

# UNDAF ACTION PLAN GUIDANCE NOTE

**Annex 2**

United Nations System in (country name)  
and Government of (country name)

January 2010



**UNITED NATIONS  
DEVELOPMENT GROUP**



# UNDAF ACTION PLAN GUIDANCE NOTE

## Annex 2

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# I. Introduction

## II. Signature Page

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Signatures UN System Agencies

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Signature Government

# III. Partnerships, Values and Principles

## Mandatory text box to be included in this section:

Whereas the Government of \_\_\_\_\_ (hereinafter referred to as “the Government”) has entered into the following:

a) WHEREAS the Government and the United Nations Development Programme (hereinafter referred to as UNDP) have entered into a basic agreement to govern UNDP’s assistance to the country (Standard Basic Assistance Agreement (SBAA)) [or other agreement depending on country], which was signed by both parties on \_\_\_\_\_ (date). Based on Article I, paragraph 2 of the SBAA, UNDP’s assistance to the Government shall be made available to the Government and shall be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent UNDP organs, and subject to the availability of the necessary funds to the UNDP. In particular, decision 2005/1 of 28 January 2005 of UNDP’s Executive Board approved the new Financial Regulations and Rules and along with them the new definitions of ‘execution’ and ‘implementation’ enabling UNDP to fully implement the new Common Country Programming Procedures resulting from the UNDG simplification and harmonization initiative. In light of this decision this UNDAF Action Plan together with an annual work plan (AWP) (which shall form part of this UNDAF Action Plan, and is incorporated herein by reference) concluded hereunder constitute together a project document as referred to in the SBAA [or other appropriate governing agreement].

b) With the United Nations Children’s Fund (UNICEF) a Basic Cooperation Agreement (BCA) concluded between the Government and UNICEF on \_\_\_\_ and revised on \_\_\_\_.

c) With the Office of the United Nations High Commissioner for Refugees (UNHCR) a Country Co-operation Agreement concluded between the Government and UNHCR on \_\_\_\_ and revised on \_\_\_\_.

d) With the World Food Programme a Basic Agreement concerning assistance from the World Food Programme, which Agreement was signed by the Government and WFP on \_\_\_\_.

e) With the United Nations Population Fund (UNFPA) a [select: Exchange of letters / Memorandum of understanding] dated \_\_\_\_\_ to the effect that the SBAA signed by UNDP and the Government on \_\_\_\_\_ be applied, mutatis mutandis, to UNFPA.

f) With UNIDO the Agreement between the Government of [NAME] and [MOFCOM] for the establishment of the UNIDO Office as established in [YEAR]. If an SBCA has been concluded with the Government concerned, a reference to it should be included instead of or in addition to the Country Office Agreement.

g) With the Food and Agriculture Organization of the United Nations the Agreement for the opening of the FAO Representation in [COUNTRY] on [DATE]. [in case FAO has a sub-regional or a regional office in the country, a relevant specific mention shall be made].

[Add in references to other UN system agencies as appropriate]. The UNDAF Action Plan will, in respect of each of the United Nations system agencies signing, be read, interpreted, and implemented in accordance with and in a manner that is consistent with the basic agreement between such United Nations system agency and the Host Government.

## **IV. Programme and Actions and Implementation Strategies (2-3 pages)**





# V. Programme Management and Accountability Arrangements

**Mandatory text box to be included in this section:**

*The programme will be nationally executed under the overall co-ordination of \_\_\_\_\_ (Government Co-ordinating Authority). Government coordinating authorities for specific UN system agency programmes are noted in Annex X. Government Ministries, NGOs, INGOs and UN system agencies will implement programme activities. The UNDAF Action Plan will be made operational through the development of annual work plans (AWPs) and/or project documents which describe the specific results to be achieved and will form an agreement between the UN system agencies and each implementing partner on the use of resources. To the extent possible the UN system agencies and partners will use the minimum documents necessary, namely the signed UNDAF Action Plan and signed annual work plans (AWPs) project documents to implement programmatic initiatives. However, as necessary and appropriate, project documents can be prepared using, inter alia, the relevant text from the UNDAF Action Plan and annual work plans (AWPs) project documents.<sup>1</sup>*

*All cash transfers to an Implementing Partner are based on the annual work plans (AWPs) agreed between the Implementing Partner and the UN system agencies.*

*Cash transfers for activities detailed in annual work plans (AWPs) can be made by the UN system agencies using the following modalities:*

- 1. Cash transferred directly to the Implementing Partner:
  - a. Prior to the start of activities (direct cash transfer), or*
  - b. After activities have been completed (reimbursement);**
- 2. Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner;*
- 3. Direct payments to vendors or third parties for obligations incurred by UN system agencies in support of activities agreed with Implementing Partners.*

*[In countries where it has been agreed that cash will be transferred to institutions other than the Implementing Partner (e.g., the Treasury) please replace with the following text:]*

(cont'd) ►

<sup>1</sup> In the case of UNDP, the Government Coordinating Authority will nominate the Government Co-operating Agency directly responsible for the Government's participation in each UNDP-assisted AWP. The reference to "Implementing Partner(s)" shall mean "Executing Agency(s)" as used in the SBAA. Where there are multiple implementing partners identified in an Annual Work Plan, a Principal Implementing Partner will be identified as who will have responsibility for convening, co-ordinating and overall monitoring (programme and financial) of all the Implementing Partners identified in the AWP to ensure that inputs are provided and activities undertaken in a coherent manner to produce the results of the AWP.

◀ (cont'd)

*Cash transfers for activities detailed in annual work plans (AWPs) can be made by the UN system agencies using the following modalities:*

- 1. Cash transferred to the [national institution] for forwarding to the Implementing Partner:
  - a. Prior to the start of activities (direct cash transfer), or*
  - b. After activities have been completed (reimbursement).**
- 2. Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner.*
- 3. Direct payments to vendors or third parties for obligations incurred by UN system agencies in support of activities agreed with Implementing Partners.*

*Where cash transfers are made to the [national institution], the [national institution] shall transfer such cash promptly<sup>2</sup> to the Implementing Partner.*

*Direct cash transfers shall be requested and released for programme implementation periods not exceeding three months. Reimbursements of previously authorized expenditures shall be requested and released quarterly or after the completion of activities. The UN system agencies shall not be obligated to reimburse expenditure made by the Implementing Partner over and above the authorized amounts.*

*Following the completion of any activity, any balance of funds shall be refunded or programmed by mutual agreement between the Implementing Partner and the UN system agencies.*

*Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may depend on the findings of a review of the public financial management capacity in the case of a Government Implementing Partner, and of an assessment of the financial management capacity of the non-UN<sup>3</sup> Implementing Partner. A qualified consultant, such as a public accounting firm, selected by the UN system agencies may conduct such an assessment, in which the Implementing Partner shall participate. The Implementing Partner may participate in the selection of the consultant.*

*Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may be revised in the course of programme implementation based on the findings of programme monitoring, expenditure monitoring and reporting, and audits.*

<sup>2</sup> This can be replaced by a specific number of days in lieu of “promptly.”

<sup>3</sup> For the purposes of these clauses, “the UN” includes the IFIs.

## VI. Resources and Resource Mobilization Strategy (1 page)

**Mandatory text box to be included in this section:**

*The UN system agencies will provide support to the development and implementation of activities within the UNDAF Action Plan, which may include technical support, cash assistance, supplies, commodities and equipment, procurement services, transport, funds for advocacy, research and studies, consultancies, programme development, monitoring and evaluation, training activities and staff support. Part of the UN system agencies' support may be provided to Non-Governmental [and Civil Society] system agencies as agreed within the framework of the individual annual work plans (AWPs) and project documents.*

*Additional support may include access to UN organization-managed global information systems, the network of the UN system agencies' country offices and specialized information systems, including rosters of consultants and providers of development services, and access to the support provided by the network of UN Specialized Agencies, Funds and Programmes.*

*The UN system agencies shall appoint staff and consultants for programme development, programme support, technical assistance, as well as monitoring and evaluation activities.*

*Subject to annual reviews and progress in the implementation of the programme, the UN system agencies' funds are distributed by calendar year and in accordance with the UNDAF Action Plan. These budgets will be reviewed and further detailed in the annual work plans (AWPs) and project documents. By mutual consent between the Government and the UN system agencies, funds not earmarked by donors to the UN system agencies for specific activities may be re-allocated to other programmatically equally worthwhile activities.*

*In case of direct cash transfer or reimbursement, the UN system agencies shall notify the Implementing Partner of the amount approved by the UN system agencies and shall disburse funds to the Implementing Partner in [here insert the number of days as per UN system agency schedule].*

*In case of direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; or to vendors or third parties for obligations incurred by the UN system agencies in support of activities agreed with Implementing Partners, the UN system agencies shall proceed with the payment within [here insert the number of days as agreed by the UN system agencies].*

*The UN system agencies shall not have any direct liability under the contractual arrangements concluded between the Implementing Partner and a third party vendor.*

*Where the UN system agencies and other UN system agency provide cash to the same Implementing Partner, programme monitoring, financial monitoring and auditing will be undertaken jointly or coordinated with those UN system agencies.*

## VII. Communication (half page)



## VIII. Monitoring and Evaluation (1-2 pages)

### Mandatory text box to be included in this section:

*Implementing Partners agree to cooperate with the UN system agencies for monitoring all activities supported by cash transfers and will facilitate access to relevant financial records and personnel responsible for the administration of cash provided by the UN system agencies. To that effect, Implementing Partners agree to the following:*

- 1. Periodic on-site reviews and spot checks of their financial records by the UN system agencies or their representatives,*
- 2. Programmatic monitoring of activities following the UN system agencies' standards and guidance for site visits and field monitoring,*
- 3. Special or scheduled audits. Each UN organization, in collaboration with other UN system agencies (where so desired and in consultation with the respective coordinating Ministry) will establish an annual audit plan, giving priority to audits of Implementing Partners with large amounts of cash assistance provided by the UN system agencies, and those whose financial management capacity needs strengthening.*

### To include VERBATIM: (Select from the following two options):

- [Where an assessment of the Public Financial Management system has confirmed that the capacity of the Supreme Audit Institution is high and willing and able to conduct scheduled and special audits]:

*The Supreme Audit Institution may undertake the audits of Government Implementing Partners. If the SAI chooses not to undertake the audits of specific Implementing Partners to the frequency and scope required by the UN system agencies, the UN system agencies will commission the audits to be undertaken by private sector audit services<sup>4</sup>.*

- [Where no assessment of the Public Financial Management Capacity has been conducted, or such an assessment identified weaknesses in the capacity of the Supreme Audit Institution]:

*The audits will be commissioned by the UN system agencies and undertaken by private audit services.*

<sup>4</sup> Seen through a South-South lens, the capacity assessment process presents an opportunity to identify capacity assets that a particular country could offer to other developing countries and the capacity gaps that could be filled by other developing countries. For UNDP, the audit of NGO or nationally implemented projects can be assigned to the national Supreme Audit Institution (SAI) only on the condition that the institution has a demonstrated capacity to carry out the audits in an independent manner. To this effect, the Office of Audit and Investigations (OAI) has made available on its Intranet site guidance on the assessment of SAIs along with a questionnaire that will need to be properly completed, signed and communicated to OAI to support that due diligence has been exercised prior to opting for having such audits undertaken by the national SAI. Please refer to OAI Intranet site for further details.

# IX. Commitments of the Government

## Mandatory text box to be included in this section:

*The Government will support the UN system agencies' efforts to raise funds required to meet the needs of this UNDAF Action Plan and will cooperate with the UN system agencies including: encouraging potential donor Governments to make available to the UN system agencies the funds needed to implement unfunded components of the programme; endorsing the UN system agencies' efforts to raise funds for the programme from the private sector both internationally and in [name of country]; and by permitting contributions from individuals, corporations and foundations in [name of country] to support this programme which will be tax exempt for the Donor, to the maximum extent permissible under applicable law.*

*Cash assistance for travel, stipends, honoraria and other costs shall be set at rates commensurate with those applied in the country, but not higher than those applicable to the United Nations system (as stated in the ICSC circulars).*

*A standard Fund Authorization and Certificate of Expenditures (FACE) report, reflecting the activity lines of the annual work plan (AWP), will be used by Implementing Partners to request the release of funds, or to secure the agreement that [UN organization] will reimburse or directly pay for planned expenditure. The Implementing Partners will use the FACE to report on the utilization of cash received. The Implementing Partner shall identify the designated official(s) authorized to provide the account details, request and certify the use of cash. The FACE will be certified by the designated official(s) of the Implementing Partner.*

*Cash transferred to Implementing Partners should be spent for the purpose of activities and within the timeframe as agreed in the annual work plans (AWPs) only.*

*Cash received by the Government and national NGO Implementing Partners shall be used in accordance with established national regulations, policies and procedures consistent with international standards, in particular ensuring that cash is expended for activities as agreed in the annual work plans (AWPs), and ensuring that reports on the utilization of all received cash are submitted to [UN organization] within six months after receipt of the funds. Where any of the national regulations, policies and procedures are not consistent with international standards, the UN system agency financial and other related rules and system agency regulations, policies and procedures will apply.*

*In the case of international NGO/CSO and IGO Implementing Partners cash received shall be used in accordance with international standards in particular ensuring that cash is expended for activities as agreed in the annual work plans (AWPs), and ensuring that reports on the full utilization of all received cash are submitted to [UN organization] within six months after receipt of the funds.*

(cont'd) ►

◀ (cont'd)

*To facilitate scheduled and special audits, each Implementing Partner receiving cash from [UN organization] will provide UN system agency or its representative with timely access to:*

- *all financial records which establish the transactional record of the cash transfers provided by [UN system agency], together with relevant documentation;*
- *all relevant documentation and personnel associated with the functioning of the Implementing Partner's internal control structure through which the cash transfers have passed.*

*The findings of each audit will be reported to the Implementing Partner and [UN organization]. Each Implementing Partner will furthermore:*

- *Receive and review the audit report issued by the auditors.*
- *Provide a timely statement of the acceptance or rejection of any audit recommendation to the [UN organization] that provided cash (and where the SAI has been identified to conduct the audits, add: and to the SAI) so that the auditors include these statements in their final audit report before submitting it to [UN organization].*
- *Undertake timely actions to address the accepted audit recommendations.*

*Report on the actions taken to implement accepted recommendations to the UN system agencies (and where the SAI has been identified to conduct the audits, add: and to the SAI), on a quarterly basis (or as locally agreed).*

## X. Other Provisions (1-2 pages)





# XI. UNDAF Action Plan Results Matrix

As mentioned in paragraph 2.6 of this guidance note, the UNDAF Action Plan reflects the results already specified in the UNDAF results matrix. According to the UNDAF guidelines<sup>5</sup>, UNCTs have the flexibility to either keep the UNDAF results matrix at the outcome level (Option 1a), or develop a fuller results matrix, that includes outputs (Option 1 b). If the UNCT keeps the UNDAF results matrix at the outcome level (Option 1a) and decides to prepare an UNDAF Action Plan, then the outputs are specified in the UNDAF Action Plan.

The wording of national development priorities and outcomes and outputs (if mentioned in the UNDAF results matrix) should not be changed between the UNDAF results matrix and the UNDAF Action Plan results matrix.

The length of this matrix will depend on the complexity of the programmes.

A proposed format for the results matrix is given below.

National Development Priorities or Goals:							
	UN system agency <sup>6</sup>	Implementing Partners	Indicative Resources <sup>7</sup>			Monitoring process	Monitoring mechanism
			Total	Core/regular/assessed	Non-core/other/Extra budgetary		
<b>UNDAF outcome 1</b>							
<sup>8</sup> Output 1.1							
<b>UNDAF outcome 2</b>							
Output 2.1							
Output 2.2							
<b>etc</b>							

<sup>5</sup> “How to Prepare an UNDAF: Guidelines for UN Country Teams,” November 2009, Page 12.

<sup>6</sup> Joint programmes are identified here where more than one UN system agency is working on the same UN system agency outcome. Joint programmes may also be identified at the output level. Whatever the level, it is useful in the case of joint programmes to indicate which UN system agency is the lead UN system agency and which UN organization/s are the participating UN organizations.

<sup>7</sup> Resource commitments will depend on the ability of UN organizations to raise funds for the programme—this MUST be noted in the table in section 5 of the UNDAF Action Plan text on Resources and Resource Mobilization.

<sup>8</sup> An output could involve one or more UN system agencies.

## XII. Annexes (if applicable)



# XIII. Glossary/Acronym List