COUNTRY OFFICE SUPPORT FOR EFFECTIVE PROJECT MANAGEMENT.

Working Paper

Prepared Under

BUSINESS RE-ENGINEERING PROCESSES PROJECT
Bureau for Management (BoM)

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PURPOSE OF THE WORKING PAPER

Introduction

This Working Paper is prepared from the perspective that there is a need to rest “accountability and responsibility in the hands of recipient managers” and to “free technical cooperation agencies from the daily problems of implementation so that they can concentrate on issues of effectiveness, impact and sustainability”. The document attempts to answer some main questions from a management point of view, namely:

• What does a national executing agency have to know in project management to be effective?
• What functions should be prioritized by an executing agency to be effective and efficient?
• What are the important guidelines that can facilitate the work of a national executing agency?
• How can technological support enhance core functions of project management?

The document sets out to answer these questions in the context of the changing role of UNDP, in particular, the acceptance of a UNDP as a service provider and the proposed technological applications in the organization. Therefore, it is important for the national executing agency to know the range of UNDP support services available.

Furthermore, this analysis originated from the need for UNDP to map the basic business processes that UNDP must be able to support in connection with National Execution (NEX). These processes will form the basis for defining functional requirements for the Enterprise Resource Planning (ERP) software and other elements of the future ICT platform for UNDP.

With a view to increase the use of ICT to support efficiency of UNDP project management, the working paper argues that all UNDP projects should be supported by Microsoft Project software application. Microsoft Project is compatible with the new UNDP ICT platform; it can be procured in 16 languages and embeds “best practice” in project management. Furthermore, it can be locally modified to meet local business requirements.

Target beneficiaries of the paper.

This paper is intended for use primarily by the National Execution Agency (NEA), in particular, the National Project Director. It will enable the NEA to know what actions should take place and provide references on proposed formats for undertaking these major activities including work planning. However, the paper will also be useful to the project staff and UNDP staff (both in Programme and Operations). For UNDP, the paper integrates further the roles of programme and operations staff in support of National Execution and builds towards the idea of UNDP service centers.

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TERMINOLOGY

**Annual Work Plan:** Consistent with the project/programme year. The project year starts when the project is activated and ends twelve months from this time.

**Approving Officer:** Refers to a Government official, who is designated by the government to approve, on behalf of the government, budget expenditures of a NEX project. This Government Official is usually the National Project Director, who is not on a UNDP payroll.

**Certifying Officer:** Refers to a Project Manager (on UNDP payroll), who is responsible for certifying all transactions of the NEX project. The signature of the Project Manager indicates that the project expenditures are consistent with the project document and work plans and that funds are available in the budget line to cover expenditure.

**Cooperating agreements** – Agreements between the National Executing Agency and UN agencies and any other local or international implementing agency.

**Country Programme:** Formerly called the Country Cooperation Framework, the Country Programmes is the strategic plan agreed between a government and UNDP on the scope and focus of support for a designated period. It will also draw strongly from the United Nations Development Assistance Framework.

**Government:** In the context of this paper, Government denotes the Ministry designated by Government to be the UNDP counterpart. In most countries it is the Ministry of Finance or Ministry of Finance and Planning.

**Execution Agency (EA):** Is an institution which may be a government agency or an NGO that is selected to assume primary accountability to UNDP and Government in ensuring that outcomes, outputs and activities are delivered in line with signed project document and following accepted rules and regulations. It is the manager of the project. As an Executing Agent, an NGO assumes overall management of the project and is responsible for the attainment of project objectives, including such tasks as the planning of project activities, the supervision of project implementation and financial accountability, the assessment of progress and technical quality, reporting to the stakeholders of the project as agreed in the project document and participating in monitoring and evaluation. The concerned Government endorses the project and its execution modality, ensures coherence with national policy and objectives through participation in the appraisal process, supporting NGO and participates in monitoring and evaluation.

**National Execution:** National Execution is an agreed arrangement between UNDP and the Programme Countries, whereby a national institution assumes overall responsibility and accountability for the formulation and effective management (execution) of UNDP funded technical cooperation programmes and projects. This approach intends to achieve capacity building, self-reliance and sustainability, ownership and internalization of
external inputs and relevancy when national execution is used with the Programme Approach.

**National Implementing Agency (NIA):** Is a national institution, for example, a Government Department that is tasked with ensuring that certain project activities are carried out. There are responsible for the actual work while the National Executing Agency is responsible for the oversight. Frequently, execution and implementation are in the same institution but at different levels of the organisation.

**National Project Director (NPD)** is a senior person appointed by the National Executing Agency (NEA) to oversee the project. The NPD should be an employee of the NEA and is appointed before project activities commence. The NPD is accountable to Government and UNDP for the implementation of the project in line with the signed project document. He/she is the approving officer for the project.

**Outcomes:** Outcomes are the development objectives that can only be achieved with the assistance of the other partners. UNDP and the Government cannot achieve these alone without other partners.

**Project activation:** Activities that result in the commencement of project implementation, this usually starts with the orientation meeting convened by government and UNDP.

**Programme Approach:** The focus on a national development objectives or sector wide approaches rather than projects. This is consistent with the thinking about outcomes rather than just UNDP led outputs as the desired end to UNDP technical cooperation.

**Programme Cycle:** For purposes of this document the period covered includes implementation commencement planning (orientation) to Final Annual Review Meeting.

**Project tripartite review:** A meeting between UNDP and Government has been replaced by a broader annual project review which brings other stakeholders and partners.

**Project document/Programme document:** In the new programme format, aspects of the project document and the programme document are included so that there is no distinction.

**Quarterly Work Plan:** Projects should adhere to the calendar year quarters, that is, January – March, April – June, July - September and October - December. Quarterly work plans should be adjusted if project commences implementation within the quarter.

**Results Based Management:** A newly adopted UNDP approach emphasizing focus on results in programming.

**The Project Manager** (PM) oversees the planning and implementation of the project. This person may be a staff member of the NEA or may be recruited from outside and paid for from the project. The PM is a full time person on the project and is responsible
for the day to day running of the project, that is, ensures project outputs and outcomes are produced in line with the project document. The Project Manager is responsible for the financial management of the project. He/she is also the certifying Officer in the project.

I - ORIENTATION

Orientation meeting:
Once the project document has been signed, UNDP and the Government will convene an orientation meeting. The purpose of the meeting is for Government and UNDP to brief the National Executing Agency (NEA), project staff and partners on the main programme and management arrangements and prepare to activate the project.

The meeting will achieve the following:

1. The meeting will review the project budget and assess if there are any provisions not included.
2. The meeting will review the Part IV of the programme document – “Implementation Arrangements” and assess if they are satisfactory.
3. The NEA will be alerted on the requirement to provide a letter appointing a National Project Director (NPD) to UNDP. However, it is desirable that by this time the NPD will have been appointed by the NEA already.
4. The NEA will be reminded to submit names of all staff that the National Execution Agency will appoint to authorise commitment of funds and disbursement of funds through their signatures. These include the NPD and the Project Manager or any alternates that the NEA may appoint.
5. The NEA will be reminded that, immediately after the orientation meeting, the Institution will need to revise the Project Work Plan, which at this point is already included in the approved project document. The work plan should be revised on the Microsoft project. The software will be modified to enable revision of the project to isolate annual and quarterly activities.
6. UNDP will introduce the staff in the Country Office that will be working with the NEA and any changes taking place in the Country Office as indicated in Part IV of the Project Document, “any proposed changes in the country office structure and staffing”.
7. The meeting will discuss and agree on contracts which the National Execution Agency needs to enter into with UN Implementing Agencies if provided for in the Project Document and discussed under Part IV on agreed arrangements for project management.
8. The meeting will also review the project support required from UNDP as agreed during project formulation.
9. The meeting will agree on whether to set up a project management mechanism or not for guidance.
10. UNDP staff will make a presentation to brief the NEA on the following:
• **UNDP mandate and mission**
  The presentation will help the NEA understand UNDP’s mandate and impartial focus on providing development services to the Country, its system–wide corporate policies and the need for cost recovery.

• **An overview of cooperation between UNDP and Government under current Country programme and strategic Results Framework**
  The presentation will give the full picture of the UNDP support in the country based on the UN Country Team’s United Nations Development Assistance Framework (UNDAF) and the current Country Programme, formerly, the Country Cooperation Framework.

• **The Strategic Results Framework, focus on outcomes and outputs and reporting.**
  The Country Office needs to reiterate the need and objectives of the strategic results framework and emphasize the need to capture and report on results timely. This presentation will focus on the Results and Resources Framework (Annex to the project document) and emphasize the need for UNDP to work and achieve results in partnership with other technical cooperation in the project country.

• **Importance of partnerships in achieving outcomes.**
  The presentation emphasizes why UNDP is intent on applying a partnership approach rather than a “go it alone” approach and expounds how project staff and the NEA can assist to build the partnerships.

• **Objectives of National Execution:**
  The presentation will explain that National Execution (NEX) is intended to achieve capacity building, self reliance and sustainability of development, ownership of development processes through assumption of overall responsibility and accountability for the formulation and effective management of UNDP financed technical cooperation projects and programmes by nationals. It will demonstrate how Microsoft Project will enable the NEA to focus on planning and remove tedious day-to-day administrative tasks.

• **Overview of the project:**
  UNDP or the Government will give an overview of the project with emphasis on expounding and clarifying Part III of the Project Document, the “proposed project section.”

• **Administration**
  The NEA is responsible for taking a leading role in recruitment, personnel administration, procurement, contracting and management of project assets. In many cases this is done through the funds advance approach. This paper suggests that with Microsoft Project, many of these tasks can be done by the UNDP Country Office thus leaving the NPD and project staff to focus on achieving results with UNDP technical cooperation.
• **Technical responsibility:**
The NEA will ensure that project outcomes and outputs are achieved and reported satisfactorily through periodic reports, mostly narrative, that enhance the more quantitative reports for Microsoft project. The relevant parts of the project document to refer to are Part IV and the Annex of results and resources framework.

• **Planning.**
The National Execution Agency will undertake planning that includes scheduling of the main project activities. The Agency will make sure that resources required are mobilized with sufficient time to meet the scheduling. The NEA will need to review the work plan fairly frequently, revise budgets if necessary and revise outcomes, project outputs and activities if they do not contribute to the achievement of desired results.

• **Accountability:**
The NEA is accountable to both the Government and UNDP and any other parties that may be signatories to the project document for managing and achieving results identified in the project document and reporting timely as stipulated in the project document or orientation meeting.

• **Advocacy and Public Information:**
The National Executing Agency will be the chief advocate for the project and provide information, promote close cooperation between UNDP and other technical cooperation partners supporting similar outcomes or objectives. The NEA will provide overall leadership and mobilize additional resources for the project as required. In fact under Part IV of the project document, there is a resource mobilization strategy which should be carried through by UNDP and the National Execution Agency.

Most of the NEA responsibilities indicated in this section are assumed by the National Project Director once appointed by the National Execution Agency. The Director therefore has the first line of accountability to the NEA and to UNDP and Government.²

### II - PROJECT ACTIVATION

**Project Activation**

Project activation constitutes actions that lead to the commencement of project implementation. These actions should follow up on the issues discussed at the orientation meeting. Concrete actions are undertaken so that the project starts. In fact, if the project is not activated 5 weeks after signature of documents, the National Executing Agency will provide a written explanation to UNDP, outlining any constraints and the steps being taken to activate the project. A new timeframe will be provided for the project to start.

² In some countries, the UNDP counterpart or coordinating Ministry may have assumed most of the responsibilities of the NEA, they are encouraged to let the NPD manage project.
Appointment of National Project Director and Manager

After the orientation meeting the National Execution Agency will provide a letter to UNDP informing them of the appointment of a National Project Director. The letter will be attached to the terms of reference for the NPD. Since the National Project Director is an internally appointed person by the National Executing Agency, UNDP needs to be informed as soon as the appointment is made. The appointment is made and guided by the functions indicated in the suggested job description below. In making the appointment, the NEA should ensure that the task is not given to a person who is so busy that they will not have the time to direct the project. They should also appoint someone with the knowledge and interest in the substance of the project. Even if a Project Manager is appointed, the NPD is the accountable person and therefore the responsibilities indicated in the job description are crucial to the success of the project. As a person appointed by Government, the NPD will not be paid or compensated for services to the project.

As indicated under the terms of reference, the NPD will be a part time person in the project. In this regard, it would be unrealistic to expect such a person to drive all the activities of the project effectively. Therefore the NEA may appoint a lower level staff member in the organization, a person from an implementing institution (national) or appoint an external person paid for under the UNDP funding as Project Manager. This means that the decision to identify an internal person or recruit externally is made at project formulation stage and budgeted for at project formulation. If the Project Manager is recruited externally to the NEA, the NPD will take a lead role to identify the Manager in line with personnel recruiting procedures set for nationally executed projects. There is usually some confusion between the accountability of the Project Manager and the National Project Director. Wherever there are issues where substantive decisions and funds are disbursed, the approval of the NPD is required even if a request is raised by the Project Manager.

Examples of job descriptions for the Project Manager and the National Project Director are as in the next page.

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<th>Model Job Description for National Project Director</th>
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</table>

**Guidelines**
The NPD is the focal point for responsibility and accountability in the National Execution Agency. The NPD will be appointed at Director or higher level in the NEA. The NPD works on the project on a part time basis and should be able to devote a reasonable amount of time to project activities.

**Duties and Responsibilities.**
1. Assumes overall responsibility for the successful execution and implementation of the project toward achieving the outcomes and outputs.
2. Ensures the proper use of project resources.
3. Serves as a focal point for coordination of the project with implementing agencies, UNDP, Government and other partners.
4. Ensures that Government inputs for project are available.
5. Leads and coordinates partners in the selection of the Project Manager.
6. Supervises the Project Manager and facilitates the work of the Project Manager and all staff.
7. Ensures that the required project work plan is prepared and updated in consultation and agreement with UNDP and distributed to the Government (Counterpart Ministry)
8. Leads and arranges the recruitment of project professional and support staff in line with laid out recruitment process.
9. Authorises commitments of resources for inputs including staff, consultants, goods and services and training. May appoint an alternate that can support the project work in the absence of the NPD.
10. Will represent the National Executing Agency at project meetings and annual reviews.
11. Will lead efforts to build partnerships for the support of outcomes indicated in the project document.
12. Will support resource mobilisation efforts to increase resources in cases where additional outputs and outcomes are required.

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**Job description of the Project Manager**

**Guidelines**
The Project Manager is responsible for the operational management of the project. The Manager handles the day to day business of the project. For this reason the manager must be full time on the project and not have other responsibilities if appointed from within the NEA.

**Duties and responsibilities**
1. Assumes operational management of the project in consistency with the project document and policies and procedures for nationally executed projects.
2. Prepares and updates work plan and submits timely as provided for in this document.
3. Initiates and administers the mobilisation of project inputs under the responsibility of the Executing Agency.
4. Ensures that implementing agencies mobilize and deliver inputs in accordance with agreements and that payments are made accordingly.
5. Supervises the work of the implementing agencies.
6. Ensures that funds are made available when needed by taking proactive steps and prerequisites for release of funds.
7. The PM is responsible for ensuring that appropriate accounting records are kept although all records are maintained by country office.
8. Ensures that financial procedures for NEX are followed.
9. Facilitates and cooperates with audit processes at all times as required.
10. Manages the project resources e.g. vehicles, office equipment, furniture and stationery procured under the project.
11. Supervises the project staff and consultants assigned to project.
12. Prepares the required reports as scheduled and liaises with UNDP staff to organize the annual review, evaluation missions and project visits.

**Qualifications:**
- Substantive knowledge of the issues covered by project.
- Knowledge and experience in project management.
- Good interpersonal, networking and team building skills.
- Full time availability for project management
- Familiarity with technical assistance projects and UNDP project in (relevant country)
Reporting:
Reports to National Project Director and liaises closely with UNDP staff.

Optional Monitoring and Advisory Bodies.

During the orientation meeting, the respective parties will have agreed on whether to make extra and optional arrangements for project management. Such an arrangement may already have been agreed at project formulation stage. However, if this is not the case or if a review of the arrangement is necessary after the orientation meeting, the NPD will look at the various options for a project management arrangement. The arrangement can be informal (as required) or quite formalized. In any case, the terms of reference for the arrangement should be clear and prepared by the NEA.

Options.

- A project management committee to which a project NPD or Manager can report progress on a frequent basis. The group may have power to approve work plans before they are submitted to UNDP. This group acts like a Board of Directors in the Private sector. The danger of such an arrangement is that such a group will be constrained by the rules and regulations governing UNDP funded projects and find that they cannot really make decisions beyond project management rules and regulations pertaining to a UNDP funded project. This can result in frustration.

- A project advisory group, will occasionally get together to assist the NPD with advisory services. The people are invited for their expertise and can include UNDP SURF and BDP policy advisers as well as NGO and civil society people. This works well when there is strong input by the NEA in directing the energies of the advisers to critical inputs required in the project.

- An Outcomes Group or Results group. This group will sit occasionally to review achievements of results under the project. If the Country Office and NEA believe that this mechanism is fully taken care of under the Annual Review, there may be no need for it. The difference between an outcome or results group as compared to an annual review group is that an outcome group may constitute a group of partners that are working with the NEA towards a common outcome.

Whatever the selected case, clear terms of reference are required if not already annexed to the project document. These may include some of the following:

1. Participate in all stages of project process, implementation and evaluation.
2. Build consensus around the project’s strategies and planned results.
3. Provide advice when substantive changes are needed in project’s planned results, strategies and implementation arrangements.
4. Monitor progress, participate in field visits, consult beneficiaries and assess potential opportunities and risks, including lessons learnt from experience.
The Project management arrangement may include NGOs, donors project beneficiaries. The proceedings of the meetings should be recorded.

**Work Plans**

After the orientation meeting, the National Project Director or Project Manager will immediately be trained and enter project details into the Microsoft Project. He/she will revise and prepare the required work plan. It is therefore important to appoint the Project Manager as soon as possible. The work plans will link the outcomes, outputs and activities. Three work plans are currently in use in many countries for nationally executed projects. However, if supporting Microsoft project is used, only one work plan updated as necessary will suffice.

**Project Work Plan (Duration of the Project).**

Currently any approved project document will have a project work plan. The NEA will revise or update the Work Plan taking into account changes that have occurred since the project was approved and provide additional details required where necessary. This review is important, as it is the first step for project staff to start interpreting what needs to be done to fulfill the project objectives. This revision can be done with the Country Office or the NEA can enlist the support of consultants to revise the Work Plan. Any substantive changes in the work plan will require a revision of the project document as well. The revised plan is entered into Microsoft project.

**Box 2.3 – Project Plan**

<table>
<thead>
<tr>
<th>Project Number: /<strong>/</strong>_</th>
<th>National Executing Agency</th>
<th>Implementing Agency</th>
<th>Project Duration: from <strong>/</strong>/__ to <strong>/</strong>/__</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Year 1</td>
</tr>
<tr>
<td>Outcome 1</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Output 1</td>
<td>Activity 1.1</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Activity 1.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 2</td>
<td>Activity 2.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activity 2.2</td>
<td></td>
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<td></td>
<td>Activity 2.3</td>
<td></td>
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</tbody>
</table>

Note: The new project document format changes from references to Development Objective and Immediate Objectives to outcomes and outputs. Consequently, any new plans will follow the new Results Based Management (RBM) terminology in the project document.
The Current Year (Annual Work Plan).
The Current Year or Annual Work Plan is prepared for the year starting with the month when project is activated and work plan prepared. It shows outputs and project activities. The annual work plan must be prepared and submitted to UNDP during the last quarter of the project year and is appended to the annual project report. It should also be discussed during the annual reviews. If dates are entered in Microsoft Project, an annual work plan can be produced which will be similar in concept to annual plan below.

Quarterly Work Plan.
The Quarterly Work Plan should follow calendar year Quarters, that is January to March, April to June, July to September and October to December. If a project comes on stream within a Quarter, the plan is made for the remainder of that Quarter and a new Quarterly work plan compiled for the commencement of a new Quarter. The Quarterly Work Plan has more detail on project activities and a cost attached to each activity. This also provides a mechanism to show what resources have been applied to achieve what activities once a report is created from the inputs. The Work Plan should be submitted no later than 15 days from the date of the new quarter. The Quarterly work plan can also be produced from Microsoft Project by specifying the timeframe required.

The current formats of the work plans modified to new project document format and results based management are as follows:

Annual Work Plan
Project Number: ___/___
National executing Agency: ________________________________
Implementing Agency: ________________________________
Period: from__/__/__ to__/__/__

<table>
<thead>
<tr>
<th>OUTPUT AND ACTIVITIES</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec</td>
<td>Nov</td>
</tr>
<tr>
<td>Output 1-Baseline Survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 1.1 - Field survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 1.1 analysis of results</td>
<td></td>
<td></td>
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<tr>
<td>Activity 1.3 Train researchers</td>
<td></td>
<td></td>
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<tr>
<td>Activity 1.4 report published</td>
<td></td>
<td></td>
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<tr>
<td>Output 2 – Decentralization strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 2.1 Strategy drafting</td>
<td></td>
<td></td>
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<tr>
<td>Output 2.2 Consultations on Draft strategy</td>
<td></td>
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</table>

Quarterly Operational Work plan
<table>
<thead>
<tr>
<th>Output and activity</th>
<th>Person responsible</th>
<th>Time schedule</th>
<th>BL Amount</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>January</td>
<td>February</td>
</tr>
<tr>
<td>Output 1 – Baseline Survey</td>
<td>PM</td>
<td>4 1 1 8 2</td>
<td>1 8 1 5 2</td>
</tr>
<tr>
<td>Activity 1.1 – Field research</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Prepare terms of reference</td>
<td>PM</td>
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<tr>
<td>Consultants recruited and first payment</td>
<td>NPD</td>
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<tr>
<td>Provincial work shops (3)</td>
<td>Cons.</td>
<td></td>
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</tbody>
</table>

Approved by NPD:…………    “No objection” by PO UNDP ……….
Name:…………    Name …………….
Date:………………    Date:………………

The Quarterly work plan focuses on detailed activities. That is, activities identified in the Annual Plan are further broken down into components of each activity. The scheduling of each of the sub activities is also entered into the work plan time frame. The identification of who will do what is also entered in Microsoft and becomes part of the quarterly report. The cost of carrying out the activity is also stated.

**Expenditure forecasting**

UNDP requires to know the amount of resources that it may be expected to disburse in a quarter. In this regard, it is important for both project planning and UNDP to come up with a forecast of funds required for each Quarter. If the activities have been scheduled well, a quarterly forecast will simply be derived. Microsoft will therefore automatically provide the expenditure forecast. Above this forecast function, the software will also produce actual expenditure incurred for comparison with the planned costs. The NPD will look at the cost variances so as to improve the costing of various inputs.

**Detailed training for project staff on NEX procedures.**

One of the frequently ignored activities is to provide training for project staff. This training helps to achieve two objectives:

- The project management team gets on board quickly and knows who can provide the knowledge on various issues. Project staff gets disappointed when the advice provided by the Project Officer falls short of success somewhere in the process.
- UNDP staff are kept on their feet with the latest knowledge to impart to project staff.
The NPD through the UNDP Project Officer, should set up detailed training. In particular, the Project Manager and admin support staff absolutely require the detailed level of training. In fact this training may be agreed upon to take place as requested or on certain occasions as there may be high turnover of staff in the project. This is one of the critical areas that the Project Officer has to monitor, that project staff receive the requisite training. All aspects of Finance and Administration procedures should be covered. Various Units of UNDP will take a lead role in the training of project staff. The responsible Project Officer in UNDP will help plan and schedule all training. The training on Microsoft Project will be an important step in enhancing skills of the project staff.

**Setting up Project Office**

The office will generally be set up within the NEA or Implementation Agency premises. This is usually provided for in the project agreement as part of the counterpart contribution. Recruitment or putting together a project secretariat is necessary so that all project actions and records are managed effectively from the start. The project should set up a filing system from the very start. Advisory services can be provided by UNDP staff if required so that the record keeping is consistent with the files that UNDP will keep.

**Checklist on activation:**

- Training provided on project management satisfactory
- Training provided on personnel recruitment procedures satisfactory
- Training on financial management satisfactory
- Training on procurement satisfactory
- Training on assets management satisfactory.
- Microsoft Project Licenses procured and software installed.
- Training on use of software undertaken.

**III - BUDGETING**

**Budget Revisions.**

Work planning and budgeting will invariably be carried out together although budgets may be reviewed more frequently. The National Executing Agency is bound to follow the latest signed budget revision. This also means that the NEA follows budget attached to the signed project document until another revision is processed.

A National Project Director or Project Manager are expected to revise the budget as frequently as possible and as pertinent to match with Work Plans. However, there are guidelines to be followed in budget revisions as follows:

1. If a project document has been reviewed and changes made to outputs or activities, this will result in the revision of a budget.
2. A National Project Director or Manager will revise a budget if, while doing Work Plans there are changes required in the budget.
3. While the NPD can reallocate resources within a component, as long as the total is not increased, it is not allowable to move resources between components. For example, the NPD cannot increase the procurement budget and reduce the personnel budget or the training budget. However, funds can be reallocated between in service training, fellowships and workshops which are all under the training component.

4. In the past UNDP HQ printed a Combined Delivery Report (final expenditure for the past calendar year) in April/ May. After Government reviewed the expenditures and certified that they were correct, a mandatory revision was processed. Now the Combined Delivery Reports are printed by the Country Office from FIM. In fact the Country Office can print Combined Delivery Reports quarterly especially where direct payment is used. The NPD should certify the CDR’s within 7 days of receiving them and send back to UNDP to process a budget revision. The Revision will be sent within 2 weeks for the NPD’s Signature. With Microsoft Project, the budget will still be revised in FIM and exported to Microsoft project.

5. In October, based on expenditures on the calendar year budget, it is necessary to review work plans and estimate realistic expenditure that will have been incurred by end of the year. Funds unlikely to be spent in the current year will be moved (rephrased) to the next year. This is the rephasing revision. However, with the use of the Microsoft Project, the revision of project plans should automatically result in a shift of the budget revision.

6. In case of proposed major changes to the budget, including shifts between components, a project revision should be done, followed by work plan revision.

**National Execution and Cost Recovery.**

The UNDP Country Offices are authorized to provide implementation support services to NEX projects and to charge a fee to recover full cost for their activities. These costs will be recovered regardless of source of funds, whether it is trac, cost-sharing or trust funds. The fee cannot exceed the best estimate of the actual costs and a maximum of 8 % of actual project expenditure can be charged by the Country Office. Whichever is lower will be applicable. These costs are charged as a percentage of delivery and the Country Office and NEA will agree when the funds will charged. This paper recommends that a fixed lump sum be agreed upon based on negotiations with the NEA and budgeted for under budget line 96. As the work plan is changed and budget rephrased, similarly amounts in budget line 15 will be rephrased according to delivery trends. The paper also recommends that budget line 96 charges will be made when the final quarter CDR is produced.

**IV – FINANCIAL MANAGEMENT.**

A project has two options for managing funds, the quarterly advance and CO support methods. It can request quarterly advances from UNDP and account for the funds before getting the next request. There are required reports that the NEA provides before the next advance is released. The advance method is intensive on day-to-day administrative issues which will take a considerable time of the Project Manager. It is not consistent with the objective of this paper to free the NEA from administrative responsibilities so that it
focuses on planning and achieving results. Besides, there is a risk inherent in this method, that if the accounting for the funds advance is not satisfactory, no further funds are released by UNDP. The project will then miss out on its timeframes. This results in projects not being finalized as scheduled and a build up of unfinished projects in Country Offices.

Alternatively, the NEA can reduce the burden of reporting and labour intensive administration through the CO Support method. Government requests UNDP to pay for the expenditures as supported by documentation. A request for direct payment is made to UNDP for individual or for a number of items. This is consistent with the Business Centre concept. Country offices can make a choice between using UNDP as a service centre or outsource the support services from elsewhere.

A third alternative is Direct Execution by the Country Office. This option is only applied in special situations and will be proposed by the Resident Representative.

**Expenditure control under the project.**

The principles of good expenditure control are that the authority to commit, to verify and disburse funds must be segregated. Use of terminology such as certifying (committing) and approving (authorising) are subject to many interpretations driven by the specific meaning within the UNDP expenditure control framework. Therefore, at the project level, these functions will be separated so that no one person commits the funds and authorises payment. The commitment of funds creates an obligation against UNDP resources, such as signing a contract. The approval of a payment is an authorisation to disburse these funds. Where a country office provides support services, the NPD will authorise/commit the request for services and the Project Manager will authorise the request for payment. On receiving the request for payment, the country office will pay.

**The Quarterly financial forecast.**

It indicates the total amount of project funds that will be needed to cover project expenditures by budget line. The Quarterly financial forecast is submitted 15 days before the end of the current Quarter together with the request for direct payment. This will allow UNDP to plan its own cash flows. The details of the financial forecast have already been covered.

**The combined delivery report.**

The Combined Delivery Report (CDR) used to be prepared by the UNDP HQ for certification by the NPD. With the improvements in FIM and change in policy, the Country Offices will now produce the CDR. The report summarizes all expenditures made under the project for each year. The CDR is a key financial report because it forms the basis of the annual audit for each project. The CDR issued at the end of the year becomes the official statement of project expenditures. It serves as the basis for mandatory rephasings. The Country Offices can produce CDR’s to assist the project monitor its expenditures.
If there are implementing agreements with other UN agencies, they should also provide expenditure statements at least twice a year in June and December and these should be submitted to the NPD.

V – PROJECT MONITORING AND REPORTING

New Monitoring Guidelines
The new “Managing of Results: Monitoring and Evaluation in UNDP” Framework issued on 16 November 2001 by the Evaluation Office gives guidance to this section of the working paper. For the NPD, this section provides an overview of the requirements of the Monitoring and Evaluation system. In line with the simplification process which UNDP undertook in 2001, Country Offices will follow good project monitoring practices and each country office is challenged to determine “tools, formats, timing and schedules” for monitoring and evaluation.

The new provisions released in November provide more flexibility on the project monitoring and evaluation processes. Some of the required detail will be in place by the end of 2002. Although the monitoring and evaluation provisions are clear, the refinements of some monitoring processes to align with the SRF/ROAR process are still under way.

The monitoring and evaluation will focus mainly on the following:

Progress towards outcomes:
Periodically analyzing progress towards intended outcomes. This can be done by reviewing the SRF and monitoring progress towards outcomes. This also means that SRFs should be developed for most projects.

Contribution of UNDP towards outcomes
To monitor outputs produced by UNDP and assess whether these are contributing to the outcomes as intended.

Partnership strategy.
Partnership strategy for the outcome should be reviewed, focusing on its relevancy and how it is functioning during the course of the project.

The monitoring and evaluation strategy will be guided by the following principles

1. Focus on progress towards intended results and follow up and ensure that decisions and actions are followed up;
2. Regular reporting from project management to the Country Office and partners, provide enough room for partners to contribute ideas and solutions to problems;
3. Regular monitoring visits or checks by CO staff to verify and validate progress;
4. Use of participatory monitoring mechanisms to ensure commitment, ownership, follow-up and feedback on performance;
5. Use of indicators and making efforts in improving the performance measurement systems and developing baselines at all project levels;
6. Assessing the relevance, performance and success of UNDP development interventions;
7. Active learning and improving to adapt strategies and generating lessons and sharing them;
8. Active planning for the validation results as necessary.

**Responsibilities for Project Management**

The project management will also be guided by the above principles in monitoring and facilitating the monitoring of projects. The NPD will specifically do the following:

1. Closely monitor the implementation by subcontractors and implementing agencies and ensure conformance to project objectives.
2. Prepare the annual project report which assesses the effectiveness of the implementation strategy, the delivery of outputs and assessment of partnership strategy.
3. Prepare periodical reports from Microsoft Project.
4. Organize voluntary project evaluations.

**Monitoring and evaluation tools.**

Although the country offices have flexibility in what tools will be applied, it will be important to produce the following:

1. Annual Project Report, Quarterly Report and other progress reports as deemed necessary. These will largely be generated from Microsoft Project and strengthened with narrative sections. The narrative sections are necessary as Microsoft Project Reports will be mainly quantitative.
2. Field visits, spot check visits, external assessments, client survey and evaluations will be planned and carried out systematically for validation of the performance reports.
3. Participation and feedback can be solicited from partners and target beneficiaries, for example, the following can be set up; outcome groups, steering committee, stakeholder meetings or focus group meetings. The annual review will be an important meeting to assess the progress of the report from various perspectives. These mechanisms should be included in the project document or agreed to during the orientation meeting.

**Monitoring instruments**

**The ROAR**

The roar will be prepared based on an annual consultative review that synthesizes reporting, feedback, evaluation and learning to assess performance towards achievement of results. A greater involvement of project management staff and partners is called for in the ROAR process than before. The SRF format will have been incorporated into the
Microsoft Project software with tangible tasks and outputs indicated. Therefore the NPD will be called upon to provide inputs for the compilation of the ROAR.

**Quarterly Progress Report.**
A quarterly progress report from the Microsoft reports menu can provide the following reports;

- A planning period of 1 week, 2 weeks, 1 month, 3 months or entire project duration can be specified before printing a report in Microsoft project.
- Some of the reports that can be produced include current activities, cash flow requirements, budget, overbudgeted tasks and resource use.
- A baseline of the plans will also enable comparisons to be made with actuals either in terms of project implementation or use of resources.

The NPD can therefore produce these reports from the Microsoft Project as often as necessary. The software will enable the NPD to have a very comprehensive picture of the project. The analyses of the various data will be presented in narrative form and cover the following:
1. The actual work done during the reporting period. The report is focused on the project outputs and their activities as presented in the work plan.
2. A description of constraints encountered during the implementation of the work plan in the last quarter.
3. A summary and comparison of planned and actual expenditure for the Quarter with comments on variances.
4. Any recommendations for project design or implementation arrangements.
5. A revised work plan showing activity details for the next quarter is attached to the narrative as required.

The Quarterly Progress Report should therefore be completed and submitted 15 days before the end of the Quarter. An effort should be made to have electronic signature so that the reports can be submitted through e-mail, Internet or diskette.

**The Annual Report.**
This report was formerly referred to as the Annual Project/Programme Report. The essential parts of the report will be derived from Microsoft project and will link with;

- Outcomes, outputs and major activities undertaken during the year.
- Resources applied against each output.
- Annual output targets not actually met

The NEA will then provide the narrative sections which will be as in the proposed format as follows:
**Proposed Format of the Annual Report.**

<table>
<thead>
<tr>
<th>Project Number and Title</th>
<th>National executing Agency</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Project starting date</th>
<th>Project completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Originally Planned</td>
<td>Actual</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Budget (US$)</th>
<th>Period covered by report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original</td>
<td>Latest signed revision</td>
</tr>
</tbody>
</table>

1. Assess progress towards achievement of activities, output targets and outcome targets, refer to the SRF for the major and strategic projects.
2. What are the major achievements of the project vs. expected results during the year under review?
3. What are the major issues and problems affecting the achievement of project and results?
4. What are the suggestions to address these problems? Provide detailed action on suggested actions and specify who should do what, indicate time frame and resources required.
5. What new challenges are likely to affect the achievement of project results? What are the recommendations to respond to the challenges?
6. What are the views of the target groups on project implementation focus on gender-based differences if any?
7. What lessons have been learnt from the project?
8. If the project has been evaluated, what is the implementation status of the recommendations made?
9. Is there any substantive review of the project proposed?
10. For ongoing project, were recommendations from last progress report implemented, to what extent?

The report will be prepared during the last quarter of the project year and submitted to UNDP so that it becomes a basis for the annual review.

**The Final Report**

This is the last report prepared by the project when it is completed. The report assesses achievements against the outcomes and outputs as indicated in the project document. This replaces the former Project Terminal Report. It therefore addresses itself against the results shown in the project plan.

The Microsoft project will print the following reports indicated for the duration of the project. The NPD will link these with:

- Outcomes and outputs achieved through life of the project.
- Outputs not achieved under each outcome
➢ Resources spent to achieve each outcome and output.

This will be followed by a narrative format as below.

<table>
<thead>
<tr>
<th>Format Final Report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Number and Title</strong> ……………………</td>
</tr>
<tr>
<td><strong>National executing Agency</strong> ……………………</td>
</tr>
<tr>
<td><strong>Project starting date</strong></td>
</tr>
<tr>
<td>Originally Planned ……………………</td>
</tr>
<tr>
<td>Actual…………………………………</td>
</tr>
<tr>
<td><strong>Project completion Date</strong></td>
</tr>
<tr>
<td>Originally planned ……………………</td>
</tr>
<tr>
<td>New…………………………………</td>
</tr>
<tr>
<td><strong>Total Budget (US$)</strong></td>
</tr>
<tr>
<td>Original………</td>
</tr>
<tr>
<td>Latest signed revision………………………</td>
</tr>
<tr>
<td><strong>Period covered by report</strong> ……………………</td>
</tr>
</tbody>
</table>

**Textual Assessment.**

1. What are the major achievements of the project vs expected results focus on outcome targets, and outputs targets in the project document.
2. What main factors contributed to the achievements or impeded achievements of results?
3. What lessons learnt (both positive) and negative can be drawn from the experience of the project or project
4. What are the views of the target groups on project implementation, focus on gender-based differences if any?
5. If the project has been evaluated, what is the implementation status of the recommendations made?
6. What steps or recommendations are suggested for follow-up to the project?

The final report should be prepared in the quarter following the last quarter of the project year. It should be submitted with 15 days of the new Quarter and will be the basis for the final review.

**The Annual Review**

The annual review will take into consideration the annual reports, the latest budget for the project, the latest proposed work plan for the coming year and any evaluation or audit reports. The meeting will be convened by UNDP and the Government. However, the NEA and project staff will ensure that the requisite documentation is in place well before the meeting takes place. The NEA will also be expected to present the documents mentioned above to the meeting or meetings.
The UNDP Country Office will capture the discussions from the annual review in a minute which is a reflection of stakeholder views towards the project. The annual review will precede the compilation of the year-end ROAR.

**The Final Review**
The final review will take place at the end of the project. It will assess the overall achievement of outputs and the contribution of these outputs to the outcomes as well as the overall achievement of the Project Work Plan.

**In Country travel and Monitoring Visits.**
Field visits will remain a key instrument for validating results project and status reports etc. During project implementation, project staff will travel in the course of their work while the National Project Director, Government staff and UNDP will visit the project as well. Such monitoring visits may include partners and stakeholders especially around the time of the annual review. The provisions for travel in each of these two cases are different.

**Duty travel by NEA and Implementing Agency Staff.**
The permission to travel duty is authorized by the National Project Director and a request for payment submitted to UNDP subject to the following:

1. All travel must be in support of the planned activity in the Quarterly Work Plan (this should be stated in the request).
2. Work plan showing the activity and expected costs will be submitted to UNDP for advance payment.
3. On return, the traveler will fill in the form to indicate actual itinerary and dates of travel.
4. If there is a difference, the UNDP office will reimburse traveler in case of underpayment or request reimbursement to office if there is an overpayment.
5. The travel claim form should be submitted within two weeks of completion of travel.

The suggested form for the travel authorization and expense is as follows;

<table>
<thead>
<tr>
<th><strong>Travel Authorization</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project number ........... Date ..................</td>
</tr>
<tr>
<td>Budget line number ........ TA number ...........</td>
</tr>
<tr>
<td>Name of traveler ..................</td>
</tr>
<tr>
<td>Work plan activity .................</td>
</tr>
<tr>
<td>Planned itinerary and dates ...............</td>
</tr>
<tr>
<td>Estimated costs ..................</td>
</tr>
<tr>
<td>Tickets (description) amount .......</td>
</tr>
<tr>
<td>DSA ...............</td>
</tr>
<tr>
<td>Other ...............</td>
</tr>
<tr>
<td>Total estimated expenses</td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>Travel authorized (approved)</td>
</tr>
<tr>
<td>Request for direct payment form attached:</td>
</tr>
</tbody>
</table>

**After travel fill in the following section**

- Actual itinerary and date ........
- Actual costs....... 
- Tickets (description) | amount ........
  - DSA | ........
  - Other | ........
- Actual expenses.........
- Less advance......... 
- Amount due to traveler or refund due to country office ......

Select one:

- ....... A request for direct payment from BL is attached.
- .......The amount due to the country office on BL .....is hereby refunded.

Approved: ............(NPD)  Date: ............

After the travel, the expense claim section of the form is filled and sent to UNDP. The NPD has the responsibility to ensure that the advance is accounted for. DSA rate paid will be the pertinent Government rate in the country. These rates should be provided to the UNDP Finance Section. Should any changes be made on the DSA rate the NPD should advise UNDP as soon as possible.

**Monitoring Visits.**

The monitoring visits are undertaken after agreement between UNDP, Government and the National Execution Agency. The authority to travel will be given by the UNDP Resident Representative. All people authorized to travel for project monitoring under this arrangement will be paid a UN DSA rate. There should be no difference in DSA paid to staff traveling together, only the arrangement (duty travel or monitoring visit should be the basis for what rate of DSA they get.) The NPD will therefore request UNDP payment after names have been submitted and duly approved by UNDP.

**Auditing and Evaluations**

UNDP financial rules and regulations require regular audits in order to provide assurance that project resources are properly used in accordance with the project document. Each year the country office and government will agree on a list of projects to be audited, and the selection of the audit firm, which could be the national audit office where sufficient
capacity is available. The preliminary audit plan is submitted to OAPR for review and approval.

The purpose of the audit will ensure that;
1. The financial regulations, rules, practices and procedures are followed.
2. The project document and work plans, including activities, management and implementation arrangements, monitoring, and evaluation and reporting provisions are met.
3. The requirements for project execution in the areas of management, administration and finance are met.

**NEX audit**

Audits on national execution projects will be undertaken as required but mainly once a year and will review:

1. Assessment of rate of delivery.
2. Financial accounting monitoring and reporting.
3. Management systems for recording, documenting and reporting on resource utilization
4. Equipment use and management.
5. Management structure, including adequacy of appropriate internal controls and record keeping mechanisms.

The National execution audit will therefore confirm the following;

1. That disbursements are made in accordance with the activities and budgets of the project documents
2. The disbursements are supported by adequate documentation.
3. The financial reports are accurately presented.
4. A management structure and systems for control are in place and observed.
5. Monitoring and evaluation requirements as indicated in the project document or otherwise agreed have been met.
6. The procurement, use and disposal of equipment are consistent with UNDP rules and regulations.

The auditors will usually require to see the original documentation. Therefore it is important for these to be kept. Once most of the planning is done on Microsoft Project, Corporate policies on documentation and filing will have to be reviewed accordingly.

**Planning for audit.**

The UNDP in consultation with Government draws up an annual audit plan which is completed in each November. The plan lists the projects scheduled to be audited. Some of the considerations of whether a project should be audited or not include:
1. Has it been previously audited?
2. The volume of funding in the project.
3. The number of projects in the office, if they are few, then most can be audited.

Following the completion of the audit exercise, an action plan should be prepared to address audit recommendations, a copy of which should be sent to OAPR. The audit reports must be submitted to OAPR by 30 April of the year following the financial period audited.

**Review of audit.**

The Government, UNDP and the NEA will review the audit report in draft form and make comments. The final report is submitted to all parties and to UNDP HQ by UNDP Country Office. The corrective actions are reviewed by UNDP and Government as soon as possible but no later than the following annual review.

**Evaluations.**

Evaluations are no longer mandatory as per old guidelines. For example a project will not be evaluated because its budget exceeds US$1 million. Each Country Office will prepare an evaluation plan of projects to be evaluated based on:

1. How strategic the project is.
2. The size of the project and budget.
3. Intention to extend project or to prepare a new project supporting same outcomes.
4. A Project with anticipated problems should be evaluated.
5. Projects that can provide lessons learnt to other countries should also be evaluated.

The NPD will review document and work plan to ensure when an evaluation is scheduled.

1. The Country office will prepare the terms of reference of the evaluation.
2. UNDP and Government will then identify person or institution to evaluate project.
3. The evaluation report is discussed by Government, UNDP and the National Executing Agency.
4. The final report is posted on the web site and sent to the evaluation office.

UNDP HQ will indicate the number of evaluations that a country office should undertake and the CO will be evaluated on compliance to this evaluation requirement.

**Documentation and Learning**

The NEA and project staff will assist the Country Office with inputs to annual reports or documentation of project experiences that provide learning for the other projects in the country or UNDP offices in other countries. The NEA and project management should be prepared to support the new knowledge focused UNDP by making presentations as required to facilitate learning.
VI – PROJECTS ASSETS MAINTENANCE

All assets procured under the project will remain the property of UNDP until they are formally disposed of. The disposal of project equipment may include:

1. Sale of the equipment
2. Transfer to a new project, or
3. Transfer to a national institution.

The disposal usual happens at the end of the project as part of the project terminal actions. The National Executing Agency recommends the best modality of equipment disposal and the Final meeting should endorse the recommendations or agree on an alternative. Equipment will not usually be transferred during the life of the project.

During the course of the project, nationally executed project should maintain a non-expendable property ledger with a format as below.

Project number ………………
Project Title………………….
National Executing Agency ………

<table>
<thead>
<tr>
<th>Date of entry</th>
<th>Description</th>
<th>Serial No.</th>
<th>Source</th>
<th>Cost</th>
<th>Inventory No.</th>
<th>Location</th>
<th>Date located</th>
<th>Expenditure BL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The expenditure ledger should be reviewed every year and when new purchases are made. It should be submitted to UNDP annually by 15 January.

Maintenance of vehicles.

Maintenance of vehicles has been a challenge for many country offices and projects. Once procured, the vehicles are registered as UNDP property until the final disposal process. During the life of the project vehicle use can be a source of conflict for the following reasons.

- Individually, vehicles are usually the highest cost equipment in the project and the maintenance thereof can be quite substantive.
- Without the requisite controls the maintenance budget can exceed work plan allocations leading to constraints on project activities requiring vehicle use.
- The vehicle’s registration is traceable to UNDP and government, its proper use is significant to maintaining a good image of UNDP and government.
Therefore during the life of the vehicle;
1. It will only be used for project purposes including the travel by Project Manager and any person currently assigned on the project between home and office. Any use other than for project purposes is not authorized.
2. Each vehicle will have a mileage log sheet which has to be filled in each time the vehicle is used. It should be inspected and signed by the NPD weekly and submitted to UNDP. The format of the mileage log sheet will be as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>From</th>
<th>To</th>
<th>Speedometer start</th>
<th>Speedometer end</th>
<th>Mileage</th>
<th>Driver’s name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Log sheet reviewed and approved .......................(NPD). Date: ........

**Accident reports.**

As vehicles are used in the project process, accidents frequently happen. All accidents, even if considered minor, must be reported to UNDP. The UNDP Local Property Survey Board will consider the reports and inform the NPD of its decision. The guidelines for the report are as follows:

**Vehicle accident fact Sheet**

Date of accident .......... Time of accident .............
Vehicle registration number .......... Mileage ......................
Name of Driver involved in accident ................................
Project Number ........
National execution Agency .....
Implementing Agency ...........

Injuries sustained by project staff or other
........................................................................
........................................................................

Road conditions and visibility at the time of the accident
........................................................................
........................................................................
........................................................................

Speed at the time of the accident
........................................................................
........................................................................

........................................................................
Speed limit at accident site……………………………………………………
Vehicle condition…………………………………………………………
Estimated cost to repair damages ………………………………………
Police report attached……………… Not attached …………………

Submitted by …………………..NPD Date……………

Project Assets Assessments

The NPD will periodically carry out an assessment of project assets and prepare a report for the file and UNDP as per format below.

Project Number….
National Executing Agency………
Implementing Agency …………

Case report and recommendations

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Description</th>
<th>Inventory Number</th>
<th>Year of purchase</th>
<th>Unit Value</th>
<th>Total value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Nature of survey

_ Wear
_ Scheduled replacement
_ Surplus
_ Loss
_ Damage
_ Theft
_ Vehicle accident
_ Inventory discrepancy
_ Other (specify)

Recommended Disposal repair (Cost)
Recommended Disposal disposal
Recommended Disposal transfer
Recommended Disposal destruction
Recommended Disposal re-use of parts
Recommended Disposal discard
NIA Staff member other (specify)
[
Recommendation ………………………………………………………

Project Manager……………… For: NEA ………………………
Date……………… Date:………………………

This section applies where the executing agency and the country office have agreed, in the project document, that the office will provide support services to the project. This is not applicable where the advance method with occasional direct payment requests.

**The Direct Payment Request**

The NEA can request UNDP to pay for goods and services through the Request for Direct Payment. This will document, designed as below, will be filled in and submitted by the NPD. In the longer term, electronic signatures can be introduced and the document transmitted through Internet, e-mail or by diskette. Therefore a format is suggested as follows:

<table>
<thead>
<tr>
<th>GOVERNMENT OF: .........................</th>
</tr>
</thead>
<tbody>
<tr>
<td>REQUEST FOR DIRECT PAYMENT</td>
</tr>
<tr>
<td>TO: UNDP (........)</td>
</tr>
<tr>
<td>PROJECT TITLE:..........</td>
</tr>
<tr>
<td>PROJECT NUMBER...........</td>
</tr>
<tr>
<td>DATE : / /</td>
</tr>
</tbody>
</table>

In line with the Project Work Plan, I hereby request that the UNDP make the following payment to the payee named below.

Name: ........ Bank Name...............
Address .......... Address ..............
Amount ..........
Budget line to charge .......... Payment Mode requested..........

**Certification**

The undersigned authorized NEA Official hereby attests that the payment being requested has not been previously made and that it is (Mark appropriate box(es))

- [ ] Made in accordance with the project document and Current Work Plan.
- [ ] Made for goods or services that have been delivered to the satisfaction of the Government.
- [ ] Made on the basis of supporting documentation that is attached to this Report.

Authorised: Government Official     Endorsed: UNDP Project Officer
Name…(NPD)..........     Name ..........
Signature ...............     Signature..............

If the direct payment method is selected, there will be less work to be done by the National Project Director, namely;

1. There is no need to produce the quarterly Government Disbursement Report (GDR).
2. There is no need to produce the Quarterly reconciliation of outstanding advance/status of funds (RoA).

**Required Attachment to Direct Payment Request**

In requesting a direct payment, there are documents that the NPD and Project Manager should ensure are attached to the request. The checklist for the required documentation attached below will enhance the work of the project and ensure that few payment requests are returned to the project. As with the case of the request for Direct Payment, these attachments will be pre-designed and filled in and submitted to UNDP. Formats are suggested the section of the paper describing services that UNDP can offer.

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Required supporting documents.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment for monthly salaries/personnel</td>
<td>Request for direct payment submitted monthly, certifying that actual work done. A blanket request for direct payment may be made for monthly payments for long-term personnel. Relevant SSA should be on file with Finance Section of UNDP.</td>
</tr>
<tr>
<td>Payments to consultants</td>
<td>Consultant’s request for payment and copies of other expenditure incurred certified by the NPD required. Relevant SSA should be on file with Finance Section.</td>
</tr>
<tr>
<td>DSA and Travel</td>
<td>Completed and approved travel authorization and settlement form with ticket stubs and receipts for miscellaneous expenses.</td>
</tr>
<tr>
<td>Procurement of supplies, Services or equipment (including fuel, maintenance charges, repairs Insurance)</td>
<td>Supplier’s invoice, copy of purchase order, and copy of receiving receipt.</td>
</tr>
<tr>
<td>Contracts for services.</td>
<td>Request for direct payment, certifying work done according to contract provisions. Copy of purchase order. Relevant Contract should be on file with the Finance Section.</td>
</tr>
<tr>
<td>Translation or editing</td>
<td>Translator’s or editor’s request for payment stating rate per page, number of pages and type of translation or editing. Agreed schedule of translation and editing rates on file with Finance Section.</td>
</tr>
<tr>
<td>Communications (Phone and fax)</td>
<td>Service provider’s invoice.</td>
</tr>
</tbody>
</table>
UNDP supported projects will have a high proportion of project budget going to personnel, training and procurement. However, though critical to the project success, these inputs do take a considerable amount of time and pose a serious challenge to government and project staff unaccustomed to the UNDP rules and regulations. UNDP can therefore offer these services to the project and leave project staff to manage, plan and follow-up on project activities, outputs and outcomes. In this context, the descriptions provided here are for the NEA to understand the processes UNDP will use in providing the services.

During project activation, services required from UNDP will be identified and a letter is written to the UNDP Resident Representative requesting for UNDP Country Office support services. Subsequent letters will be prepared at the same time as the work plan. The services specified in the letter should be within the scope described in the project document. The UNDP project Officer will clear the letter prior to forwarding to the actioning unit in UNDP. It is recommended that cost recovery for these services will be budgeted for under BL 96. The suggested format of the letter is as follows;

<table>
<thead>
<tr>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reference ----- (Project Title and Number)</td>
</tr>
<tr>
<td>Dear ........</td>
</tr>
</tbody>
</table>

In accordance with the project document and the project work plan, you are kindly requested to provide the following support services:

A. **Recruitment**: In reference to budget line no........ recruitment of (name of post or consultancy) for the duration of .......... The detailed terms of reference for this position are attached.

B. **Procurement**: In reference to budget line .......... procurement of equipment and or supplies. Detailed description and specifications of items for this procurement are attached.

C. **Contracting**: In reference to budget line no..... Contracting of services from an organization to provide required services. Detailed terms of reference for contract are attached.

D. **Training**: In reference to budget line ........ contracting an institution to provide the required services. Detailed terms of reference for this contract are attached.

E. **Financial administration**: In reference to budget line ...... contracting a firm or organization to provide the required services. Detailed terms of reference for this contract are attached

F. **Information and Documentation**: In reference to budget line ..... contracting a firm or organization to provide the following required services. Detailed terms of reference for this contract are attached.

I hereby certify that funds are available in the project budget for the items in this request.

Yours sincerely,
Name and Title……………………

The letter requesting UNDP services can be written whenever there is an agreement for UNDP to provide such services. It may be done after a review of a work plan. The processes that UNDP will use to meet the NEA’s requirements are as detailed in this section.

**Country Office Support Services**

**Procurement of equipment and supplies**

During the course of its implementation a project will purchase consumables and durable items such as vehicles, computers and printers. Large purchases will have been indicated in the project document. The payment of goods is only effected once the goods have been delivered. The budget lines for equipment are within the 40 component as follows;

- BL 45.01 – Locally purchased expendable
- BL 45.02 – Internationally procured expendable
- BL 46.01 – Locally purchased non-expendable
- BL 46.02 – Internationally procured non-expendable

Non-expendable equipment is expected to last at least five years and have a costing of $500 or more.

**Purchase of goods.**

1. The NEA will review the project document and work plan and identify which items need to be purchased during the year and when.
2. Whether the list of equipment and specifications in the project document are still valid and complete, if not an update is required.
3. Prepare a list of the items to be purchased together with required specifications.
4. Submit request, budget line, estimated amount, detailed specifications, required date
5. UNDP obtains quotation(s)
6. NPD Approves quotation
7. UNDP signs contract
8. PM approves payment, by verifying receipt of goods
9. UNDP effects payment.

**Methods of contracting.**

**Request for quotation.**

This will be used when amounts are over US$2,500 but less than US$100,000. If items are purchased regularly to exceed US$100,000 per year, then a request for quotation is not the right method. A minimum of three quotations are required for comparison and the lowest cost is usually selected.
**Invitation to bid**
Is more appropriate for services such as management or supervision of project. The contractor has to list and estimate cost requirements for them to meet the specifications of UNDP per terms of reference. The best means to ask for bids is by advertising or approaching a list of pre-qualified suppliers. The selected bidder will be qualified to do the service, meets all the requirements stated and offers the lowest price.

**Invitation for proposals**
This method is appropriate for services such as consultancies.

**Direct contracting.**
This option is appropriate for any items of value less than US$2,500.00. Three quotations are not necessary although Resident representative can recommend that there should be three quotations in any case.

**Corporate purchasing card.**
Applicable if the amount is less than US$1,000. This method replaces the use of petty cash. It will not be used to purchase non-expendable goods.

**Delegation of authority for procurement.**
If an individual payment or sum of related payments amount to US$30,000 in any calendar year period, then the Resident Representative will refer issue to a Local Contracts Committee. The other times that the Resident Representative will refer procurement to the LCC is;

- When a contract amendment brings the total amount to above $30,000 or is between $30,000 and $99,000 or increases the amount by more than 20% whichever is less.
- The proposed contract of any value leads to a series of other contracts that will add up to $30,000 but less than $99,000.

If the amount of purchase is equal or more than $100,000, the purchase has to be submitted to UNDP HQ for review by the Advisory Committee on Procurement (ACP) and approved by the Chief Procurement Officer. The Resident Representative will also submit purchases exceeding $30,000 seeking waiver of competitive bidding. Therefore the Resident Representative will submit purchasing cases to HQ as follows;

- Single payment equaling $100,000 or more
- Contracts amendments with an increase of 20% above any amount previously recommended by the Advisory Committee.
- Related contracts that add up to $100,000.
Composition and Terms of Reference for the Local Contracts Committee

Composition
- Will be composed of a chairperson and at least 2 regular members and an equal number of alternates and a secretary.
- Will have a majority of UNDP staff and the Chairperson will be a professional UNDP staff member.
- If a member of the LCC, a staff member cannot submit own case unless expressly invited by the Chairperson of the Committee and a justification is required for the participation of a person making a submission.

Terms of Reference of the Local Contracts Committee
- Ensure that proposed procurement actions are in line with UNDP financial regulations and rules, procedures and instructions.
- Review the procurement process to ensure that it is a fair, competitive, transparent and provides best value for money.
- Examine the financial and legal implications of the proposed contract.
- Review the evaluation process including environmental impact.
- Ensure that appropriate funds are available to cover cost of proposed contract.

Submissions to the LCC

The LCC requires a completed submission form and a copy of the request for quotation or invitation to bid or request for proposal. These forms will be submitted depending what modality of proposal was used. Examples of the forms are as below.

Form for Submission
to
Local Contracts Committee (LCC)

To be completed by the Secretary, LCC

<table>
<thead>
<tr>
<th>Meeting No:</th>
<th>Date of Meeting:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item No:</td>
<td>Case No:</td>
</tr>
</tbody>
</table>

(to be completed by the submitting officer)

<table>
<thead>
<tr>
<th>To: Local Contracts Committee</th>
<th>Date of Submission:</th>
</tr>
</thead>
<tbody>
<tr>
<td>From: (Head of Unit)</td>
<td>Contact Telephone Number:</td>
</tr>
</tbody>
</table>

Proposed submission, if approved would result in:

- Purchase Order
- Contract

Proposed submission resulted from:

- Invitation to Bid (ITB)
- Request for Proposal (RFP)
[The following information is to be provided to the extent available for this request (any attachments in a language other than English should include a brief summary of the document(s) in English):]

1. **Background**  
   (Give brief and concise information on the background of the project such as project objectives, or Activity if under Administrative Budget, organization/institutional setting, financial arrangements, etc.)

2. **Amendments**  
   (Provide information regarding original contract, such as contract number, contract amount, date(s) of approval, number of previous amendments, etc.)

3. **Purpose of Proposed Contract/Amendment and Description of Goods/Services Requested**

4. **Competitive Bidding/Proposal Process**  
   (Give full information on competitive bidding, including advertisement process, if any, date of ITB/RFP, names of entities/persons shortlisted and country of origin, date of bid opening.)

5. **Evaluation of Bids/Proposals**  
   (Provide concise summary evaluation of each bid/proposal received (in chart form, if possible), including evaluation criteria, ratings of entities/persons, Terms of Reference for services, and names of any third parties (e.g. consultants) and their qualifications involved in evaluation of bids/proposals. Also discuss, as appropriate, proposed contract's relation to and impact on the sustainability of the activity, including availability of spare parts and local maintenance services and capacity, etc.)

   (If applicable, discuss any special procedural aspects applied in the process, such as opening the financial proposal only for the firm submitting the best technical proposal for services and negotiating that proposal; then, if not conclusive, opening second-best proposal’s financial offer and negotiating with that firm, etc.)

   For services, provide cost breakdown showing number of personnel, total person/months, and an estimate of travel costs.

   For equipment, indicate description, price, delivery terms, and freight/insurance charges. If local purchase is recommended, state reasons and provide price and delivery date
comparison between local and international procurement. Indicate clearly if bids/proposals include provisions for price increases or open-ended agreements.)

6. Other Comments Concerning this Request
7. Recommendation of the LCC
8. Action taken by the Chief Procurement Officer

☐ Approved    ☐ Deferred    ☐ Rejected

Reason/Comments

The NPD will refer to the following formats to solicit quotations for various services.

The Request for Quotation

(Name)
Resident Representative                          Date: ………...
Invitation for quotation

<table>
<thead>
<tr>
<th>NAME &amp; ADDRESS OF FIRM:</th>
<th>DATE:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Reference:</td>
<td></td>
</tr>
</tbody>
</table>

Dear Sir / Madam:

You are kindly requested to submit your quotation for the following items before close of business on ____________________.

<table>
<thead>
<tr>
<th>Item</th>
<th>Generic Description [incl. Technical specifications, quality &amp; safety standards, special features required]</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CONDITIONS

Delivery Term (INCOTERMS 2000) & Place
☐ FCA    ☐ CPT    ☐ CIP

PLACE_________________

Payment Terms

Validity of Quotation
☐      ☐      ☐

3 Source - Procurement manual
Preliminary Examination - Completeness of quotation.

<table>
<thead>
<tr>
<th>30 DAYS</th>
<th>60 DAYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Partial bids permitted.</td>
<td>☐ Partial bids not permitted</td>
</tr>
</tbody>
</table>

Mode of Transport

<table>
<thead>
<tr>
<th>AIR</th>
<th>SEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>SURFACE</td>
<td>OTHERS</td>
</tr>
</tbody>
</table>

General Terms and Conditions

<table>
<thead>
<tr>
<th>Copy enclosed (see Appendix A)</th>
</tr>
</thead>
</table>

.........Continued

Please state
(procurement officials should cancel the lines which are not applicable)

| Quantity discount and early payment discount | Shipping weight (kg) and volume (m³) |
| Separate quote for estimated transportation & insurance charges | Availability of local service in country of final destination |

List of recommended consumables and spares incl. Prices and details on local availability:

☐ For a one year period. ☐ For a period of ……………

Details on any warranty/guarantee conditions:

**REQUIREMENTS**

Language: All documentation, including installation and operating manuals shall be in:

☐ English ☐ French ☐ Spanish ☐ Others

Electricity: Volt: Hz: phase AC:

NAME, FUNCTIONAL TITLE:__________________________ Signature: __________________

DATE: ____________

CONTACT ADDRESS:_____________________________________________________________

FAX NO: ________________

E-MAIL ADDRESS:__________________________________________
Invitation to Bid

Dear Sir/Madam,

Subject: Procurement of …………………………………………………………………………………

1. We hereby solicit your bid for the supply of following goods.
   a. …………………………………………………………………………
   b. …………………………………………………………………………
   c. …………………………………………………………………………

2. To enable you to submit a bid, please find enclosed:
   Annex I. Instructions to Bidders
   Annex II. Bid Data Sheet
   Annex III. General Terms and Conditions
   Annex IV. Special Conditions
   Annex V. Schedule of Requirements
   Annex VI. Technical Specifications
   Annex VII. Bid Submission Form
   Annex VIII. Price Schedule

   The annexes from the manual will be sent to the potential supplier. These are not included in this paper.

3. Interested Bidders may obtain further information at the following address:
   Contact Person: …………………………………………………………….
   Name of Office: …………………………………………………………….
   Telephone & Fax: …………………………………………………………….
   E-Mail: ………………………………………………………………………

4. Bids must be delivered to the above office on or before [TIME] on [DATE]. Late bids shall be rejected.

5. Bids will be opened in the presence of Bidders’ Representatives, who chose to attend at the address, date and time indicated in the Bidding Documents.

6. This letter is not to be construed in any way as an offer to contract with your firm.
Dear Sir/Madam,

Subject: RFP for the provision of ____________________________.

1. You are requested to submit a proposal for [_____] services, as per enclosed Terms of Reference (TOR).
2. To enable you to submit a proposal, attached are: (these can be printed or copied from the procurement manual)
   i. Instructions to Offerors …………… . (Annex I)
   ii. General Conditions of Contract………..(Annex II)
   iii. Terms of Reference (TOR)………….. (Annex III)
   iv. Proposal Submission Form …………..(Annex IV)
   v. Price Schedule ……………………….(Annex V)
   vi. Performance Security Form…………..(Annex VI) (delete if not required)
3. Your offer comprising of technical proposal and financial proposal, in separate sealed envelopes, should reach the following address no later than [specify date and time]
   [Address of procuring entity]
   [Attention: Name and designation of concerned officer]
   [Telephone number]
   [Telefax number]
4. If you request additional information, we would endeavor to provide information expeditiously, but any delay in providing such information will not be considered a reason for extending the submission date of your proposal.
5. You are requested to acknowledge receipt of this letter and to indicate whether or not you intend to submit a proposal.

Yours sincerely,

[Name of Firm and address]
If the NPD requests UNDP to enter into a contract on behalf of the project it will be as follows;

Model Contract for Professional Consulting Services
between UNDP and a Company or other entity  

Dear Sir/Madam,

Ref.: ______/ ______/ ______ [INSERT PROJECT NUMBER AND TITLE OR OTHER REFERENCE]

The United Nations Development Project (hereinafter referred to as "UNDP"), wishes to engage your [company/organization/institution], duly incorporated under the Laws of [INSERT NAME OF THE COUNTRY] (hereinafter referred to as the "Contractor") in order to perform services in respect of [INSERT SUMMARY DESCRIPTION OF THE SERVICES] (hereinafter referred to as the "Services"), in accordance with the following Contract:

Contract Documents
This Contract is subject to the UNDP General Conditions for Professional Services attached hereto as Annex I. The provisions of such Annex shall control the interpretation of this Contract and in no way shall be deemed to have been derogated by the contents of this letter and any other Annexes, unless otherwise expressly stated under section 4 of this letter, entitled "Special Conditions".

The Contractor and UNDP also agree to be bound by the provisions contained in the following documents, which shall take precedence over one another in case of conflict in the following order:

a) this letter;

b) the Terms of Reference [ref. ......dated........], attached hereto as Annex II;

c) the Contractor's technical proposal [ref......, dated ........], as clarified by the agreed minutes of the negotiation meeting[5][dated........], both documents not attached hereto but known to and in the possession of both parties.

4 This model contract is intended for services (studies, consultancies by firms, etc) to be obtained from companies as well as from NGOs, Universities, etc. It is not to be used for procuring goods or works. Any substantial deviations to the text should be made in consultation with BOM.

5 If there are updates to the technical proposal or correspondence exchanged in clarification of certain aspects, reference them too, provided that they are fully acceptable to UNDP. Otherwise, aspects which resolution is pending should be dealt with in this letter itself or in the Terms of Reference, as appropriate.
All the above shall form the Contract between the Contractor and UNDP, superseding the contents of any other negotiations and/or agreements, whether oral or in writing, pertaining to the subject of this Contract.

Obligations of the Contractor

The Contractor shall perform and complete the Services described in Annex II with due diligence and efficiency and in accordance with the Contract.

The Contractor shall provide the services of the following key personnel:

<table>
<thead>
<tr>
<th>Name</th>
<th>Specialization</th>
<th>Nationality</th>
<th>Period of service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Any changes in the above key personnel shall require prior written approval of __________________________ [NAME and TITLE], UNDP.

The Contractor shall also provide all technical and administrative support needed in order to ensure the timely and satisfactory performance of the Services.

The Contractor shall submit to UNDP the deliverables specified hereunder according to the following schedule:

[List Deliverables] [Indicate Delivery Dates]

e.g.
Progress report../../....

.../.../....

Final report../../....

All reports shall be written in the English language, and shall describe in detail the services rendered under the Contract during the period of time covered in such report. All reports shall be transmitted by the Contractor by _________ [MAIL, COURIER AND/OR FAX] to the address specified in 9.1 below.

The Contractor represents and warrants the accuracy of any information or data provided to UNDP for the purpose of entering into this Contract, as well as the quality of the deliverables and reports foreseen under this Contract in accordance with the highest industry and professional standards.

OPTION 1 (FIXED PRICE)
Price and Payment\(^6\)

In full consideration for the complete and satisfactory performance of the Services under this Contract, UNDP shall pay the Contractor a fixed contract price of \[\text{________ [INSERT CURRENCY & AMOUNT IN FIGURES AND WORDS]}\].

The price of this Contract is not subject to any adjustment or revision because of price or currency fluctuations or the actual costs incurred by the Contractor in the performance of the Contract.

Payments effected by UNDP to the Contractor shall be deemed neither to relieve the Contractor of its obligations under this Contract nor as acceptance by UNDP of the Contractor's performance of the Services.

UNDP shall effect payments to the Contractor after acceptance by UNDP of the invoices submitted by the Contractor to the address specified in 9.1 below, upon achievement of the corresponding milestones and for the following amounts:

<table>
<thead>
<tr>
<th>MILESTONE</th>
<th>AMOUNT</th>
<th>TARGET DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upon.....</td>
<td>......</td>
<td>././.....</td>
</tr>
<tr>
<td>..........</td>
<td>......</td>
<td>././.....</td>
</tr>
</tbody>
</table>

Invoices shall indicate the milestones achieved and corresponding amount payable.

**OPTION 2 (COST REIMBURSEMENT)**

Price and payment\(^8\)

In full consideration for the complete and satisfactory performance of the Services under this Contract, UNDP shall pay the Contractor a price not to exceed \[\text{________ [INSERT CURRENCY & AMOUNT IN FIGURES AND WORDS]}\].

---

\(^6\) This version of section 3 is to be used for fixed price contracts. Fixed price contracts should normally be used when it is possible to estimate with reasonable accuracy the costs of the activities which are the subject of the Contract.

\(^7\) If an advance payment is granted, define the first milestone as "upon signature of the contract by both parties". Please note that advance payments should be granted only in exceptional cases, and that they must comply with UNDP policies and procedures.

\(^8\) This version of section 3 is to be used for cost reimbursement contracts. Normally, cost reimbursement contracts should be used when it is not possible to estimate with reasonable accuracy the total costs of the activities which are the subject of the Contract.
The amount contained in 3.1 above is the maximum total amount of reimbursable costs under this Contract. The Breakdown of Costs in Annex _______ [INSERT ANNEX NUMBER] contains the maximum amounts per cost category that are reimbursable under this Contract. The Contractor shall reflect in his invoices the amount of the actual reimbursable costs incurred in the performance of the Services.

The Contractor shall not do any work, provide any equipment, materials and supplies, or perform any other services which may result in any costs in excess of the amount under 3.1 or of any of the amounts specified in the Breakdown of Costs for each cost category without the prior written agreement of _________________ [NAME and TITLE], UNDP.

Payments effected by UNDP to the Contractor shall be deemed neither to relieve the Contractor of its obligations under this Contract nor as acceptance by UNDP of the Contractor's performance of the Services.

The Contractor shall submit invoices for the work done every ___________ [INSERT PERIOD OF TIME OR MILESTONES].

OR

The Contractor shall submit an invoice for _________________ [INSERT AMOUNT AND CURRENCY OF THE ADVANCE PAYMENT IN FIGURES & WORDS] upon signature of this Contract by both parties and invoices for the work done every ___________ [INSERT PERIOD OF TIME OR MILESTONES].

Progress and final payments shall be effected by UNDP to the Contractor after acceptance of the invoices submitted by the Contractor to the address specified in 9.1 below, together with whatever supporting documentation of the actual costs incurred is required in the Breakdown of Costs or may be required by UNDP. Such payments shall be subject to any specific conditions for reimbursement contained in the Breakdown of Costs.

Special conditions

The advance payment to be made upon signature of the contract by both parties is contingent upon receipt and acceptance by UNDP of a bank guarantee for the full

---

9 This clause should be used if an advance payment is granted. Please note that advance payments should be granted only in exceptional cases, and that they must comply with UNDP policies and procedures. Any advance which represents 30% or more of the proposed total contract value must be cleared by the Office of Finance and Administration prior to contract signature, with the exception of contracts below $50,000.

10 Under this Section, you may propose special clauses in order to adapt the model contract to the specific situation. In this sample clause 4, several clauses of common use are given. If they are not required, they should be deleted. If there are no special conditions, please choose the alternative version of 4 in order to conform to clause 1.1.
amount of the advance payment issued by a Bank and in a form acceptable to UNDP.\textsuperscript{11}

The amounts of the payments referred to under section 3.6 above shall be subject to a deduction of __________________________ [\textsc{insert percentage that the advance represents over the total price of the contract}] \% (... percent) of the amount accepted for payment until the cumulative amount of the deductions so effected shall equal the amount of the advance payment.\textsuperscript{12}

Owing to [..........................], Article(s) [.........] of the General Conditions in Annex I shall be amended to read/be deleted.\textsuperscript{13}

OR

No special conditions shall apply.

\textbf{Submission of invoices}

An original invoice shall be submitted by mail by the Contractor for each payment under the Contract to the following address:

..............................................................

Invoices submitted by fax shall not be accepted by UNDP.

\textbf{Time and manner of payment}

Invoices shall be paid within thirty (30) days of the date of their acceptance by UNDP. UNDP shall make every effort to accept an invoice or so advise the Contractor of its non-acceptance within a reasonable time from receipt.

All payments shall be made by UNDP to the following Bank account of the Contractor:

______________________ [\textsc{name of the bank}]

______________________ [\textsc{account number}]

\textsuperscript{11} This clause must be used when an advance payment of $50,000 or more is granted to the Consultant and may be used for payments under $50,000 when appropriate. Please note that advance payments should be exceptional, whatever their amount and must comply with UNDP Financial Regulations and Rules.

\textsuperscript{12} This clause must be used when an advance payment is granted (whatever the amount) in a cost reimbursement contract. A payment upon signature is considered an advance payment.

\textsuperscript{13} This is a sample clause for the rare cases where there is a conflict with a provision of the General Conditions which does not involve privileges and immunities, arbitration or some other fundamental aspects of the UNDP legal status. All such changes to the General Conditions shall require consultation with OLPS/BOM.
[ADDRESS OF THE BANK]

Entry into force. Time limits.

The Contract shall enter into force upon its signature by both parties.

The Contractor shall commence the performance of the Services not later than ______ [INSERT DATE] and shall complete the Services within ___________ [INSERT NUMBER OF DAYS OR MONTHS] of such commencement.

All time limits contained in this Contract shall be deemed to be of the essence in respect of the performance of the Services.

 Modifications

Any modification to this Contract shall require an amendment in writing between both parties duly signed by the authorized representative of the Contractor and _________ [NAME AND TITLE] UNDP.
Notifications

For the purpose of notifications under the Contract, the addresses of UNDP and the Contractor are as follows:

For the UNDP:

___________________ [INSERT CONTRACT REFERENCE & NUMBER]

Telex:                         Fax:                         Cable:

For the Contractor:

[INSERT NAME, ADDRESS AND TELEX, FAX AND CABLE NUMBERS]

<table>
<thead>
<tr>
<th>Name:</th>
<th>Address:</th>
</tr>
</thead>
<tbody>
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</table>

Telex:                         Fax:                         Cable:

If the above terms and conditions meet with your agreement as they are typed in this letter and in the Contract Documents, please initial every page of this letter and its attachments and return to this office one original of this Contract, duly signed and dated.

Yours sincerely,

[INSERT NAME AND TITLE]

For [INSERT NAME OF THE COMPANY/ORGANIZATION]

Agreed and Accepted:

Signature __________________________
Name: __________________________
Title: __________________________
Date: __________________________

Receiving the Goods.

UNDP will only pay for the goods after receiving a certification that the goods were received in good order as well as the request for payment.

Goods Receiving and Inspection Report
To : UNDP Resident Representative
    UNDP ..............

From: ....................(NPD)

Date:..................

We have received the equipment delivered under purchase order ..... ..... dated.......  

☐ The equipment is in good working condition.

☐ The equipment is not in good working condition/damaged

Explanation:...............................................................................................................................

........................................................................................................................................................

PERSONNEL RECRUITMENT OF PROJECT STAFF.

In recruiting, UNDP will be guided by principles of competitiveness and transparency. That means the best individual will be selected based on clear criteria for selection as indicated in the terms of reference.

Recruitment will generally be for short term (six months or less) and long term (longer than 6 months).

Project Personnel in the Project Document.
The inputs section of the project document will describe the personnel required in the project and their costs budgeted in the budget.
The following types of staff will be recruited by the project

1. Administrative personnel under BL 13
2. United Nations Volunteers under BL 14
3. Locally recruited long and short term experts under BL 17, and
4. Internationally recruited long and short-term consultants under BL 11.

Short term Recruitment Procedures.

1. The NEA will review the project document and work plan to determine which personnel should be recruited during the year, are terms of reference provided in the project document and are they valid.
2. The NPD and Project Manager will prepare terms of reference and submit to UNDP to recruit. Terms of reference are prepared for short-term posts and a job description for long-term posts.

3. UNDP will distribute terms of reference to potential applicants transparently, using media adverts, consultancy data banks or references from partners. The process used can combine any of the options provided. A clear time frame is provided for last day of submission.

4. UNDP sets up a panel to short list and interview selected person.

5. Recommended candidates sent to NEA.

6. NPD endorses candidate and requests UNDP by letter to initiate processing of candidate’s appointment.

7. UNDP negotiates with the candidate and sends an employment offer letter.

8. Any contract for more than $30,000 within a period of 11 months submitted to the Local contracts Committee by UNDP.

9. UNDP prepares a Special Service Agreement (SSA), which is signed by Resident Representative and person being recruited.

Since most of the recruitment activity requires the NEA to provide terms of reference, a suggested guideline to the terms of reference is provided as follows;

**Guidelines for preparing Terms of Reference for Short term staff.**

1. Job Title
2. Duty Station
3. Duration of assignment
4. Supervision (Title of supervisor)
5. Qualifications
   - Level and field of study in University or equivalent education and training.
   - Length and type of practical experience at national or international level
   - Language proficiency
   - Specific skills and specialized knowledge that is required or advantageous for candidate.
6. Duties and responsibilities
7. Outputs to be produced e.g. training curriculum, trained personnel, technical reports, progress reports, final report etc.
8. Itinerary for duty travels if possible.

**Long term staff recruitment.**

The process is the same except that the NEA will prepare a Job Description with following suggested format.

Job Title
Duty Station
Duration of Assignment
Qualifications
   - Level and field of study in University or equivalent education and training.
   - Length and type of practical experience at national or international level
• Language proficiency
• Specific skills and specialized knowledge that is required or advantageous for candidate.

Outputs to be produced
Duties and responsibilities.
Supervision and performance evaluation.

The rest of the process is the same as in short term recruitment.

Salaries and fees.
The UNDP Country Office will prepare a salary scale for locally recruited professionals, interpreters and administrative support staff respectively. The salary scale has no relationship with scales for staff in the UNDP Office. It is set by the UNDP or UN Country Team based on a survey of the market in the Country for similar services.

To be able to pay the staff, the UNDP requires indication that the staff have performed their duty to the satisfaction of the NEA. Under the direct payment system, the NEA is encouraged to issue to UNDP a joint authorisation for long term staff. In such cases, staff should provide UNDP with details of their bank account number. The payment through bank transfer will only be used for staff serving at least 6 months or more. Otherwise UNDP will pay by check.

Amendment of contracts.
The UNDP issued contracts can be amended upon mutual consent of UNDP, NEA and the concerned staff. The format for this proposal from NEA is shown in the next page.

<table>
<thead>
<tr>
<th>NEA request for amendment of SSA</th>
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<tbody>
<tr>
<td>To: UNDP RR</td>
</tr>
<tr>
<td>Project Number…………………</td>
</tr>
<tr>
<td>National executing Agency…………………</td>
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<tr>
<td>Implementing Agency ………………</td>
</tr>
<tr>
<td>Ref: Special Service Agreement number ……….</td>
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<tr>
<td>This amendment is to: (explanation)</td>
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<tr>
<td>Please kindly prepare an SSA amendment</td>
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<tr>
<td>Name and Signature of NPD ………………</td>
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<tr>
<td>Name and signature of subscriber…………..</td>
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</tbody>
</table>

Termination of Contract.
Either party to the contract may terminate contract by giving advance notice;
• 5 days for contracts of up to two months, and
• 14 days for contracts of more than 2 months.

**Recruitment of International personnel.**

Since the payment for international staff is made in a foreign currency, it is usually desirable for UNDP or another UN Agency to assist the NEA to recruit international personnel. The steps in recruitment of international personnel with UNDP assistance are similar to steps taken for locally recruited experts primarily requiring a job description or terms of reference for UNDP to initiate recruitment.

**Certification for payment.**

UNDP will only pay upon certification by the NPD per example below.

- Project number...........
- National executing Agency..........
- Implementing agency.............

**Certification of payment**

**Project use only**

| Name ......................... | SSA No. ....... amend number ....... |
| Nationality.................. | Duration................... |
| Starting/expiry dates........ | Project number............. |
| Fee......................... | Budget line................ |
| Expected number of days ...... | MOD number ................. |

……continued

**To be completed by subscriber**

For payment of fees, please complete below and send to:

- NPD............
- Project ............

I certify that the dates indicated below are an accurate account of the services and duties performed under the terms of this contract.

<table>
<thead>
<tr>
<th>Duty Station</th>
<th>Dates worked (from…to)</th>
<th>No of days worked</th>
<th>Total payable</th>
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Please make payment as indicated below:

- Name of Bank................. Account title and number .................
Contracts for services
The subcontracts are covered under procurement.

When preparing to submit local subcontract proposal to UNDP, the NPD should;
1. Review the project manual and work plan to see what kind of subcontracts need to be implemented through the year and whether terms of reference are provided in the project document and follow procedures under the procurement section.

Training
The NEA must ensure that training arrangements are done timely and that the training participants actually learn new skills.

Training activities are under training component 30. All training activities should target a significant percentage of women. The budget lines are as follows;
1. B/L 31 – fellowships – international courses lasting one to three months.
2. B/L 32 – Study tours – educational visits to one or more countries, international conferences. General guidelines should be that no study tour should exceed three weeks and no more than 6 members should be on the team.
3. BL 33 In service training- any project training that takes place in the country. These include workshops and seminars. Although a maximum duration of two weeks is recommended, longer-term part time training at colleges can take longer.

Training plan.

The description of training in the project document is usually sketchy. The subject of training, intended participants, venue, duration are not specified in any detail. In fact, it would be near impossible to have such a level of detail before the detailed work plan is entered into Microsoft project. In all cases the NEA should prepare a training plan in Microsoft project. The training plan will need to contain the following information.

1. Training activity, venue and costs
2. Starting date and duration of training
3. Number and type of participants
4. Training objectives, output
5. Required training facilities.

1. At the end of the training, a standard output would be an evaluation and a report on the training.
In addition to the training plan in Microsoft project, The NPD will attach the names of the intended trainees clearly showing their gender and current employer.

Organizing training.

The NEA will do the following prior to the training;

1. Review project document and annual work plan for training that will occur during the course of the current year.
2. Prepare training in Microsoft Project.
3. Identify training resources and consultants or subcontracting to be done.
4. Select training participants
5. Prepare training venue and plan training
6. Undertake training
7. Prepare reports of training.

The payments for these activities will be handled by UNDP as indicated in the financial management and subcontracting section as long as the required documents are attached.

International training.

The NEA has options to arrange international training itself, use a UN agency or use UNDP. International training responsibility should be specified in the project document. Stipends or allowances for fellows must not exceed those applicable within the United Nations System, while travel must be by most economic route. The fellows and study tour members should continue to be paid by their employer during the training period.

In the case of use of the direct payment system, after preparing training plan in Microsoft project, the Project Manager selects candidates for international training. Candidates complete a nomination form which is certified by the PM and NPD.

1. The project manager forwards forms to the UNDP CO requesting it to make all arrangements.
2. UNDP facilitates getting visas and other requirements.
3. UNDP requested to make the travel bookings, ticket purchases, DSA, insurance and payment of tuition. This is done by submitting a request for direct payment.
4. A certification for direct payment of international training is attached to the request.
5. Prior to departure, the manager should brief the trainees, alert them of the need to produce a report on their training. The report format for study tours and short term International training is attached for reference.
6. The training takes place
7. Training Report is submitted with 2 weeks of return to office.

A Nomination form for International training can be filled in as follows:

Nomination form for International Training.
Project number…….. Date…………
1. Name of candidate……………. Date of birth………………
2. Present occupation…………….. Sex……………
3. Mailing address/tel. And fax……………… Language of training activity………….. 
4. Language skills in training language (state whether good, fair or very good)………….. 
5. Education (post high school)

<table>
<thead>
<tr>
<th>Name of institution</th>
<th>Dates of study</th>
<th>Major fields of study</th>
<th>Degrees obtained</th>
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6. Present position and employer ……………………………………….. 

Endorsement ……………………….. Certification……………………..
(NPD) (Project Manager)

Report format for study tour

A report format to be prepared after a study tour or international training will be as follows:

**Report format for Study Tours and short term International Training**

Project number…….. 
National Executing Agency……….. 
Implementing Agency …………….. 

1. Name of participant 
2. Title of study tour or short term training 
3. Brief itinerary and people visited, location of training institute 
4. Objectives of study tour and training 
5. Detailed description of knowledge and skills gained. 
6. Remarks on whether the training project was conducive to achieve objectives. 
7. Recommendations of trainee for follow up actions. 

**Procedures for payment International training**

The NEA will prepare a form to certify payment for NEA.
Certification of direct payment of international training.

1. Ticket fares to be paid to (airline or travel agency) .............
2. 80% of DSA...(How calculated) ..............................
3. Insurance .... To be paid to ...... by bank transfer ..........
4. 20% DSA to be paid on receipt of training report.

Budget line to charge ........

Authorisation of payment
The undersigned Government officials hereby attest that the payment being requested has not been previously made and:

1. This payment is in accordance with the project document
2. The copies of the following support documents are attached

- tuition fee invoice

Payment required by : ......... Date .........
Certified PM ............... Approved NPD ......................
Date ............... Date ............... 

Note: Submit two weeks before required payment date.

Conclusion:

The range of services offered by UNDP will be guided by other detailed manuals such as the personnel, finance or procurement procedures manuals. If the NPD enlists UNDP support, there is no need to know the details of these procedures. UNDP will have to deliver on the services offered.
VIII - ITC APPLICATIONS.

This paper recommends the use of Microsoft Project for the project management. While section VII indicates that UNDP can take away some of the time consuming administrative issues, the use of ICT will lesson the labour intensity of the core activities to be undertaken by the NPD and Project Manager. These functions include planning, monitoring and assessing the project progress. Microsoft project is selected because it will be compatible with the selected ERP. This means any data compiled in Microsoft Project will be exported into the new projects. There are other options that could be recommended which do similar planning and reporting, but a Microsoft project License is less expensive. Since the ERP has not been specified, it is prudent to use Microsoft project.

Characteristics of Microsoft Project.

- It is relatively simple to learn with a manual.
- The license to use it is not expensive.
- It can be installed as a stand-alone where there is no Internet or e-mail connections with projects.
- It allows use of 16 different languages.

What can it do for Project Management?

- It will ensure that one work plan is done and updated rather than embarking on a new work plan each quarter and each year.
- It allows breakdown of activities (tasks) to sub activities and allows greater detail to be captured.
- It will import Microsoft excel data such as the project budget so that the NEPD can monitor expenditure against specific budget lines.
- It automatically plots Gantt charts.
- It retains a baseline of intended time frames and costs. When the actual costs are entered it calculates the variances.
- It will alert the NPD of slipping tasks (activities that are overdue).
- The reporting menu for Microsoft Project includes project summary, critical tasks, financial reports such as cash flow, budget (to be imported from FIM), who has been assigned what and when.

A critical input of the Microsoft Project is that costs can be allocated to each activity from a multiple of sources. It will enable the NPD to assess what it is costing to achieve various inputs. The software accepts direct costs as well as one off costs such as air tickets. In addition the cost of a project officer, services from operations can be included if the CO and the NPD wish.
Annex 1 – List of References.

2. Advancing Results Based Programming and Simplification of Project Procedures. UNDP Associate Administrator, 16 November 2001.
3. Integrating Project Management with the Results Framework. Highlights of the three-day consultation organised by OSG.
7. NEX Execution cost recovery instructions – extract from draft.
Colleagues who have been contributing to this working paper

<table>
<thead>
<tr>
<th>Current Editor:</th>
<th>Jens Wandel</th>
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<td><strong>Current Draft:</strong></td>
<td>Denis Nkala</td>
</tr>
<tr>
<td><strong>Readers:</strong></td>
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<td>Diane Kepler</td>
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<td>Kun Vee Lee</td>
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<td>Ramesh Chandran</td>
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