UNHCR’s Implementing Partner Management Service Head Fatima Sherif-Nor met ICVA and InterAction members informally on 15 April 2014 to discuss the status of UNHCR’s “Enhanced Framework for Implementing with Partners.”

This report highlights some questions and answers raised during the meeting, including:

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What is the Framework?

The UNHCR Framework for Implementation with Partners (the Framework) is an integral governance and management instrument for providing quality assistance and protection to populations of concern, partnership, and accountability for resources entrusted by donors.

It involves policies, procedures, and processes guiding UNHCR’s relations with partners. It covers: partner selection for project implementation; project agreement design; project agreement implementation and monitoring; and project agreement closure.

It is not just focused on finance, program, etc. It is multi-faceted and complex. It attempts to balance three competing aspects: operational applicability, effective control/accountability, and strengthened partnership. It aims to achieve the best results for refugees and persons of concern.

What is the process for developing the Framework?

UNHCR collected and organized background information, including 150 audit observations since 2008. It then looked at a 6-month benchmarking study consisting of research on leading practices by other UN agencies and industry.

Next, UNHCR held internal and external consultations, originating with field group discussions.

Documents were drafted, reviewed and updated (i.e. pre-final drafts, drafts, and then final drafts). When documents are ready, they are presented to UNHCR management for approval (resulting in final versions).

The new Selection policy was issued in July 2013 and the new Project Partnership Agreement came into effect as of 1 April 2014.

The Framework is being developed in stages. New changes are introduced in phases in a manner that smoothly integrates into UNHCR’s programming cycle. In line with this approach, two policies/documents were released during relatively less disruptive moments in UNHCR’s program cycle.

What is the status of the Partner Portal?

Currently UNHCR does not have an interactive way to communicate with the wider NGO community about new Framework-related policies, materials, and lessons learned.
To address this problem, UNHCR has commissioned an IT service provider to build from scratch a “Partner Portal” to serve as a hub for information as well as a site with a database on partners. The Portal will:

- Allow partners to update information about themselves at any time
- Allow partners to self-manage their own user access
- Alert partners to Calls for Expressions of Interest
- Provide a dashboard view of all projects implemented by the partner worldwide

UNHCR hopes the Portal will be ready for testing with partners in June 2014.

In the absence of a Partner Portal, how is information about the Framework being communicated to NGOs?

UNHCR HQ has asked its 100-140 offices to disseminate information to their partners. UNHCR has provided some information to network organizations, like ICVA, and offered sessions on the Framework at the UNHCR-NGO Annual Consultations. It is also developing a team of Facilitators/Resource Persons (UNHCR & Partners) that would foster support and disseminate the new policies.

Could UNHCR establish partner liaisons?

UNHCR would like to develop a facilitators network.

What are the main changes to UNHCR’s approach to partner selection and retention?

UNHCR’s new selection process, launched in July 2013, includes eight steps:

1) All the UNHCR country offices that implement projects with partners establish “Implementing Partnership Management Committees”;
2) The Committee specifies selection criteria before a “call for expression of Interest” is issued;
3) UNHCR issues a “call for expressions of interest”;
4) NGOs submit simplified concept notes using one format at one given call for expression;
5) Documents are prepared for Committee review;
6) The Committee reviews the documents and makes recommendations to the Head of Office;
7) The Head of Office accepts or rejects the Committee’s recommendations with a justification if he/she overrides the Committee’s recommendation; and
8) UNHCR communicates decisions to the applying organizations.
Partners cannot be retained for more than 4 years without a selection process.

The Committee

The primary difference from the past approach is Step 1: UNHCR offices must establish an “Implementing Partnership Management Committee.” It is comprised of UNHCR staff only; the hosting Government does not sit on the Committee. The Committee is comprised of a multi-functional team of at least three persons. Out of 124 offices surveyed, more than 100 have already established Committees. Auditors confirmed this result.

Decisions

Regarding Step 6, the Committee’s choice of a “best-fit partner” must be transparent, consistent, objective and evidence-based. Members are expected to use their professional judgment.

Regarding Step 7, the Head of Office may reject the Committee’s recommendations. The final decision lies with the Head of Office. In case he/she rejects Committee’s recommendation (for any reasons such as for politically sensitive reasons), the Head of Office must place a written justification and rational for such decision.

Regarding Step 8, when communicating final decisions to applying organizations it is UNHCR's choice whether or not to disclose its reasons. If the UNHCR office does not communicate its reasons, the partner can ask the Implementing Partner Management Service and they will confirm whether the decisions were made in a fair and transparent way. UNHCR will strive to do its best to provide the information. However, the UNHCR may not be in position to disclose the rationale of the decision due to operational sensitivities (e.g. confidentiality related to protection of persons of concern, security, etc.). Auditors will also test reasons for decision.

Meeting notes:

- An NGO urged UNHCR to only very rarely withhold its reasons for decision.
- UNHCR's response: This goes without saying. That is why a safeguard is place: an external and independent audit.

Additional Points to be Considered

The selection process will be reviewed after some years.

Meeting notes:
• An NGO asked about **exemptions from the selection process**, for example the six-month waiver granted to UNHCR Jordan because of the emergency. UNHCR IPMS offered to provide a list of the few (about 14) offices that have received a waiver and others that have made transitional plans.

• An NGO asked about the selection process for projects that have **donor earmarks**. UNHCR IPMS noted that, to be fair, NGOs will be given an opportunity to submit an expression of interest, but “donor conditions met” will be one of the criteria for selection. Sometimes UNHCR cannot publicize which donor is earmarking for a project.

• An NGO asked if any **additional guidance** will be given to UNHCR offices regarding the selection process. UNHCR IPMS suggested that if additional information is needed, it can be included in the relevant FAQ document.

**What are the main changes to UNHCR’s Project Partnership Agreement (PPA)?**

**The Title**

The title of the agreement makes it clear that the agreement is about project partnership: “Project Partnership Agreement Under the Programme of the United Nations High Commissioner for Refugees between UNHCR and the Partner.” This presumes that UNHCR and the entity already have an existing partnership.

**The Preamble**

The preamble emphasizes that the Parties have agreed to establish a collaborative partnership to address the needs of the “population of concern.” The whole change in language here, including embedding the Principles of Partnership terminology, was recommended by NGOs (such as article iii).

**Duration of the Agreement**

The new PPA is clearer on the “effective start date of implementation,” taking into account that agreements may be signed after activities commence (article 3.2).

The new PPA also emphasizes that the completion date of implementation is no later than 31 December of the budget year (article 3.2).
In exceptional circumstances, UNHCR’s Controller may grant a no-cost extension for the project implementation period (article 3.5). **This must be requested no later than 30 November** in order to set aside funding under the PPA. Otherwise the funds might be either carried forward into the next calendar year UNHCR programmes or be reimbursed to the donor as the rules/donor conditions apply.

**Reporting Requirements**

In consideration of some NGOs’ feedback, the PPA now clarifies up front how many reports are required and their deadlines (article 5.1):

1) Project Performance/ Financial/ Property/ Personnel Report for period ending 31 March -- by 10 April
2) Project Performance/ Financial/ Property/ Personnel Report for period ending 30 June -- by 15 July (mandatory for UNHCR Mid-Year Reporting)
3) Project Performance/ Financial/ Property/ Personnel Report for period ending 30 September -- by 10 October
4) Project Financial Report for period ending 30 November -- by 10 December
5) Final Project Performance/ Financial/Property/Personnel Report for period ending 31 December -- by 15 February (mandatory for UNHCR Annual Reporting)

As part of joint monitoring of projects, partner feedback forms should be completed by UNHCR and the partner at the end of each project.

The offices will have the discretion to set the reporting requirements, however the reports for the mid-year (#2), interim financial report (#4) and end of year (#5) are all mandatory as those dates coincide with UNHCR’s own reporting requirements and partners’ reports feed into UNHCR’s global and donor reports.

**Meeting Notes**

- An NGO asked why UNHCR has annual cycles when other UN agencies and donors have multi-year cycles. It would be helpful if the General Assembly allowed for multi-year funding, as this is one of UNHCR’s biggest constraints.

**Periodicity of UNHCR Installment Transfer**

Transferring cash in installments requires a great deal of work. UNHCR also receives many donations in installments and at different times of year. To enhance predictability, ensure continuity of cash flow, and reduce risk on partners, UNHCR will make periodic transfers based on a Project Work Plan/ Installment Plan (article 6.5 and Annex C). Partners should sit down with UNHCR offices to make these Work/Installment Plans.
The first installment allows for the inclusion of the cash requirement of an additional month’s planned activities as a lead-time to ensure Project cash flow (article 6.5).

**Interest-Bearing Bank Accounts**

The use of a pooled account requires the advance written approval of UNHCR’s Controller (article 6.9). The PPA now clarifies that the Partner has been authorized to use a pooled account.

**Project Budget and Budgetary Transfers Level**

The PPA clarifies at which level partners are authorized to make discretionary budget line transfers of up to 15% (article 6.11). Mature partners can be allowed to have budgetary transfers at the objective level, others at the more detailed levels (output and account). It may also depend on earmarking requirements.

**Overhead Support Costs**

Articles 6.12 and 6.13 clarify a new methodology of calculating the overhead support costs for International NGOs’ support costs. These changes were made in consideration of feedback received from NGOs, although UNHCR does not receive overhead cost from all its donors and all contributions.

When UNHCR enters into a Project Partnership Agreement with a partner, there is the expectation that the partner, in a spirit of partnership, will contribute additional resources to the Project. However, contribution of resources by the International NGO partner to the Project is no longer a precondition for UNHCR’s contribution towards the Headquarters Overhead Support Costs of international NGOs.

The new policy of the UNHCR’s contribution to Headquarters Overhead Support is set now at 7% (a change from “up-to 7%”). Another change is the reduction and clarification of exclusions:

- Bulk Procurement (above $100,000),
- sub-contracts to commercial entities,
- provision of voucher/cash assistance, and
- funds for micro-credit.

**Procurement**

Partners can now be pre-qualified to procure goods and services for an amount of $100,000 or more (article 6.15). They may use their own system. However, they must demonstrate that they have sufficient procurement systems in line with
UNHCR’s guidelines. UNHCR’s Procurement Management and Control Service will conduct the prequalification. The new PPA allows a grace period of 2 years for partners to apply for this status.

The signed PPA will only include language on specialized project activities if they are relevant to the project and the box is ticked. Language exists for the following specialized activities: cash, construction, food/NFI distribution, inventory management, revolving loan funds, health, nutrition, WASH, SGBV, protection of children, education, the environment, fuel, and vehicle management.

**Participation of the Population of Concern**

The PPA talks about the participation of the “Population of Concern” rather than “beneficiaries” (Article 7). It is the responsibility of both UNHCR and its partner, as “the Parties,” to engage the Population of Concern (Article 7.1).

**General Responsibilities of the Parties**

The PPA introduces a new requirement for “formal joint monitoring and review meetings” to be held at least at mid-year and at the end of the project to agree on the resolution of findings and build on lessons learned (Article 8.1) to improve the dialogues among parties and quality of assistance/protection provided to populations of concern.

**Eligible Costs**

The PPA clarifies which costs are considered “Eligible Costs” (Article 10.6).

> Eligible Costs shall constitute expenditures for implementing activities as described in the Project Description (Annex A) and in accordance with the Project Budget (Annex B) and within the Project Implementation Period specified in Art. 3.2.

This was introduced for clarity and to reduce disputes in the field.

**Terrorism**

Articles 10.8 -10.10 refer to UN Security Council resolutions relating to the financing of terrorism.

> 10.8 Consistent with numerous United Nations Security Council resolutions relating to terrorism and in particular the financing of terrorism, the Parties shall seek to ensure that resources received under this Agreement, whether in cash or in-kind, are not used, directly or indirectly, to provide support to terrorist. In accordance with this policy, the
Partner agrees to employ all reasonable efforts to ensure that such resources are neither (a) knowingly transferred directly or indirectly or otherwise used to provide support to any individual or entity appearing on the lists maintained by the United Nations Security Council Sanctions Committee established pursuant to Security Council Resolution 1267 (1999) and pursuant to other resolutions of the Security Council targeting terrorism (resolutions are available at http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm and links to lists maintained by http://www.un.org/sc/committees/list_compend.shtml); nor (b) used in any other manner that is prohibited by a resolution of the United Nations Security Council adopted under Chapter VII of the Charter of the United Nations.

10.9 If, during the course of this Agreement, the Partner discovers a link with any organization or individual associated with terrorism it must inform UNHCR immediately.

10.10 If it emerges, at any time, that a person or entity receiving funds from this Agreement either (a) appears on a list maintained by the Security Council Sanctions Committee or (b) is found to be using funds received from UNHCR to provide support to individuals or entities on such lists, then the Partner will immediately inform UNHCR.

The text was improved in consideration of NGO feedback.

**Exchange Rate**

Whereas before partners were required to use the UN exchange rate (whose facility is not available to non-UN agencies), the new PPA says the “Partner shall apply the actual rate of exchange for the transaction” (Article 10.18).

**Goods and Property**

The handling of Goods and Property is addressed in Articles 10.20 – 10.26. The disposition of equipment depends upon the situation and requires UNHCR approval.

**Inspection, Monitoring and Audit**

The PPA clarifies expectations requiring audits. Audits can take place during the project period or up to six years following completion of the project (Article 10.27). The duration is set in alignment of requirements of UNHCR.

**Investigation and Ethical Considerations**

The PPA strives to apply ethical considerations to both UNHCR and the Partner.

The clause is a requirement on both parties, and balanced in consideration of feedback received from partners.
Partner Personnel

UNHCR’s expectations regarding partner personnel are described in Articles 10.38 – 10.51. Additional details will be provided in a guidance note, which is not yet finalized.

Assignment to a Third Party – Non-Commercial Entities

The Partner cannot delegate any aspect of the project implementation to a third party unless both parties agree in advance in writing (Article 10.50). UNHCR distinguishes between non-commercial and commercial entities when it comes to assignment to third parties.

Anti-Corruption and Anti-Fraud Practices

The PPA calls for both UNHCR and the partner to commit to adhering to the highest standards of integrity and accountability in the use of project resources (Article 11.3).

Compliance with Legislation

The Partner shall, at its own expense, comply with all applicable laws and regulations of its country of establishment and/or operation, and assume all liabilities and obligations imposed by any law or regulation with respect to its performance under this Agreement (Article 11.4).

In addition, the Partner is expected to comply with UN rules. If the country’s rules conflict with the UN’s rules, then it is incumbent on UNHCR to apply and respect the UN rules.

Taxation and Customs

To maximize funds available for the Population of Concern, the Partner is expected to use any available tax exemptions (Article 11.5).

Copyright, Patents and Other Proprietary Rights

The PPA’s language on UNHCR’s ownership of the Partner’s intellectual property and other proprietary rights has been softened. Exceptions can be made on a case-by-case basis. (The latter phrase was introduced in consideration of partners’ feedback).
Confidentiality

Regarding the respect for confidentiality, expectations of both UNHCR and the Partner are explained in Articles 11.11 – 11.16. (The text was introduced in consideration of partners’ feedback.)

Personal Data Protection

During the PPA drafting process, many partners raised concerns about this section (Articles 11.17 – 11.25), particularly as it relates to the handling of sensitive SGBV-related information.

Some flexibility was introduced, like with the phrase “to the extent possible” in Article 11.18:

To the extent possible, the Partner shall obtain individuals’ consent to the collection and processing by the Partner of Personal Data and to the transfer of such Personal Data to UNHCR for the stated purposes. Where the Partner conducts interviews and collects protection sensitive personal data, it must also obtain the informed consent of the person concerned.

Visibility

This section (Articles 11.26 – 11.30) is directed at both UNHCR and the Partner and includes references to logos.

Privileges and Immunities

Previously there was confusion about privileges and immunities. Legally, Host Governments do not grant UN privileges and immunities to NGOs implementing projects for UNHCR. Therefore, the previous text had to be removed.

The new PPA says nothing in this Agreement shall be deemed a waiver, expressed or implied, of any privileges or immunities enjoyed by UNHCR (Article 11.33).

Force Majeure and Other Changes in Condition

The PPA introduces some flexibility into what is considered “force majeure.” This is an unforeseeable and irresistible act of nature, any act of war, invasion, revolution, insurrection, act of terrorism, etc. that was not in existence when the project started or reasonably contemplated when the project was defined (Article 11.37). This text was also adjusted in consideration of partner feedback.
Termination

In the past, only UNHCR could terminate a project. This PPA allows for either UNHCR or the NGO to terminate the project without cause at any time by giving 90 days advance notice in writing (Article 11.42). With four months of advance funding and 90 days of advance notice, NGOs are financially secure for half a year, unlike in the past.

UNHCR is also entitled to immediately terminate a project if it has cause related to terrorism, violations of laws, failure to prevent abuse, etc. (Article 11.44).

Termination of a project does not necessarily lead to termination of a partnership.

Standards for Managing Misconduct

UNHCR’s Inspector General’s Office (IGO) and 11 NGOs have worked on this Appendix 2. It contains:
- A listing of types of misconduct;
- A set of recommended minimum investigation standards;
- Standards on ensuring protection from sexual exploitation and abuse; and
- Procedures for reporting of misconduct.

The Partner is expected to have investigation policies, procedures and standards in place as outlined in the Appendix, or at a minimum have a plan and timeframe in place for the progressive realization thereof.

UNHCR Obligations

UNHCR is obligated to comply with the terms and provisions of the agreements, including:

- The timely release of resources. There have been delays in the past, but this will hopefully improve. In the past 5 years UNHCR has never failed to fund its agreements. Funding shortfalls were always addressed with internal budget cuts.
- The timely review of reports and feedback. There have been delays in the past, but this will hopefully improve.
- Dignified verification and monitoring.
- Ethical conduct.
Partner Obligations

Partners are also expected to comply with the terms and provisions of the PPA, including:

• Delivering the expected results in a timely manner.
• Being transparent about other donor contributions. This information has not been forthcoming in the past.
• Timely consultations. If the NGO isn’t getting this, it should ask.
• Making changes and improvements as required by UNHCR and the auditors
• Ethical conduct.

Other Considerations

• The new PPA format came into effect 1 April 2014. Most 2014 agreements were signed prior to 1 April using the old format. This timing is less disruptive to the program cycle because it gives NGOs more time to gain familiarity with the agreement.
• An NGO asked if the Letter of Intent (LOI) is still applicable. UNHCR will still use an LOI. UNHCR’s old LOI didn’t say how much money was involved; the new one will have more clarity. NGOs will be consulted on the draft LOI.

What are the next steps?

The selection policy and PPA are final and cannot be changed at this time. If necessary, waivers can be issued.

Additional clarifications about selection, the PPA and other aspects of the Framework will be made through the development of guidance notes and FAQs. NGOs are welcome to submit feedback to UNHCR/IPMS to inform these documents. By 19 May 2014 UNHCR will hold workshops and will then provide a list of the pending documents and associate time frames.

A facilitators network that met in October/November 2013 is scheduled to meet again the week of 19 May 2014. If ICVA and InterAction receive draft documents some weeks in advance of the meeting, they can solicit member inputs and raise member suggestions at the facilitators network meeting. The network is developing a strategy to roll out the Framework, involving face-to-face contact, webinars, and trainings. ICVA/InterAction and other participating partners will receive the available materials.
NGOs would appreciate **additional consultations** after the facilitators network meeting, including at the 17-19 June 2014 UNHCR-NGO Annual Consultation session on the Framework.

Further details and better understanding of the newly introduced materials will be provided through the multiple approaches for roll-out.