PROJECT MONITORING, REPORTING, REVISION AND EXTENSION GUIDELINES

This document outlines a basic approach, steps and timing of monitoring, reporting, extension and revision guidelines for UNDEF-funded projects. The project monitoring is a collaborative process between the Implementing Agency and UNDEF. UNDEF monitors the project based on timely and effective reporting from the Implementing Agency which is complemented by a combination of other methods, such as UNDEF designated milestone monitor, UNDEF field visits, and third-party assessment and post-project evaluation if applicable. Good communication between the Implementing Agency and UNDEF is a key to successful monitoring and implementation of the project. Reports submitted to UNDEF are part of the public domain (unless otherwise agreed) and as such may be shared with UNDEF's Advisory Board, Programme Consultative Group, or may be posted on the UNDEF's website. UNDEF will also use the reports submitted during the lifespan of the project to determine whether projects are making satisfactory progress and to recommend adjustments to scope, implementation and funding as needed. All reports must be drafted in English or French, the two working languages of the UN Secretariat.

For all reporting templates, please visit the UNDEF website:
http://www.un.org/democracyfund/information-grantees

1. Project Management Arrangement

The Civil Society Organization (CSO) receiving the grant as the Implementing Agency (IA) is responsible for the overall management of the project and bears all substantive, financial, monitoring and reporting responsibilities to UNDEF.

2. Project Monitoring

UNDEF projects are monitored in several ways:

A. All Implementing Agencies for all projects must monitor their own activities. The IA should use the indicators set in the Result Based Framework of the Project Document (PD) to monitor the project throughout its duration. If the IA is required to collect additional baseline data, this should be done as soon as possible. Furthermore, the data for the indicators will be used in the final evaluation of the project.

B. UNDEF will monitor progress by way of review of progress reports (narrative progress reports) and will conduct remote conference calls with the Implementing Agency and ad-hoc monitoring visits of the project as needed.

C. UNDEF will appoint monitors to observe project milestones as detailed in the project document.

3. Monitoring and Reporting Requirements

See below reporting requirements and timelines. Additionally, UNDEF may request ad hoc updates at any time throughout the duration of the project.

Report Title	Prepared By	Submitted By/To	Deadline
Narrative Progress Report (NPR)	Implementing Agency	By Implementing Agency to UNDEF	Following the completion of each milestone (on month 8 and 16 for a 24-month project) event and at the time of disbursement request
Milestone Verification Report (MVR)	UNDEF-appointed observer	By UNDEF-appointed observer to UNDEF	Following attendance of milestone activity
Financial Utilization Report (FUR)	Implementing Agency (certified by the designated external auditor)	By the Auditor to UNDEF	Completion of each Milestone (#2 and #3)
Final Narrative Report (FNR)	Implementing Agency	By Implementing Agency to UNDEF	1 month after project end
Final Financial Utilization Report (FFUR) as part of a Complete Final Project Audit Report	Implementing Agency (designated external auditor)	By the Auditor to UNDEF	3 months after project end
Evaluation Report	Independent entity, or as decided by UNDEF in consultation with Implementing Agency	By Independent entity to UNDEF, or as decided by UNDEF in consultation with Implementing Agency	After submission of Final Narrative Report

Templates for financial and narrative reporting can be found on the UNDEF website. **http://www.un.org/democracyfund/information-grantees**; Reports that do not use the correct template will not be accepted.

3.1 Milestone Monitoring (in 8th and 16th months respectively)

Each milestone and corresponding grant installment are indicated by the grantee and approved by UNDEF during negotiation of the project document (see sample below). It is the responsibility of the grantee to inform **UNDEF of any changes to a milestone well in advance of its scheduled activity which may lead to changes in the disbursement schedule.**

Disbursement table (Sample)

Milestone	Amount	Date
1) Project document signature	_____US$	Month 1
2) Observation: *Completion of the 30th Training of Trainers (TOT) programs in 5 project districts. (Output 1.2) Deliverable due: Training manual*	_____US$	Month 8
3) Observation: *Completion of the 40th Linkage workshops in 5 project districts. (Output 2.2) Deliverable due: Workshop report*	_____US$	Month 16

The Implementing Agency must provide UNDEF with the logistical details of the milestone activity in the UNDEF required template **two months prior to its occurrence**. Logistical details include dates, location, contact names, agenda/programme and any accompanying materials using a Milestone Information Form to be provided by UNDEF. Such advance notice is necessary since UNDEF needs to appoint a monitor who may need to arrange his or her travel.

UNDEF will appoint an observer to monitor project milestones 2 and 3, likely through the UN Country Team/UN Resident Coordinator. This person or entity will bear no responsibility for any aspect of implementation of the project.

The UNDEF-appointed monitor will contact the Implementing Agency directly to make final arrangements. The IA is requested to provide any logistical support whenever needed and possible. The travel costs of the monitor if any will be covered by UNDEF. The monitor will attend the activity, take notes and photos, and collect materials. The IA is required to provide the monitor with necessary documents, such as the event agenda, signed list of participants, publications, brochures etc.

After the event, the monitor will compile the details from the monitoring activity and will submit to UNDEF a **"Milestone Verification Report**" (MVR) with relevant materials.

In some cases, UNDEF may decide to conduct a desk review of the milestone activity in lieu of sending monitors. In such cases, the IA will be required to submit a draft MVR in UNDEF format, photos of the activity, short videos and any additional accompanying materials. These will be reviewed by UNDEF.

3.2 Narrative Progress Report

Upon completion of each milestone activity, the Implementing Agency is required to submit a progress report using **the UNDEF narrative reporting format**. The report should include detailed information on the status of project implementation up to and including the milestone activity, including: activities that have been completed and those in progress, planned timelines for activities that have not taken place, an update on funds utilized, and the achievement of project outputs, outcomes and any unforeseen changes in the project as compared with the signed project document. The report should be accompanied with

relevant supporting documents as annexes so that UNDEF can verify the completion and quality of each output. The report should also justify any changes made to the implementation of the project as compared with the signed project document. UNDEF will use this report to determine whether the project is making satisfactory progress and to gauge whether any adjustments in scope, activities or funding are warranted. The IA is also encouraged to send any additional documents to UNDEF. Upon submission of the report, UNDEF may contact the IA to arrange a remote conference to discuss the project progress.

3.3 Financial Utilization Report (certified by the auditor)

After completion of each milestone event and the fund utilization rate (budget/expenditures) of the disbursement has reached **at 70%**, the Implementing Agency is required to submit a draft/uncertified Financial Utilization Report (FUR) in Excel format for a preliminary review and approval by UNDEF. FURs should be in the required UNDEF format and reflect the amount spent to date. The purpose of the FUR is to compare project expenditures against the project budget as agreed in the signed project document.

The IA is required to attach a short explanation per budget line where there has been significant over and under expenditure. UNDEF will review the FUR and will either approve the expenditure or will revert to the grantee for further information or discussion.

With UNDEF's approval of the FUR draft, the IA then signs and stamps the FUR and sends it to the external auditor listed in the project document for their certification. The certified FUR must be **submitted by email to UNDEF by the Auditor directly** (the email must include the project number in the subject header and be copied to the IA). Certified FURs submitted by the IA to UNDEF will not be accepted.

Changes to the approved project budget require prior UNDEF approval. Financial reallocations made without prior UNDEF approval will not be accepted, and the funds may have to be reimbursed to UNDEF. (See 4. Project Revisions and Extensions). The Implementing Agency will be held responsible for over expenditures.

UNDEF will review the certified report and issue the next disbursement. Disbursed funds should reach the Implementing Agency's account within two weeks. The IA is required to notify UNDEF of receipt of funds.

NOTE: Normally UNDEF will not disburse a full third/final tranche if the remaining project period is less than four months since the IA may not be able to spend the disbursed funds effectively. In such a case, UNDEF will discuss with the IA whether the project will end without the final disbursement, whether UNDEF will disburse a part of the final tranche, or whether UNDEF will request the IA to use their own funds to cover the remaining expenses related to the activities of the project. UNDEF may consider reimbursing the over-expenditures recorded in the Final FUR if UNDEF deems the expenditure justifiable in light of the project results reported by the IA and verified by UNDEF.

3.4 Final Narrative Report

The Implementing Agency is required to submit a Final Narrative Report **one month after** the completion of the project. The report must include **detailed** information on project implementation, describing the achievement of outputs and outcomes as agreed in the signed project document. The report should also justify any changes made to the implementation of the project as compared with the signed project document and should outline lessons learned and best practices. Any additional materials that support completion of the planned outputs should also be sent as annexes.

3.5 Final Financial Utilization Report <u>(with a Complete Final Project Audit Report)</u>

The IA is required to submit a Final Financial Utilization Report (FFUR) **no later than three months** after the project end-date.

- As a first step, the IA is required to submit an uncertified draft FFUR in **<u>Excel format</u>** for a preliminary approval by UNDEF.
- As a second step,
  - a **complete final project audit report** certified by the independent and external auditor indicated in the project document must be submitted. This complete final project audit report must include a general opinion, a detailed financial assessment and **the certified FFUR that has been pre-approved by UNDEF.**
  - The complete final project audit report must be **submitted to UNDEF <u>by the Auditor directly</u>**. Submission by the Implementing Agency will not be accepted.

Note: UNDEF will not accept an FFUR stamped by the auditor without a complete final project audit report as mentioned above.

3.6 End of Project Evaluation

UNDEF is responsible for devising the final project evaluation modality and will inform the IA if a project evaluation is to be conducted. **The Implementing Agency is required to take all necessary measures to facilitate evaluation as and when required by UNDEF or its designated third party.**

Should an evaluation be conducted, the final evaluation report will be published on the UNDEF website.

3.7 Project Closure

Following submission of the FFUR submission if the remaining balance exceeds USD 1,000, the Implementing Agency must return this remaining balance to UNDEF. Upon receipt of the final reports (FNR and FFUR) and the refund if applicable, UNDEF will close the project and send an official closure letter to the IA stating that the project had been completed.

3.8 Reporting requirements outline

The timeline attached at the end of this document shows the aforementioned reporting requirements throughout the project duration.

4. Project Revisions and Extensions

4.1 Project and Budget Revisions

In cases where substantive revisions to a project document and/or its budget are necessary the IA is required to contact the UNDEF Programme Officer who will then advise on the necessary procedures.

A substantive revision involves a modification of outcomes or outputs of the project. Providing that the project remains relevant to the objectives of UNDEF and consistent with the project proposal, revisions can be made at any point during the project lifecycle in one of the following three circumstances:

A)   In response to changes in the national, regional or global context,

B) To adjust the design and resource allocation to ensure the project operates effectively in a changing environment and/or

C) To improve project design and/or implementation by clarifying objectives, adjusting results, indicators, assumptions and/or conditions, and adding or curtailing activities.

Approved changes should be documented both in the narrative progress reports and final narrative report. Financial reallocations made without prior UNDEF approval will not be accepted, and the funds may have to be reimbursed to UNDEF.

4.2 Extension of Project Duration

UNDEF prefers projects to be implemented in accordance with the approved timetable foreseen in the project document and will only consider "no cost" extensions in exceptional circumstances. In such cases, the Implementing Agency is required to contact the UNDEF Programme Officer **no later than three months** before the initially foreseen project end date.
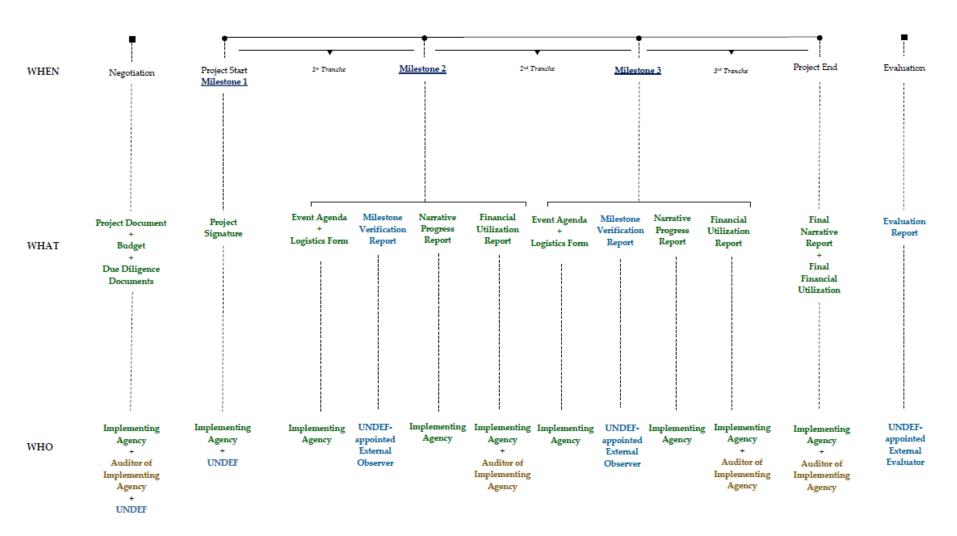
A "no cost" extension implies that there will be no re-allocation of funds to salaries and support costs. Under no circumstances should salaries and support costs exceed the amounts allocated in the approved project budget.

Extension requests will be considered for the **shortest justifiable timeframe** and **in no circumstances, will exceed 12 months.**

The Implementing Agency upon consultation with the UNDEF Programme Officer is required to submit a Project Extension Request Form. In addition to the extension request form, an **updated Results Framework** must be enclosed clearly highlighting the activities already completed at the time of the request and any activities that will be implemented during the project extension period. Upon approval of the extension request, if the extension period is more than six months, the Implementing Agency should report to UNDEF on the project progress using the Narrative Progress Report template (cumulative) at the mid-point of the extension period.

Reporting Requirements Outline

WHEN	Negotiation	Project Start **Milestone 1**	*1st Tranche*		**Milestone 2**		*2nd Tranche*		**Milestone 3**		*3rd Tranche*	Project End	Evaluation
WHAT	Project Document + Budget + Due Diligence Documents	Project Signature	Event Agenda + Logistics Form	Milestone Verification Report	Narrative Progress Report	Financial Utilization Report	Event Agenda + Logistics Form	Milestone Verification Report	Narrative Progress Report	Financial Utilization Report		Final Narrative Report + Final Financial Utilization	Evaluation Report
WHO	Implementing Agency + Auditor of Implementing Agency + UNDEF	Implementing Agency + UNDEF	Implementing Agency	UNDEF-appointed External Observer	Implementing Agency	Implementing Agency + Auditor of Implementing Agency	Implementing Agency	UNDEF-appointed External Observer	Implementing Agency	Implementing Agency + Auditor of Implementing Agency		Implementing Agency + Auditor of Implementing Agency	UNDEF-appointed External Evaluator

UNDEF Project Monitoring, Reporting, Revision and Extension Guidelines (Revised in 2019)