timing & duration:** Each report covers six months of project activities. They are completed at the end of June and at the end of December each year. In the mid-year report the emphasis is on implementation; in the end-year report to an equal weight is given to implementation and self-evaluation. A number of donors adopt the same practice and, as mentioned above, it has the advantage of providing a report on progress under an integrated programme based on a complete set of reports for the individual programme components.
3. **Responsibility:** Essentially, the responsibility for preparing the report lies with the Project Manager / Allotment Holder. The template can thus be used for both individual (stand-alone) and projects under UNIDO integrated programmes.
4. **Evaluation:** For the report to be used effectively as a tool for annual self-evaluation, project counterparts need to be fully involved. The (main) counterpart can provide all additional information considered essential, including a simple rating of project progress. In the case of *regional, interregional or global projects*, this part of the template is necessarily optional.
5. **Results-based management:** The six-monthly progress reports for individual projects are required by the RBM programme component focal points to obtain information on outcome observed. A copy of the progress report in this standard format should be provided to them promptly.

Annex 16



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

**EVALUATION SUMMARY NOTE FOR SUBMISSION
to
PROGRAMME APPROVAL COMMITTEE (PAC)**

Part I: Identification data

Title of the project/programme: _____

Self-assessment report prepared by _____ on _____

Part II: OSL/EVA

comments on self-assessment report

(Completeness and credibility of information, extent of involvement of counterparts, quality and rationale of recommendations)

Part III: Recommendations to PAC

Rationale for extension

Other recommendations to PAC, including independent evaluation **(if required)**.

Signature: Director, OSL/EVA

Date:

Annex 17
List of RBM codes

		New Programme Element Codes: to be used for TC projects only
A.1	Meetings of the Governing Bodies	BA.10
A.2	Secretariat of Governing Bodies and External Relations	BA.20
B.1	Executive Direction and Management	BB.10
B.2.1	Office of the Comptroller General	BB.21
B.2.2	Internal Audit	BB.22
B.2.3	Evaluation	BB.23
C.1	Rural and Renewable Energy	BC.11
C.2	Industrial Energy Efficiency	BC.12
C.3	Cleaner and Sustainable Production	BC.13
C.4	Water Management	BC.14
C.5	Montreal Protocol	BC.15
C.6	Stockholm Convention	BC.16
C.7	Climate Change	BC.17
C.8	Energy and Environment in Agro-Industries	BC.18
C.9	Regional Priorities, Funds Mobilization and Partnerships	BC.19
D.1	Competitive Manufacturing	BD.11
D.2	Technology Management and Technology Road-mapping and Foresight	BD.12
D.3	Supply of Public Goods for Technology Diffusion	BD.13
D.4	Promotion of Domestic Investment, FDI and Alliances	BD.14
D.5	Agro-related Capacity-Building Activities	BD.15
D.6	SME Export Consortia and Corporate Social Responsibility	BD.16
D.7	Strengthening Standards, Metrology, Testing and Conformity Assessment Infrastructure	BD.17
D.8	Regional Priorities, Funds Mobilization and Partnerships	BD.18
E.1	SME Enabling Framework and Institutional Support	BE.11
E.2	Rural and Women's Entrepreneurship Development	BE.12
E.3	SME Cluster Development	BE.13
E.4	Development of Agro-industries	BE.14
E.5	Rural Energy for Productive Use	BE.15
E.6	Mitigating Industrial Water Pollution for Poor Communities	BE.16
E.7	Regional Priorities, Funds Mobilization and Partnerships	BE.17

[F.1]	[Special Initiatives]	
F.1.1	Emerging Technologies	BF.11
F.1.2	Human Security/Post-Crisis Rehabilitation	BF.12
F.1.3	Partnerships with Organizations of the Private Sector and of Civil Society	BF.13
[F.2]	[Industrial Policy and Research]	
F.2.1	Research	BF.21
F.2.2	Competitiveness Surveys	BF.22
F.2.3	Technical Cooperation Services in Industrial Governance	BF.23
F.2.4	Industrial Statistics	BF.24
[F.3]	[Regional Policy]	
F.3.1	Regional Programme, Africa	BF.31
F.3.2	Regional Programme, Arab countries	BF.32
F.3.3	Regional Programme, Asia and the Pacific	BF.33
F.3.4	Regional Programme, Latin America and the Caribbean	BF.34
F.3.5	Regional Programme, Europe and the NIS	BF.35
F.4	Field Operating Costs	BF.40
G.1	Human Resource Management	BG.10
G.2	Financial Services	BG.20
[G.3]	[Procurement and Logistics Services]	
F.3.1	Procurement Services	BG.31
F.3.2	Logistics Services	BG.32
G.4	Legal Services	BG.40
G.5	Information Networks and Knowledge Management	BG.50
G.6	Direction and Management	BG.60
H.1	Common Buildings Management	BH.10
H.2	Joint Buildings Management	BH.20

* D.4 - Mr. Zakharian, RBM Focal Point for ITPO Coordination added by PTC on 17 March 2006

** D.7 - Mr. Bau, RBM Focal Point as of 27/2/2006 and Mr. Kaeser to guide him first

Diagram 1: Programme/Project Cycle Management

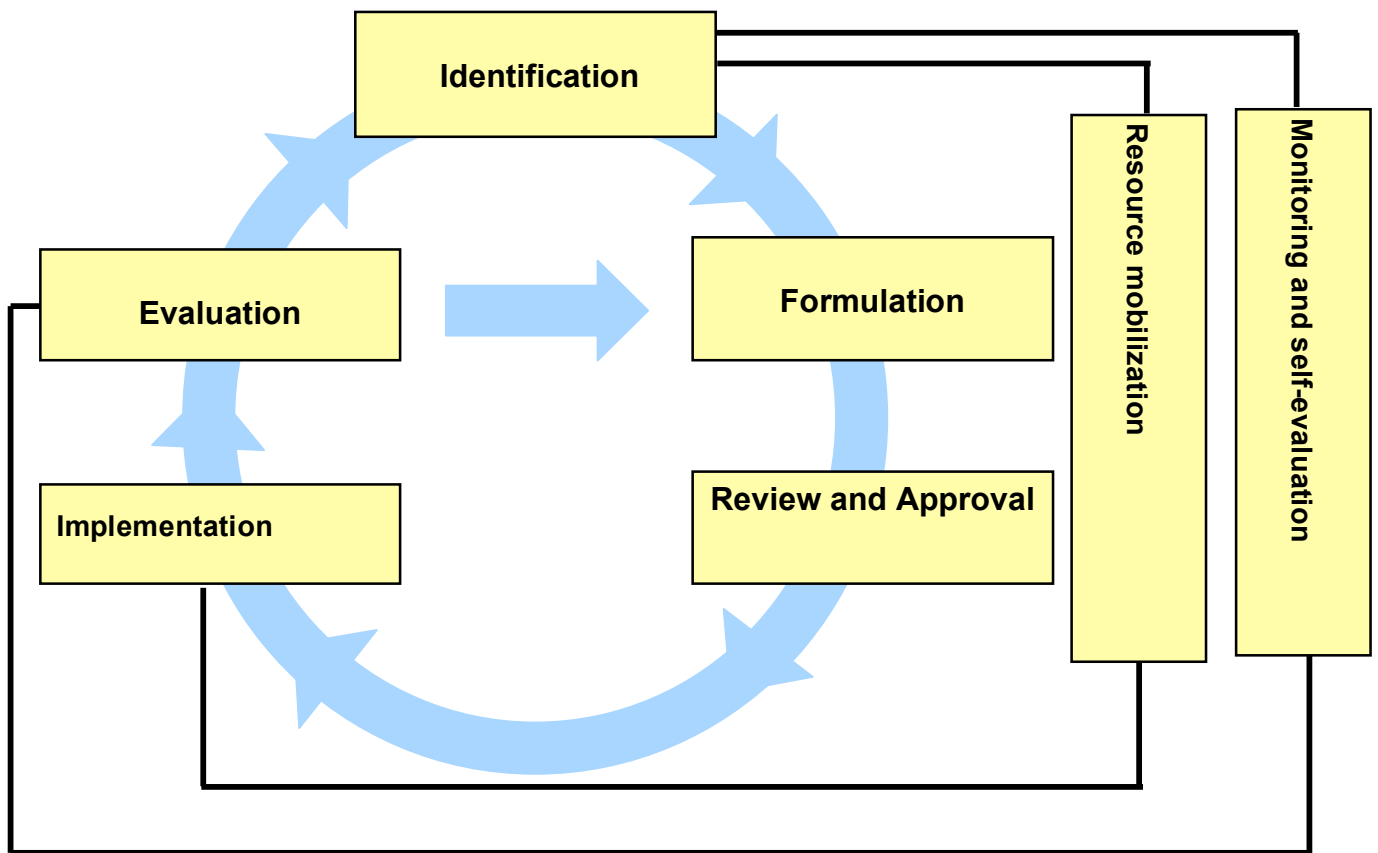


Diagram 2: BASIC STRUCTURE OF A UNIDO INTEGRATED PROGRAMME / PROJECT

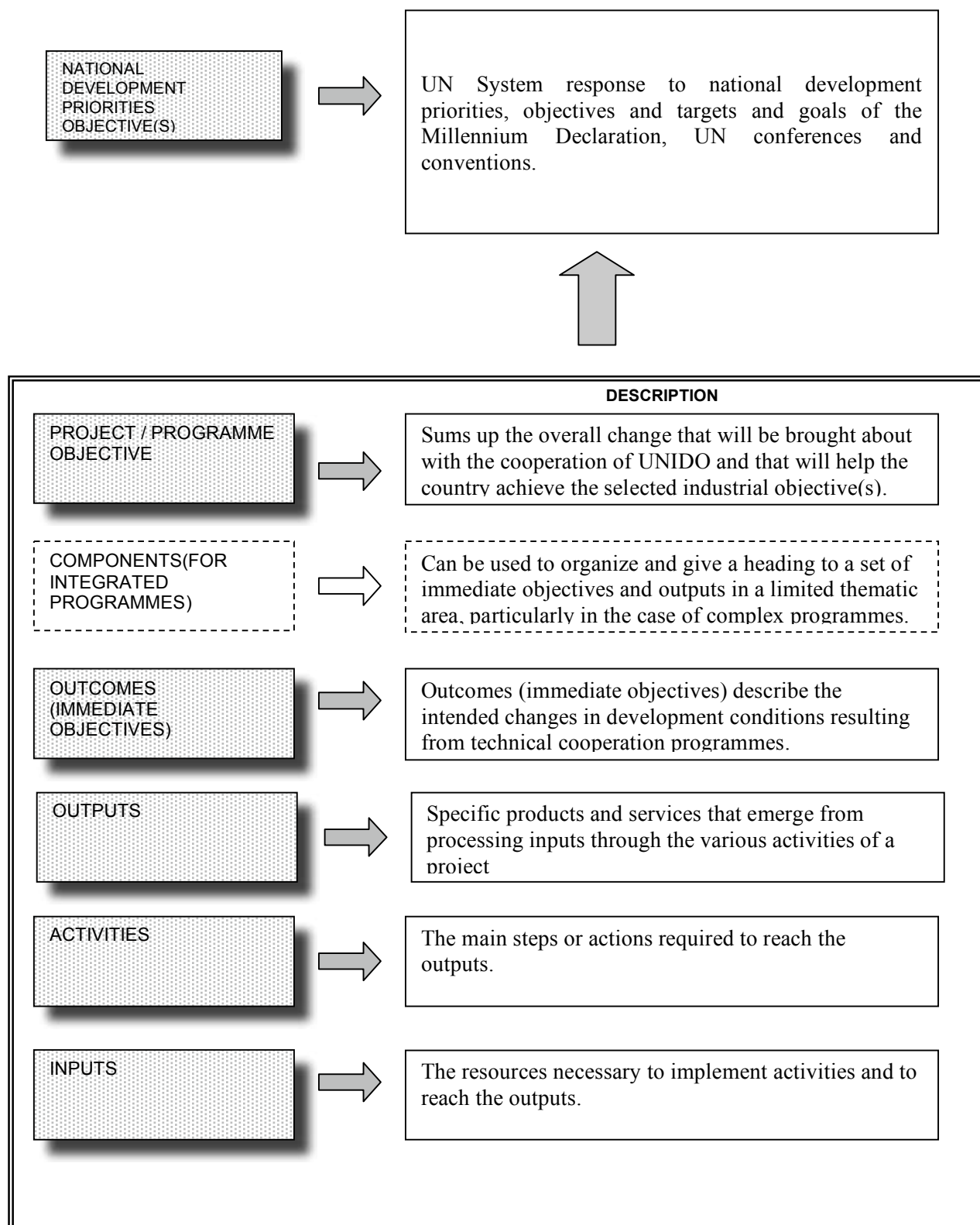


Diagram 3: Correlation between the logical framework and quality criteria
Quality Criteria

Logical framework		1. Relevance	2. Efficiency	3. Effectiveness	4. Impact	5. Sustainability
	Development Objectives	The extent to which the objectives of a programme/project are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' priorities.			The positive and negative changes, primary and secondary long-term effect produced by a project, directly or indirectly, intended or unintended.	The continuation of benefits from a programme/project after development assistance has been completed, of particular pertinence to capacity-building projects. The probability of continued long-term benefits.
	Project Objective			A measure of the extent to which the objectives of a programme/project were achieved or are expected to be achieved.		
	Outcomes (immediate objectives)			A measure of the extent to which there is a positive change, or a positive change is expected at the target group level		
	Outputs Activities		A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into outputs.			
	Inputs					

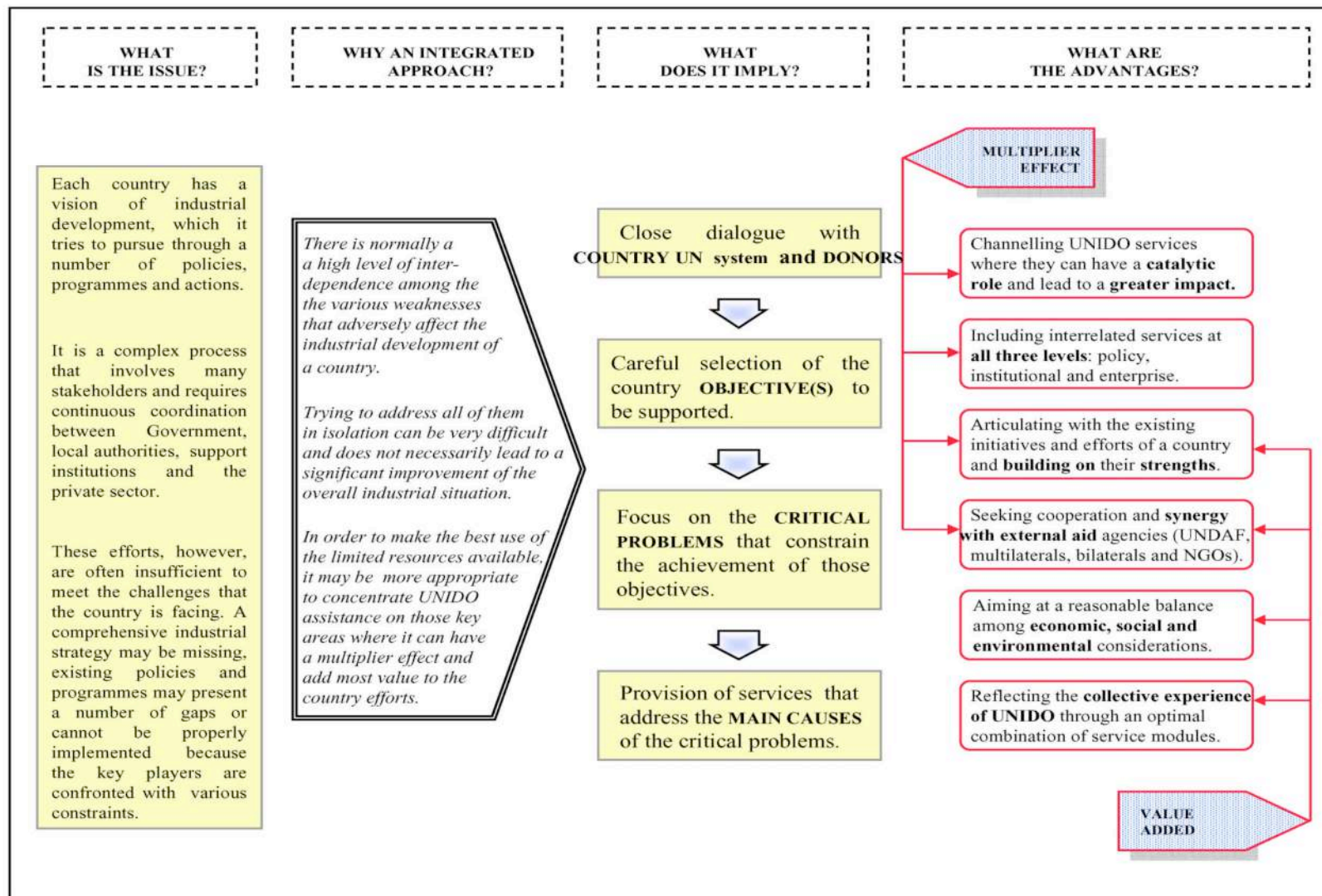


Diagram 4

MAIN FEATURES OF UNIDO INTEGRATED PROGRAMMES

UNIDO Programme Guidelines/May 99 - page 13

Diagram5 HOW UNIDO SUPPORTS A COUNTRY'S INDUSTRIAL DEVELOPMENT EFFORTS

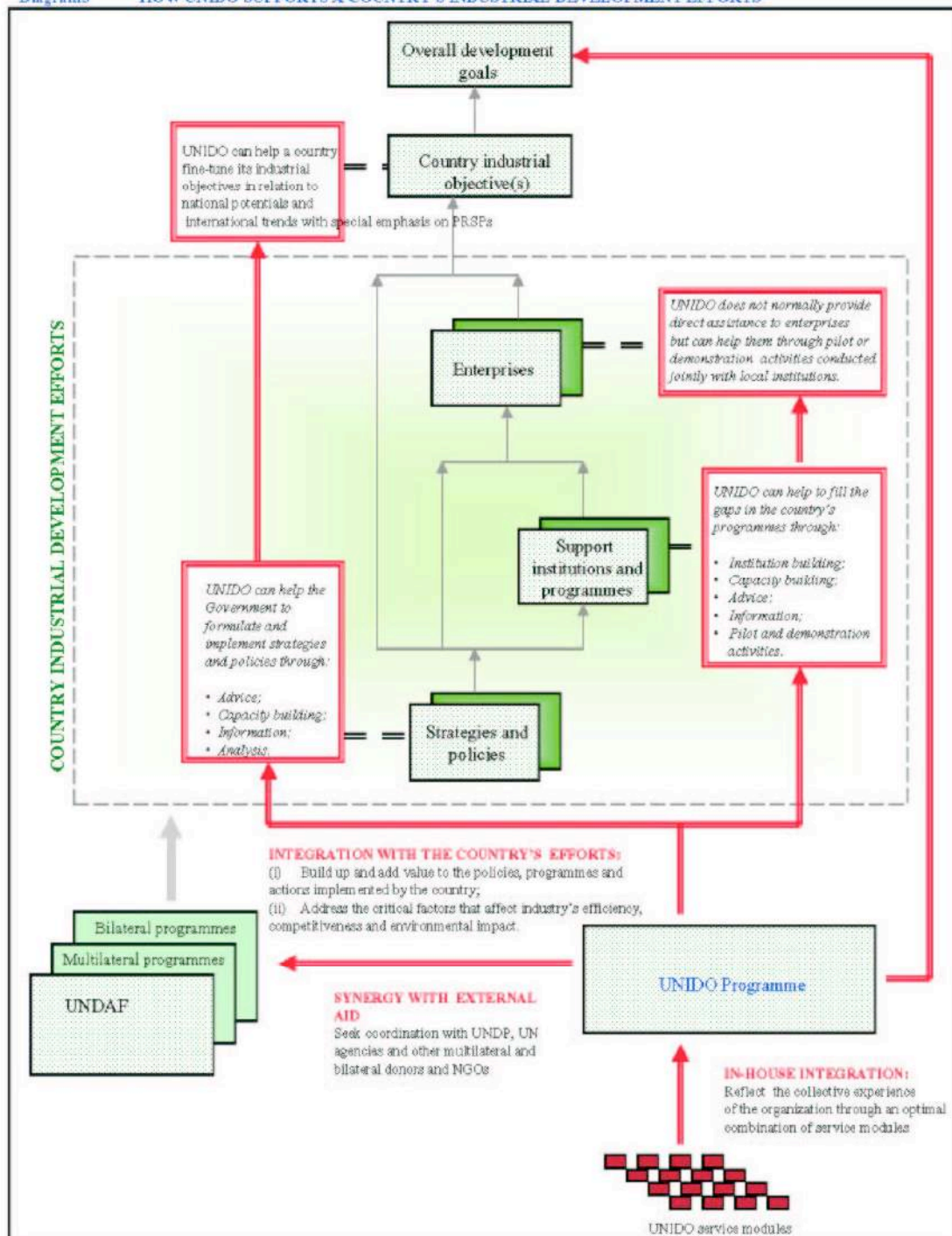
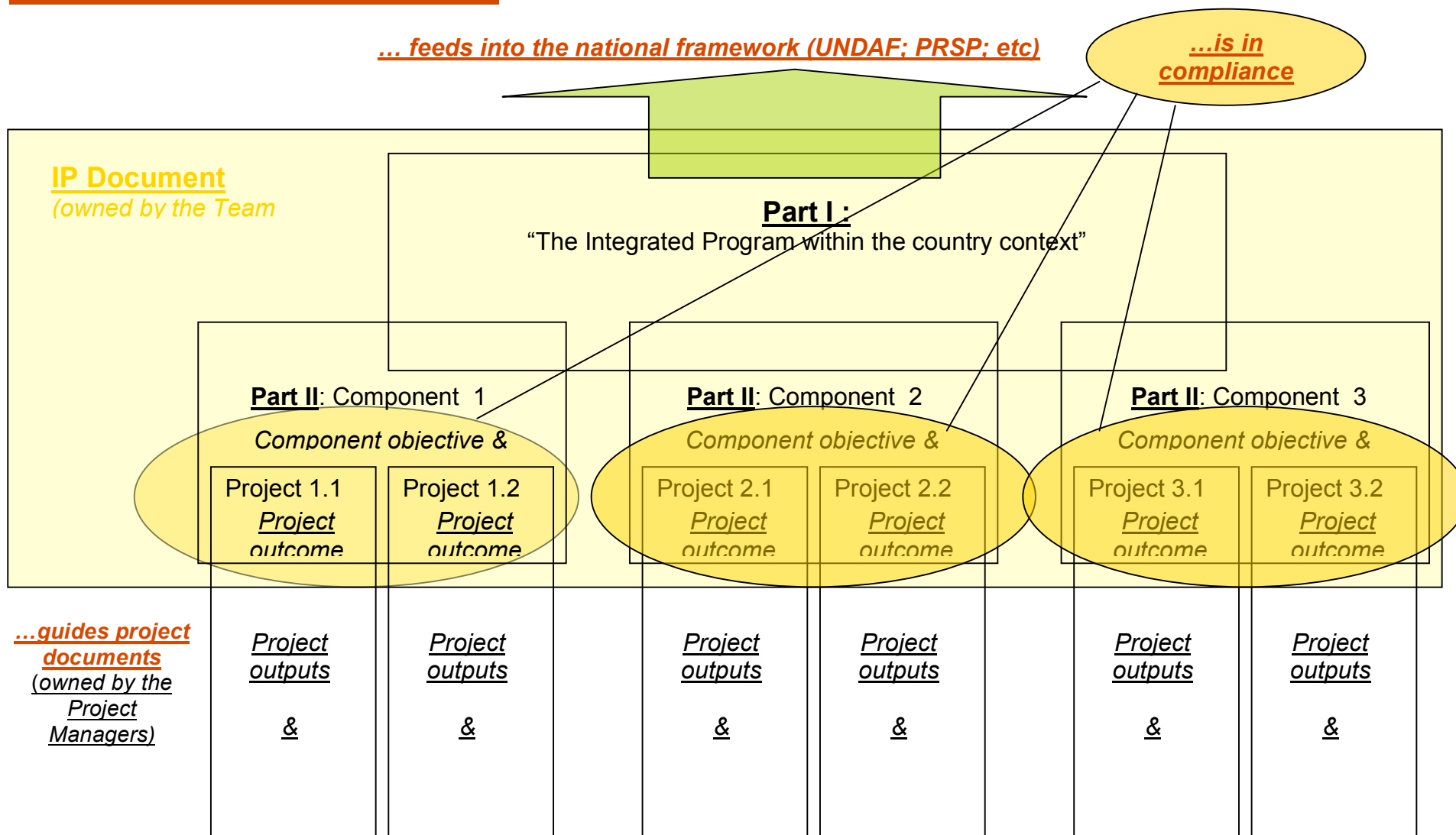
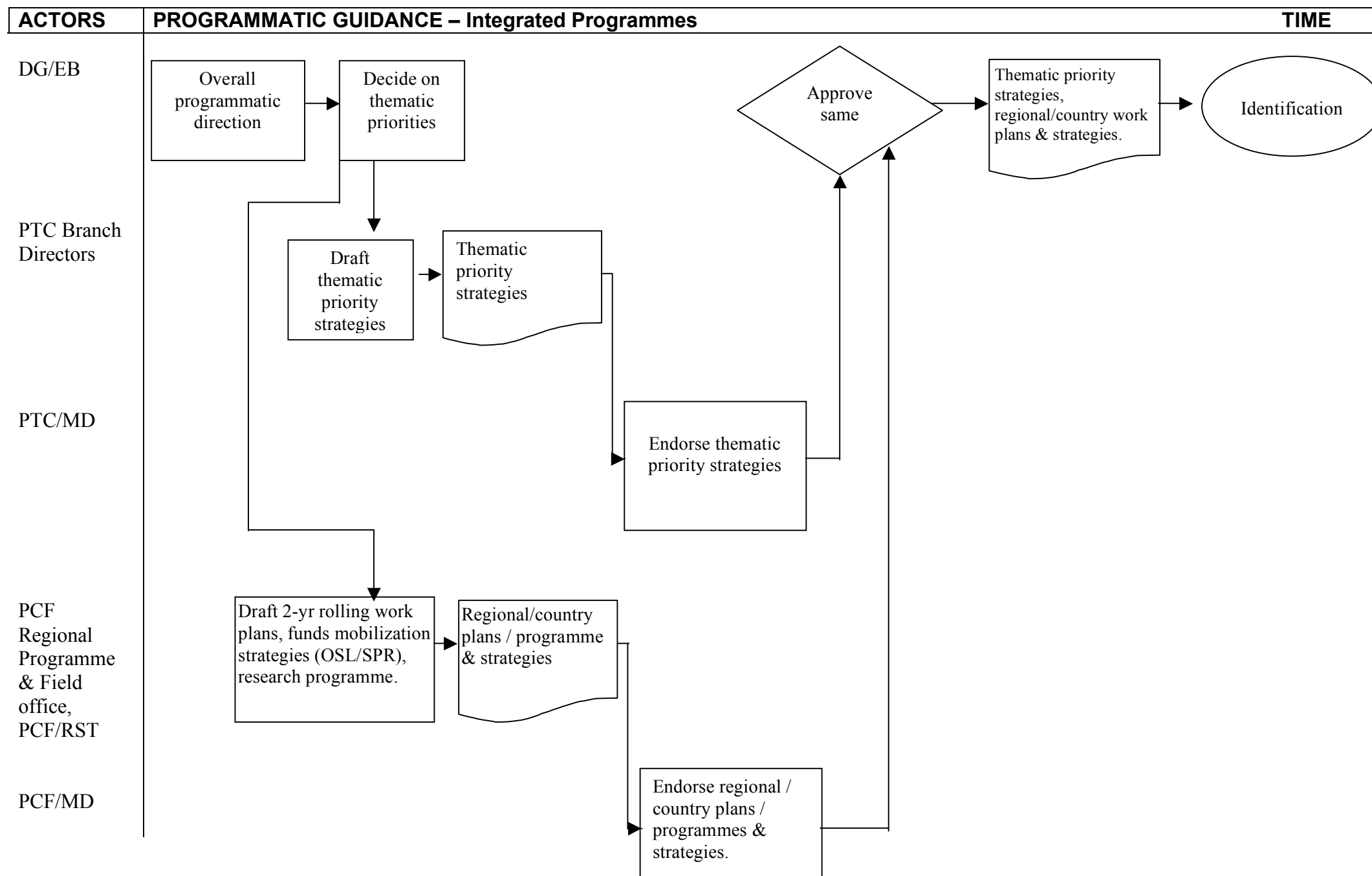
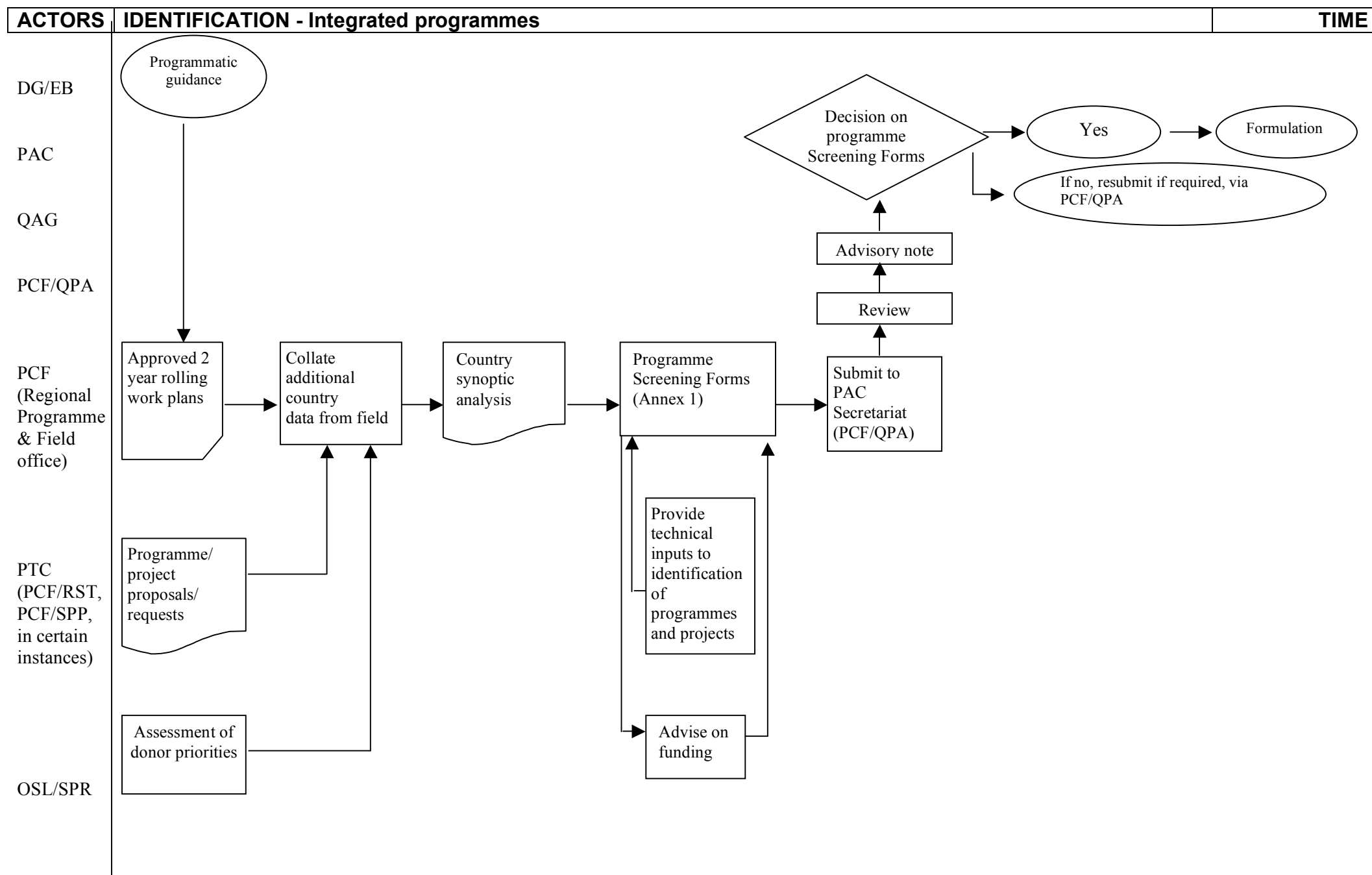


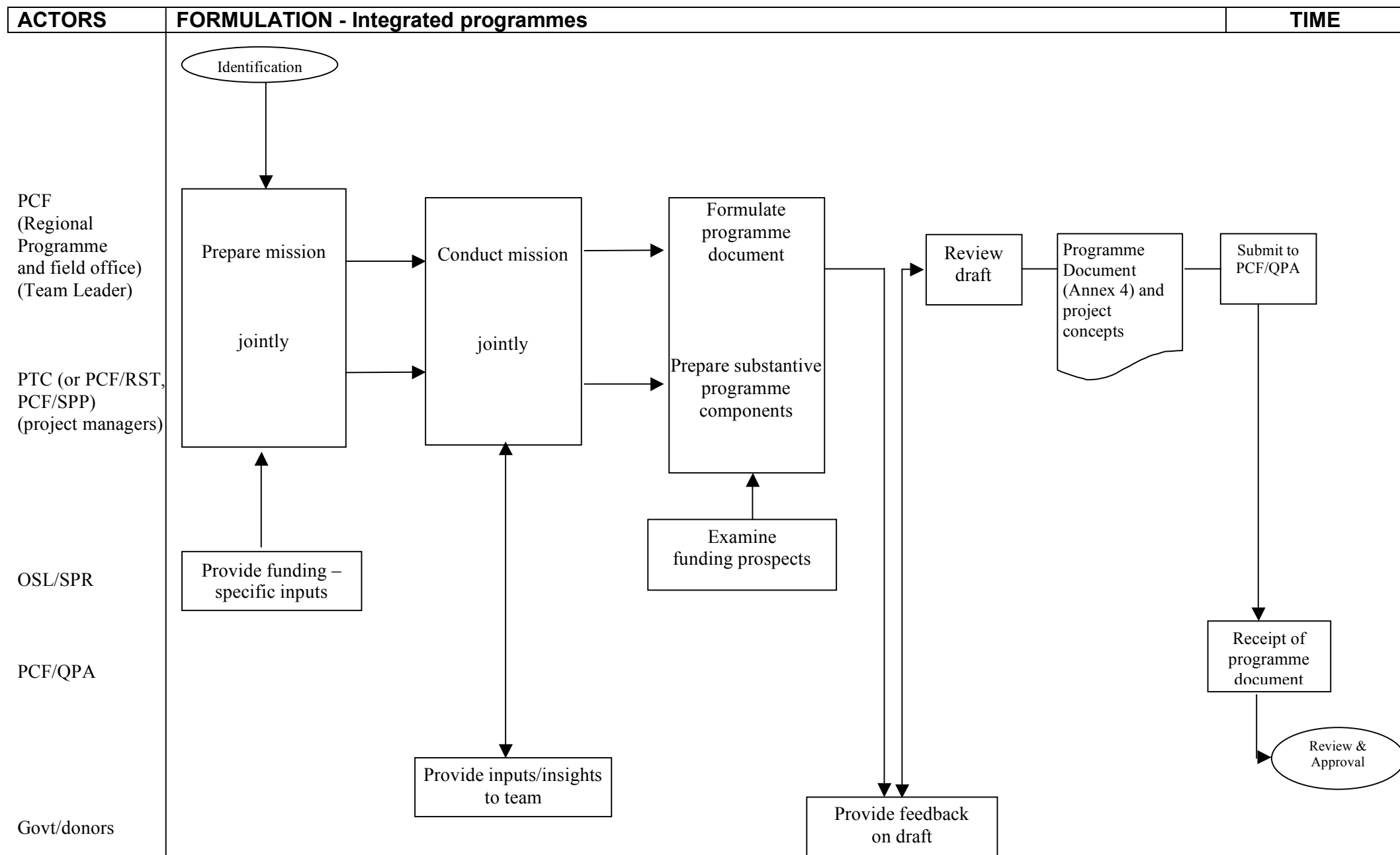
Diagram 6

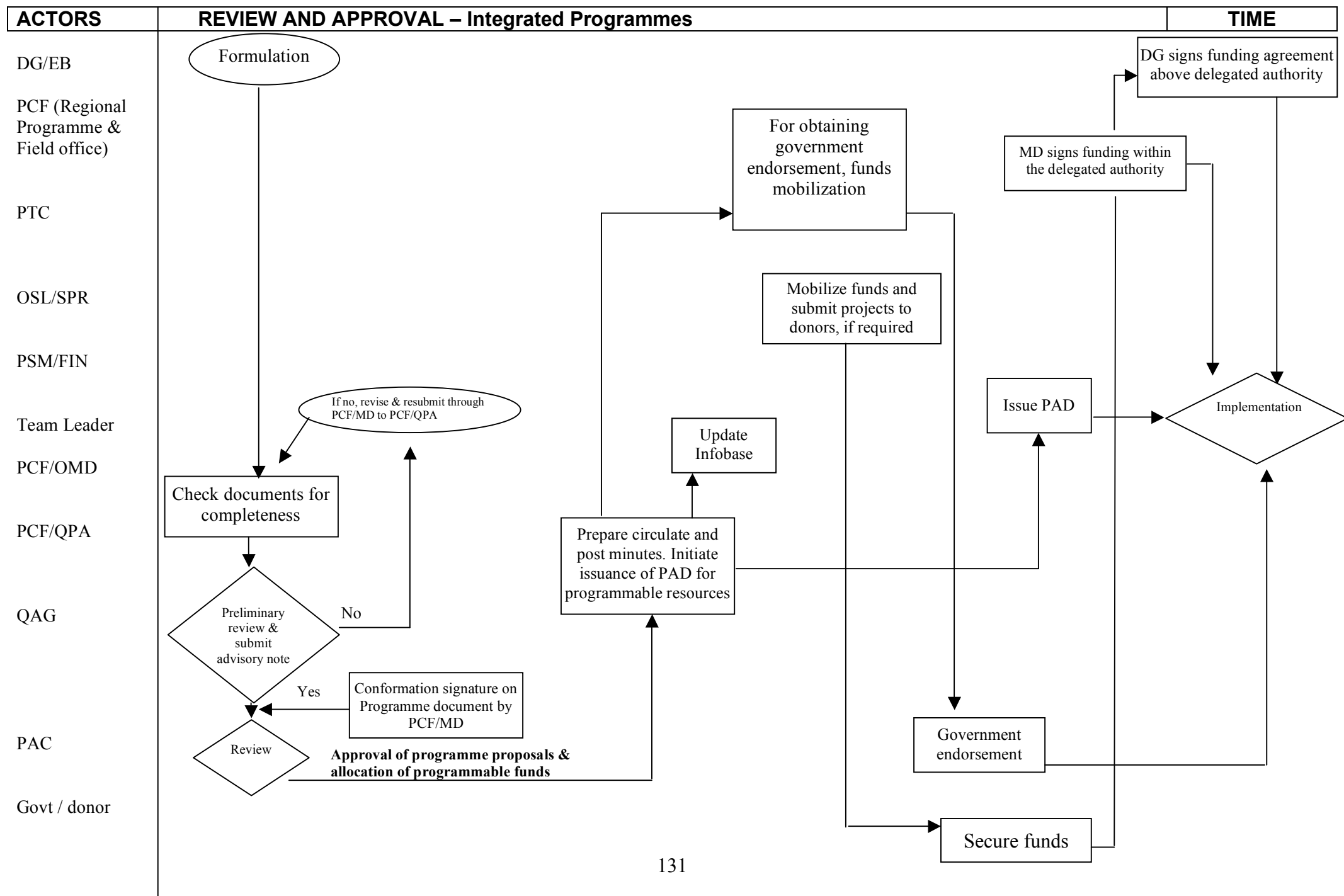
The IP Document

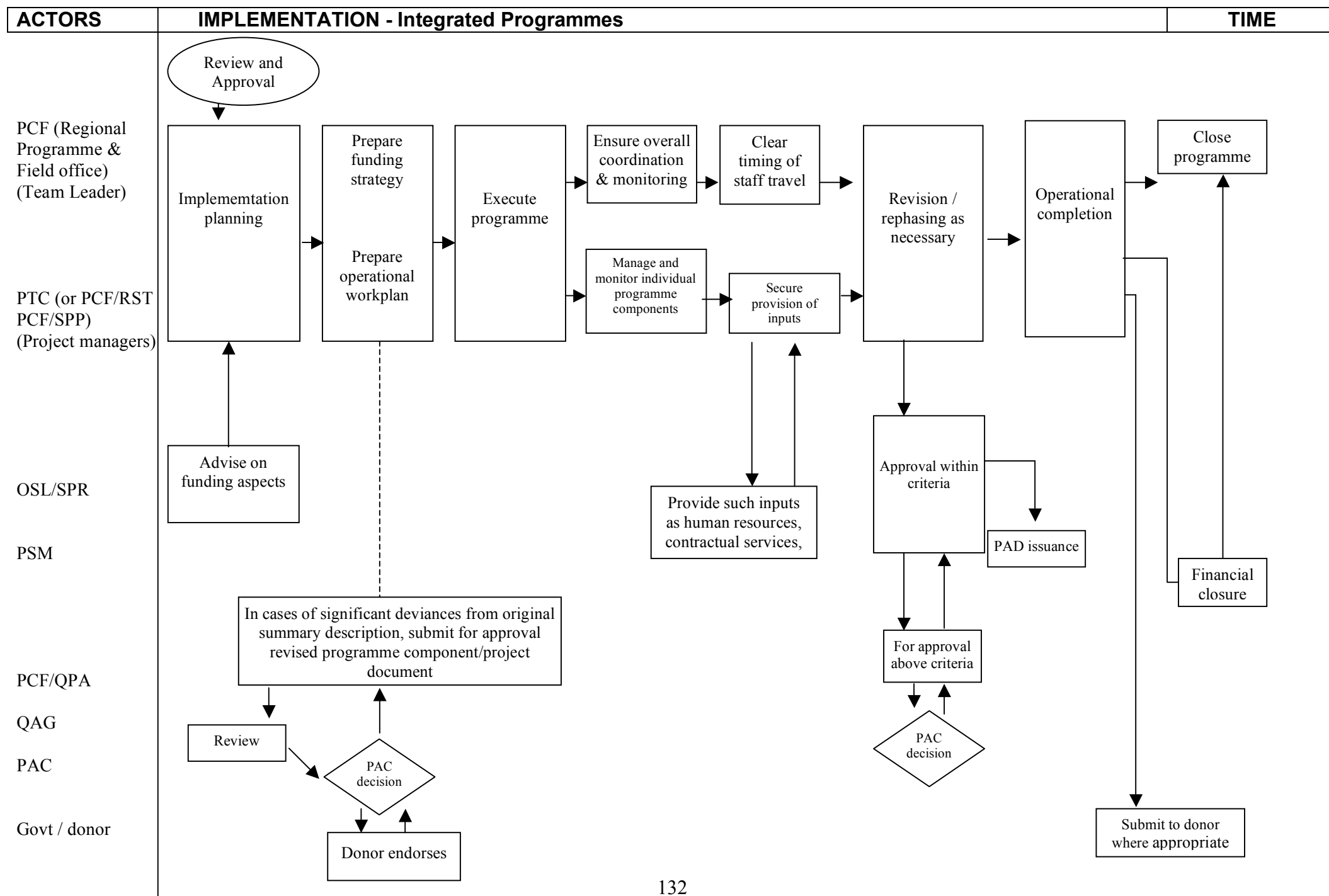


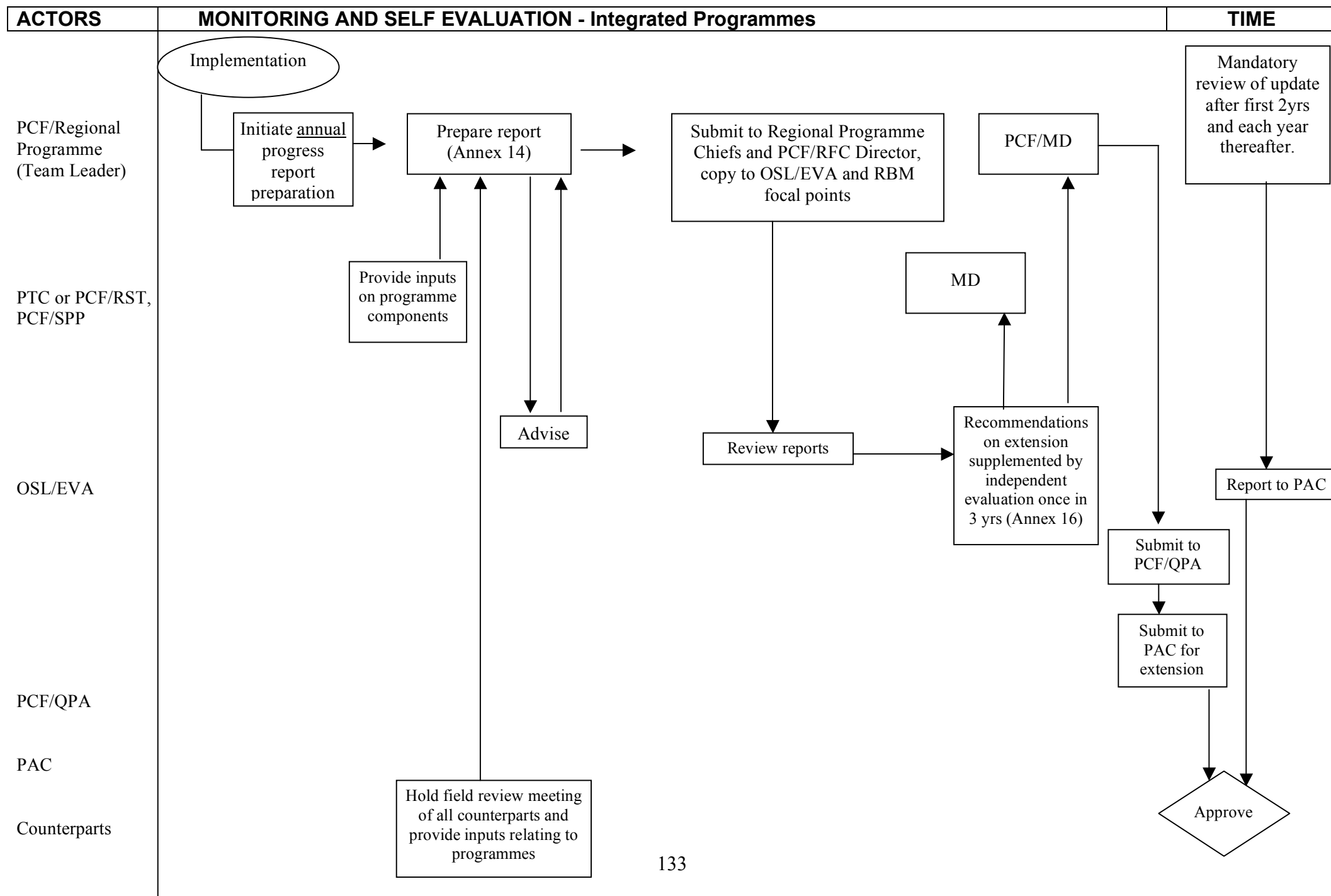


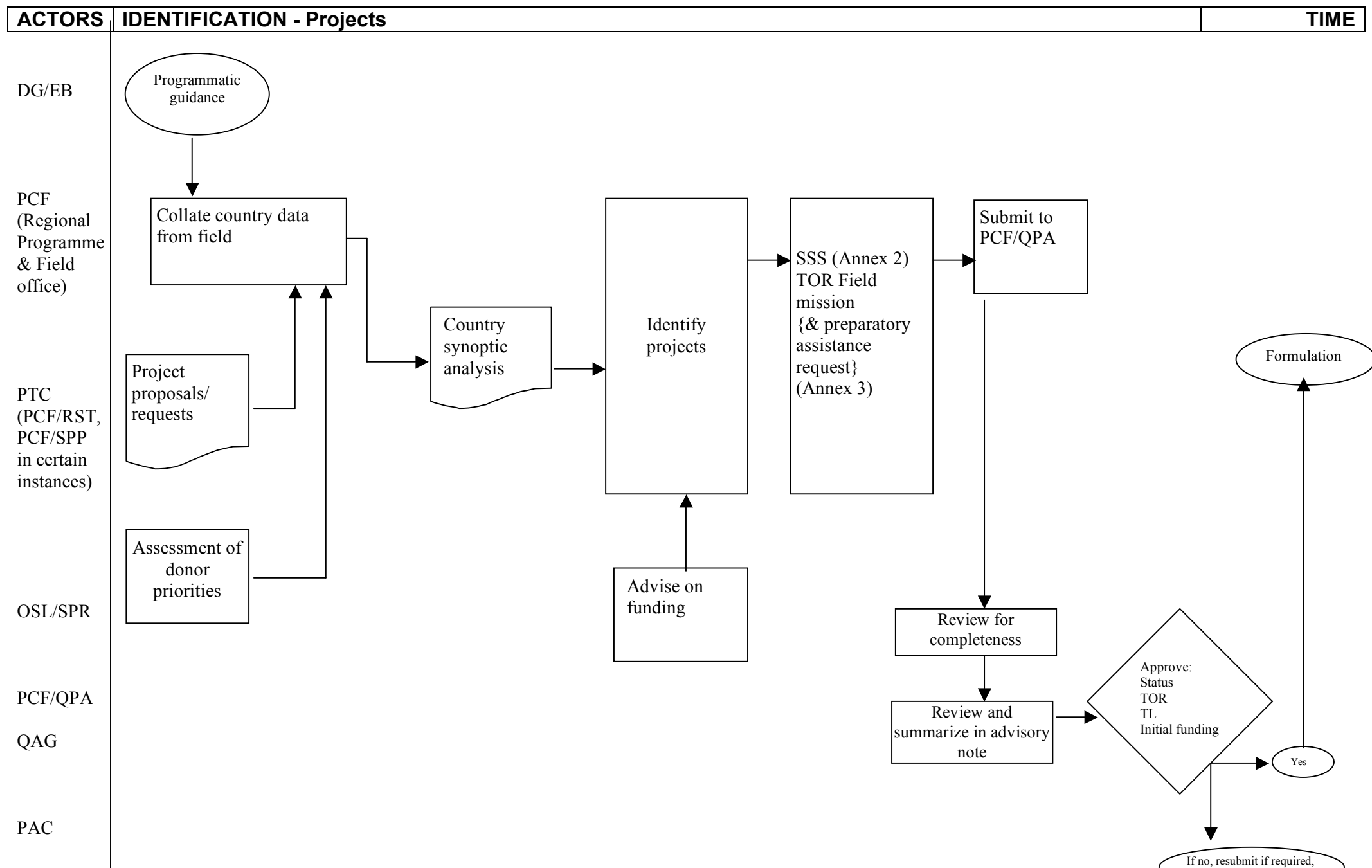


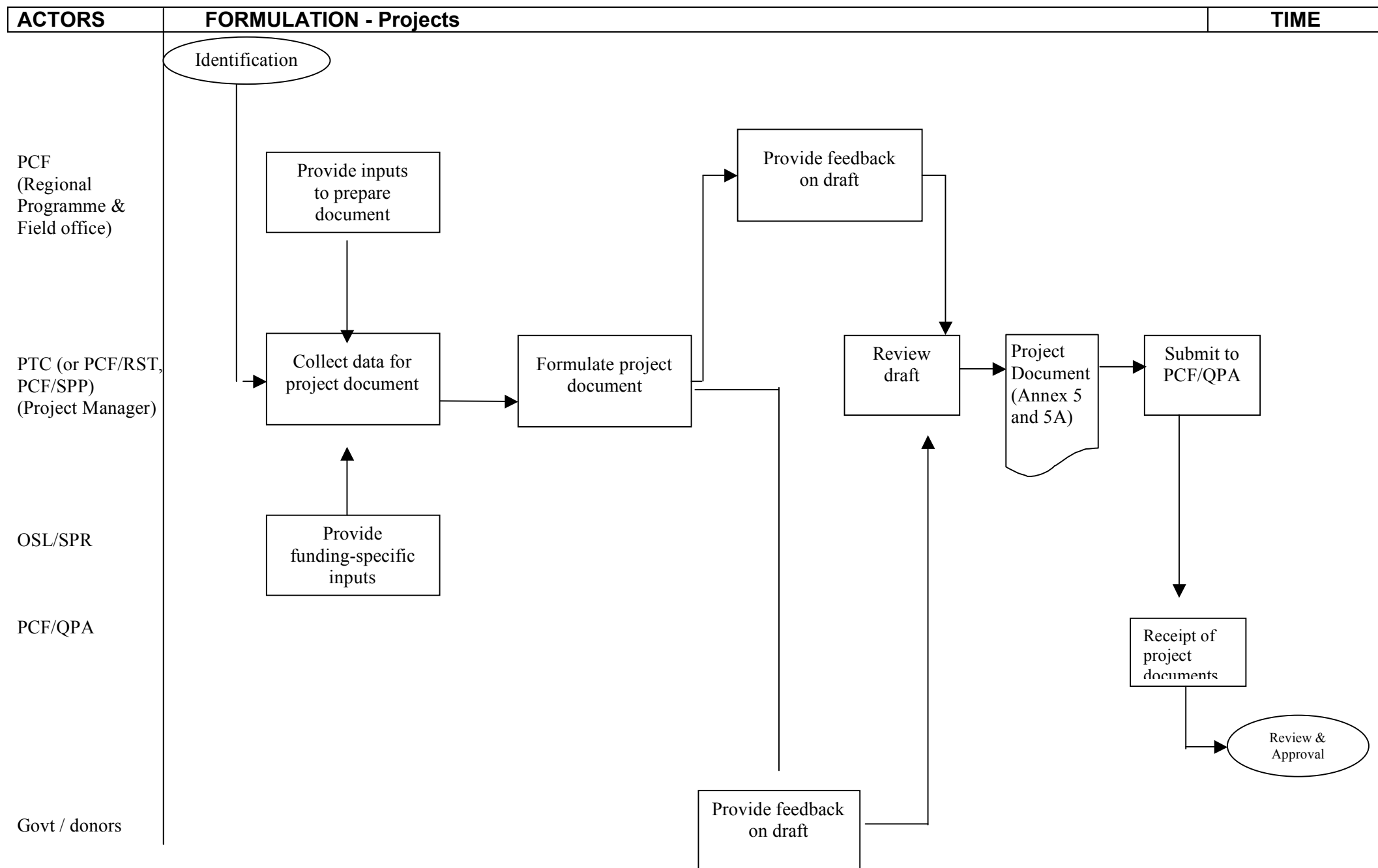


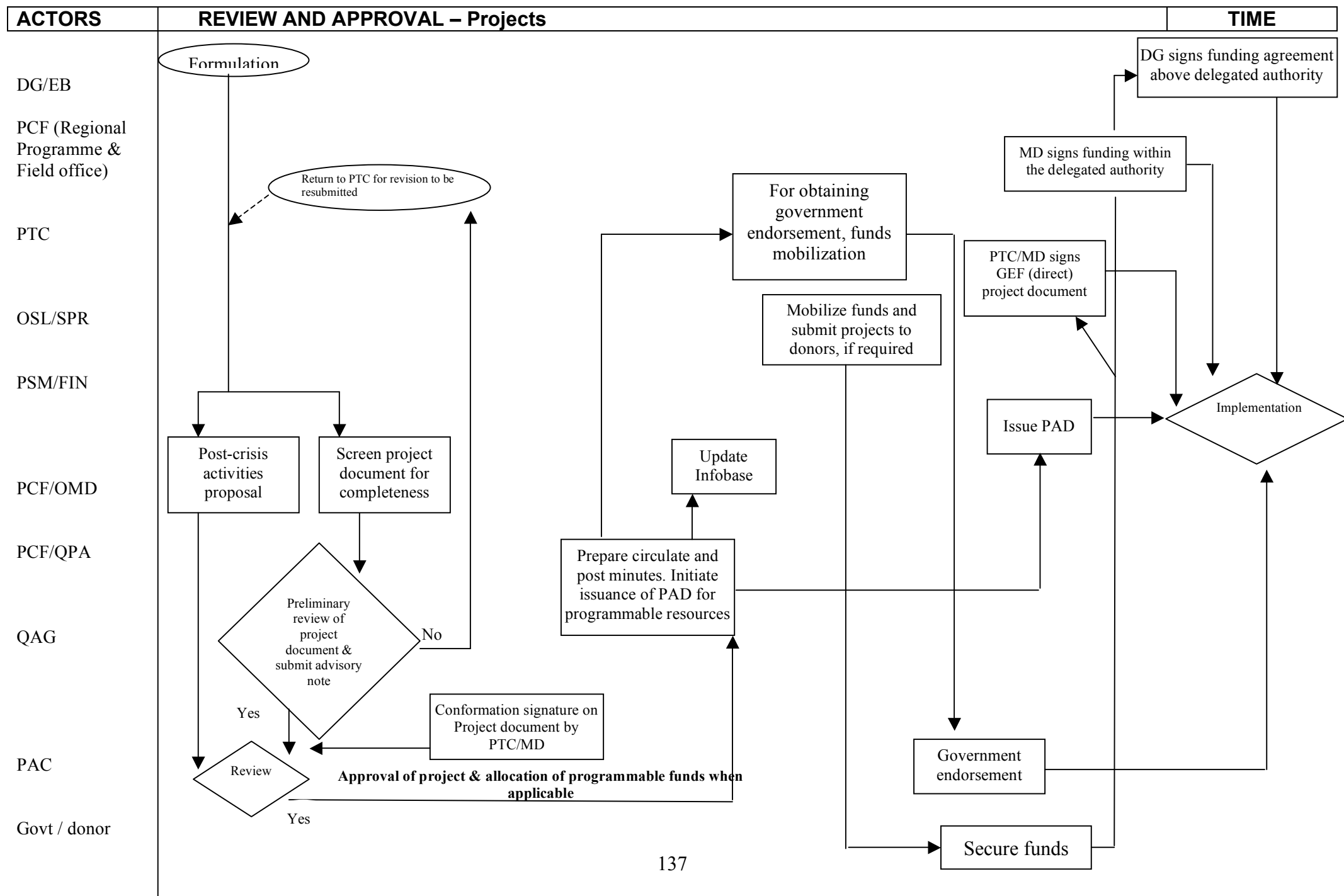


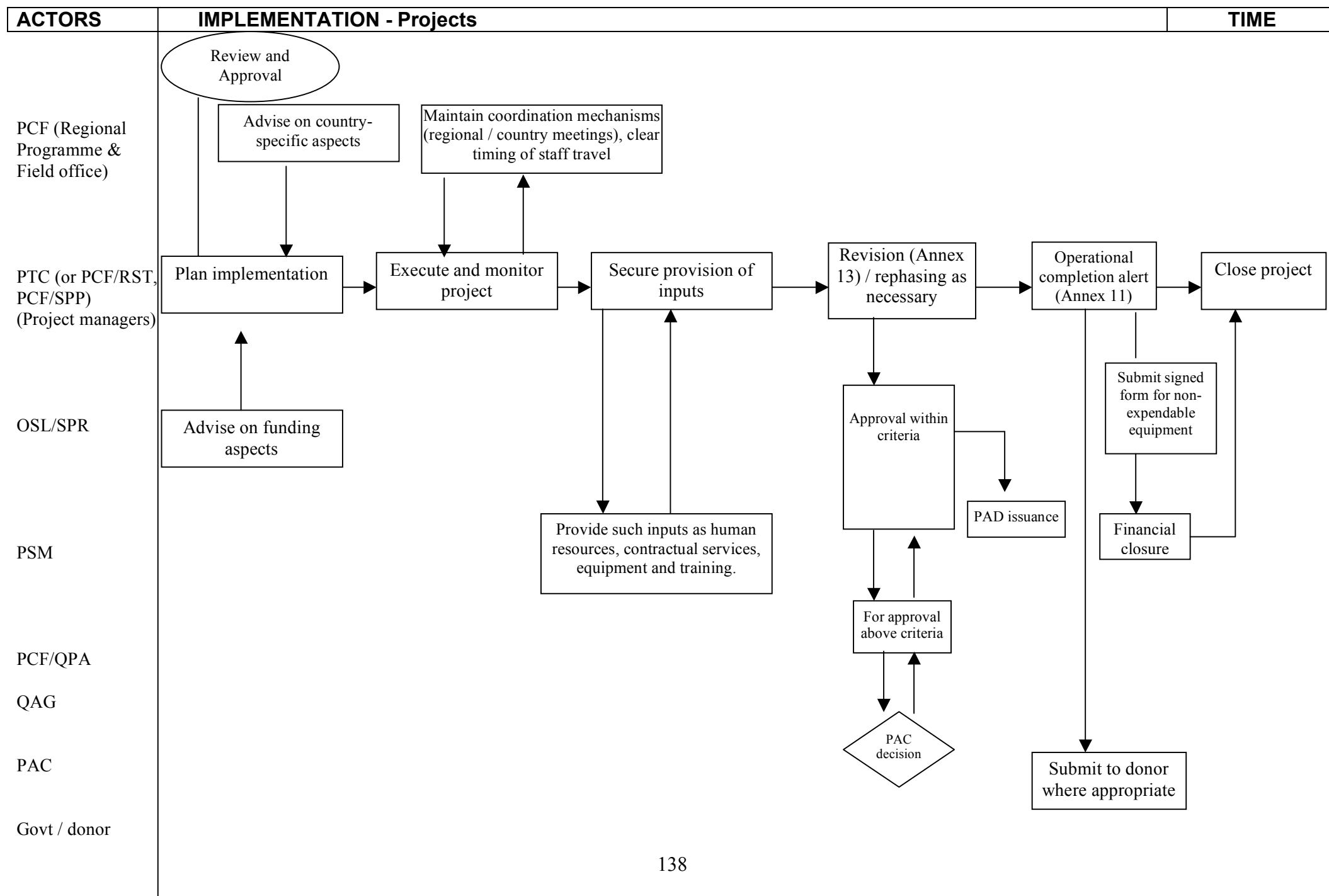


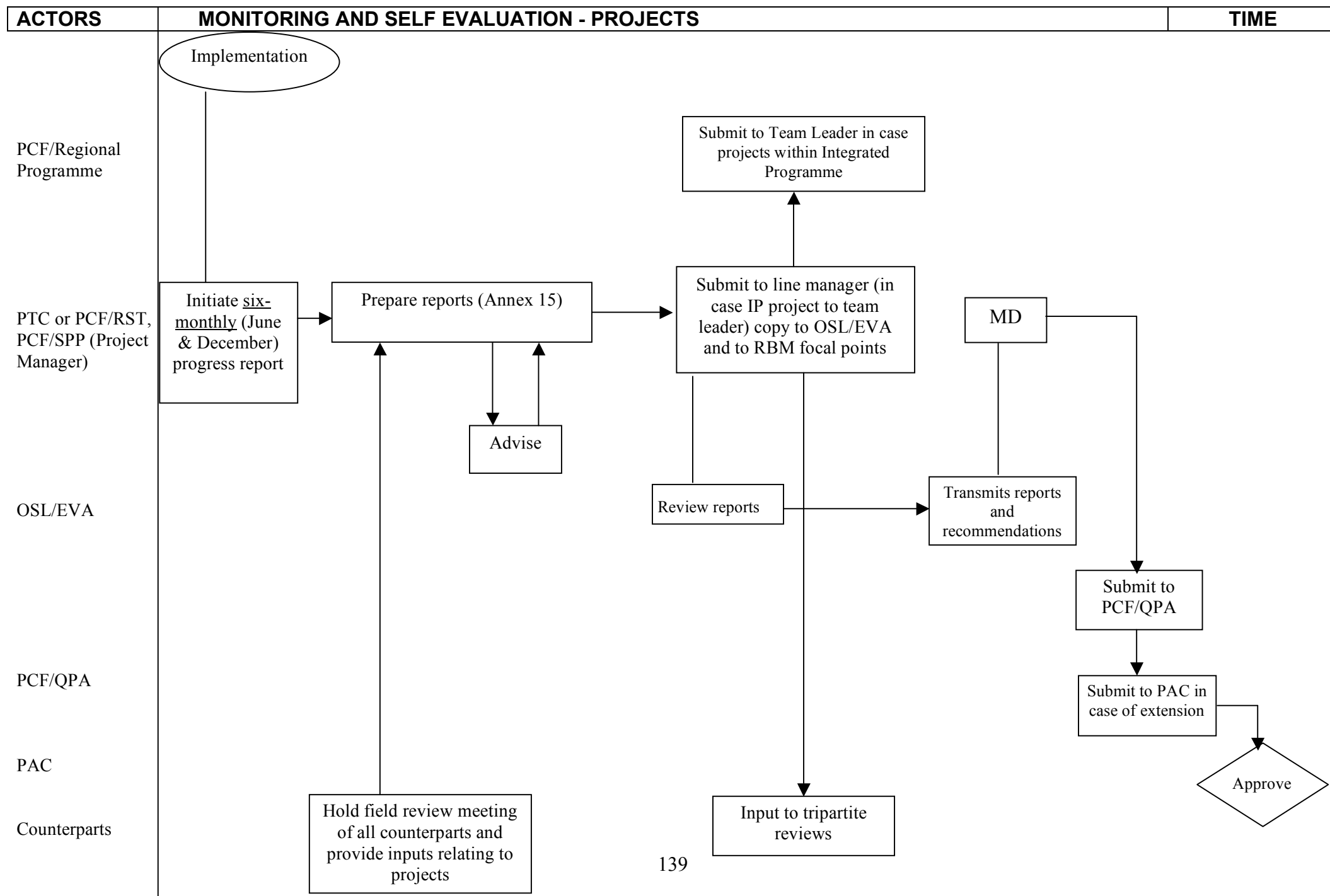












Appendix 1

EXCERPTS FROM DGAI. 6

NEW FINANCIAL AUTHORIZATION SYSTEM – 13 MAY 1998

Decentralization and delegation

4. The present instruction is based on the management principle of decentralized financial control. In keeping with that principle, line, team and project managers must have the authority and flexibility necessary to decide, within the guidelines established below, on the manner in which financial resources are used to achieve output, results and goals such that the expectations of the Organization's clients can be met.
5. The present instruction defines the boundaries within which responsible actors, including both technical and support staff, should work in teams and take action together to achieve their objectives.

General standards

6. When incurring expenditures, managers must exercise good judgement in observing the standards set out in:
 - a) The current programme and budgets;
 - b) The Financial Regulations and Rules and the Staff Regulations and Rules of UNIDO;
 - c) Project documents and financial authorizations;
 - d) Other relevant programmatic or fund-specific guidelines issued by the Director-General or by external funding organizations;
 - e) Annual performance targets.

Allotment

7. Financial resources are allotted to produce output required to achieve objectives. The allotment and the objectives to be achieved should originate from the biennial programme budgets or from an approved project document. Each allotment is approved by the Director-General or by an authorized official on the Director-General's behalf.
8. The amount and a reference to the approval are documented on a programme or project allotment document (PAD). Normally, programme allotments cover funding under the Regular Budget / Operational Budget (RB/OB) and project allotments cover extra-budgetary funding. The PAD also indicates the name of the allotment holder and the allotment account code or project number and details the objects of expenditure under the allotment. The PAD also indicates the relevant programme or subprogramme in the programme and budgets as well as the organizational unit of the allotment holder.

Allotment holder and alternate allotment holder

9. The allotment holder is normally the line, team or project manager who is fully responsible for the utilization of the allotment. The allotment holder is appointed by the Director-General or by an authorized official on the Director-General's behalf and is explicitly named on the PAD. Allotment holders also act as certifying officers for the respective accounts. For RB/OB allotments other than the Regular Programme for Technical Cooperation (RPTC) and IDDA supplementary activities (*note: from 2004-2005 biennium replaced by Special Resource for Africa (SRA)*) the allotment holder would normally be the branch director. For project allotments and for RPTC and IDDA supplementary activities (*SRA*), the project manager or the team leader would normally be the allotment holder.
10. In the absence of the allotment holder the alternate allotment holder is fully empowered to act on the allotment holder's behalf. The alternate allotment holder is normally a member of the team that utilizes the allotment. The alternate allotment holder is appointed by the allotment holder in writing and is explicitly named on the PAD.

Certification

11. The allotment holder attests by signature that:
 - a) The proposed obligation or expenditure is essential for achieving the objective for which the allotment was made;
 - b) It is in line with the specific purpose for which the allotment was issued;
 - c) It is in accord with existing regulations, rules and instructions;
 - d) It can be met from the available balance of the allotment under the relevant account and object of expenditure, with due regard to foreseeable future obligations.

Authority and accountability

14. The allotment holder is personally responsible for the certification action. The allotment holder initiates expenditures that are necessary to achieve the objective for which the allotment was issued.
15. The certification signature of the allotment holder, together with the signature for eventually additional authorization, constitutes the authority to enter into commitments on behalf of the Organization by officers so authorized.
16. The allotment holder may initiate revisions to allotments for the purpose of transferring financial resources between various objects of expenditure, subprogrammes or organizational units. Such revisions must follow the rules and regulations applicable for the type of allocation.
17. The allotment holder is personally accountable for over-expenditure under the total allotment in so far as over-expenditure occurred due to the allotment holder's negligence or to failure to observe any regulation, rule or Director-General's Administrative Instruction.

Personal and public accountability

54. Managers are personally and publicly accountable for: (a) the resources under their responsibility; (b) production of output by the use of those resources; and (c) compliance with the general standards referred to in the present instruction.
55. As stipulated in staff rule 101.06, staff members may be required to reimburse the Organization either partially or in full for any financial loss suffered by the Organization as a result of their negligence or of their failure to observe any regulation, rule or administrative instruction, as determined by the Director-General. For the purpose of establishing financial responsibility, the regulations, rules and administrative instructions referred to in that staff rule are those that are mentioned in the present administrative instruction.

Appendix 2

SUPPORT SERVICES

Various administrative and other services provide key inputs into the programme/project cycle.

(a) Human resource inputs

Project personnel and recruitment and the management of experts and consultants

Within the purview of Human Resources Management (PSM/HRM), the activities related to the programme/project cycle encompass:

- Ensuring the effective recruitment, appointment, extension and administration of all categories of project personnel [International experts and consultants, associate experts and JPOs (BL 11); national experts (BL 17); national officers (BLs 12 and 17); and local general service staff (BL 13).]
- Monitoring the decentralization process and advising UR offices on the issuance and administration of contracts for local project personnel;
- Ensuring that the UNIDO roster of experts responds to the actual needs of the technical service modules of UNIDO;
- Determining appropriate salary/fee levels
- Obtaining all necessary clearances;
- Advising project managers on the most suitable appointment modalities based on project needs and funds availability;
- Negotiating fees with experts/consultants as well as their employers for reimbursable loans;
- Providing a full-range of support services to project personnel and ensuring timely release of honoraria upon completion of terms of reference;
- Ensuring that project managers provide performance evaluation reports for both national and international experts and consultants;
- Developing and implementing improvements in project personnel processes and procedures;
- Developing and maintaining salary/fee policies for project personnel; and
- Maintaining and updating HRM project personnel databases¹

The relevant administrative instructions and guidelines are:

- Project Personnel – Procedural Manual (See Intranet under Manuals, Project Personnel Procedures)
- 200 Series of the Staff Rules and Regulations
- DG AI 9, Addendum 2 on the Framework for the Recruitment and Management of Consultants recruited under SSA. [Being updated]

-
- **ARU/ARUM/PRU** personal data of experts/candidates
 - **UKU4** recruitment (and subsequent statistics) of national and international experts/consultants
 - **ULTB** recruitment (and subsequent statistics) of local support staff (on SSA) (previously also national officers and support staff with regular contracts)
 - **UME** recruitment of local support staff with regular contracts and national officers
 - **CAND** experts roster
 - **APPL** routine correspondence with applicants

- FOA/AI4. Addendum 1, Administrative Circular on the Delegation of Authority for the Recruitment and Administration of National Experts and local GS staff. Addendum 2 has been updated, but has yet to be issued.
- UNDP Programming Manual (See Intranet under Manuals)

(b) Equipment and subcontracting inputs

Procurement and management of equipment, associated services and sub-contractual services

Within the purview of the Procurement Services Unit (PSM/OSS/PRS), the activities related to the programme/project cycle encompass:

- Providing efficient, cost-effective and transparent purchasing and contracting services for the delivery of technical cooperation, programmes and projects;
- Reviewing the terms of reference and specifications in financially certified requisitions for equipment, related services and contractual services;
- In cooperation with implementing divisions and project authorities, identifying potential vendors and contractors via the computerized roster of vendors, consulting firms and organisations, including links with relevant professional associations;
- Inviting quotations from potential vendors and contractors, advertising invitations and pre-qualification procedures, if applicable, and opening quotations and proposals received according to established procedures;
- In cooperation with the relevant implementing unit(s) concerned, evaluating quotations and proposals received and preparing submissions to the Committee on Contracts, as required;
- Placing purchase orders with vendor(s) or contractor(s) selected, preparing, negotiating and concluding contracts; administering contracts, including amendments, instalment payments, claims and insurance;
- Providing guidance and advisory services to UNIDO field offices that perform decentralized procurement;
- Maintaining procurement guidelines to ensure competitive, timely, transparent and effective procurement activities on a wide geographical supplier and vendor basis.

The relevant administrative instructions and guidelines are:

- Procurement Guidelines (currently under revision)

(c) Financial resource inputs

Financial management and control of all technical cooperation programmes and activities.

Within the purview of Financial Services (PSM/FIN), the activities related to the programme/project cycle encompass:

- Ensuring accuracy and integrity of all financial information related to technical cooperation activities, including the timely and correct input of information relating, inter alia, to budget revisions, miscellaneous obligations and other relevant aspects;
- Ensuring that the financial reporting systems provide consistently correct information on all technical cooperation activities;
- Monitoring expenditures against allotments and alerting allotment holders to any over-expenditure;

- Initiating financial completion of projects on a timely basis;
- Advancing to UNDP HQ the funds needed for all services requested by UNIDO;
- Approving all payments prior to disbursements being made at UNIDO HQ;
- Replenishing imprest account on submission of monthly statement;
- Maintaining accounting records of all financial transactions relating to technical cooperation projects and submitting financial reports to senior management both in standard formats and according to donor as specifications; and
- Providing guidance and advice on interpretation and application of UNIDO financial rules and regulations

More specifically, activities during the review and approval stage entail:

- Reviewing draft agreements with trust fund and other donors, and advising management on financial implications thereof; and
- Reviewing provisions in draft agreements pertaining to reimbursement for programme support and administrative services and advising senior management of any deviations from standard support cost practice and recommending their acceptance or otherwise.

Likewise, activities during the implementation stage entail:

- Checking budget revision requests in terms of budget lines, currencies and balance of funds;
- Advising on budgetary allocations and specific features of budgetary presentations applied by different funds and donors;
- Issuing project allotment documents following approval of revisions by PCF/QPA or the PAC as appropriate;
- Establishing financial obligations in the Financial Performance Control System (FPCS) upon submission of pre-obligations by project managers; and
- Assisting allotment holders to comply with procedures relating to: the review of obligations and their cancellation if no longer required; cost reimbursement procedures; the reconciliation of obligations and disbursement reports; and charges for payment emanating from UNDP country offices.

The relevant administrative instructions and guidelines are:

- UNIDO Finance manual
- Financial Regulations and Rules

(d) Legal inputs

The primary focus is on ensuring that technical cooperation activities are carried out in accordance with the internal legal provisions of UNIDO and the Organisation's legal positions, rights and interests are safeguarded.

Within the purview of the Office of Legal Affairs (OGV/LEG), the activities related to the programme/project cycle encompass:

- Clearing financial agreements concerning voluntary contributions and contracts for procurement of equipment, supplies and services;
- Developing model contracts and general conditions pertaining thereto;
- Providing legal advice on contractual and policy aspects, e.g., relating to copyrights, patents, licenses, taxation, insurance, arbitration and other questions of private law; and

- Endeavouring to protect the legal status, privileges and immunities of the Organisation, its officials and experts.

In order to ensure that technical cooperation activities are undertaken on a sound legal basis and in the best interest of UNIDO, it is important that: (a) the Office of Legal Affairs be involved at an early stage of the process; and (b) any financial arrangements to be concluded by UNIDO in connection with technical cooperation activities, such as trust fund agreements in the case of voluntary contributions, be consistent with the objectives and policies of the Organisation and in accordance with the Financial Regulations of the Organization. Detailed guidelines for the preparation, negotiation and implementation of agreements necessary for the execution of projects by UNIDO as well as of agreements, such as a trust fund agreement, that set forth commitments, rights, obligations or undertakings of the Organization are given below.

Whenever a donor makes it known that it will not agree to sign an agreement with UNIDO that is based on the UNIDO model trust fund agreement, the Office of Legal Affairs should be contacted at the earliest stage possible in order to make sure that an agreement that is acceptable to the Organization can be negotiated in time so as not to delay the projected start of activities.

In order to expedite the legal review and clearance of agreements, it is advisable to share with the Office of Legal Affairs all relevant background information concerning the project - i.e., the donor and recipient; roles and responsibilities of UNIDO; copy of the project document. Since financial aspects are cleared by PSM/FIN, it is advisable to seek the services of PSM/FIN as a matter of course. Similarly, where the recruitment of project personnel or the procurement of goods and services is anticipated, clearance from PSM/HRM or PSM/HRM/HPD, respectively, should also be sought.

The relevant administrative instructions and guidelines are:

- Director-General's Bulletin UNIDO/DGB (E).54 of 15 May 1992, as supplemented in Director-General's Bulletin UNIDO/DGB(E).74 of 25 September 1997 pertaining to the preparation, negotiation and implementation of agreements necessary for the execution of projects
- Director-General's Bulletin UNIDO/DGB(E).53 of 17 September 1985 pertaining to agreement, such as a trust fund agreement, that sets forth commitments, rights, obligations or undertakings of the Organisation
- Part III of Director-General's Bulletin UNIDO/DGB(E).54 of 15 May 1992 pertaining to model trust fund agreement.