

**MEMORANDUM**

To: All Staff

OED/Proj/121122

Through:

From: Dr. Joan Clos, Executive Director, UN-Habitat

22 November 2012

Subject: **Project Based Management Policy**

1. In line with the objectives of the organizational review to enhance efficiency, transparency and accountability, and to ensure a consistent quality approach in the management of UN-Habitat's project portfolio, please find attached the Project Based Management Policy.
2. I encourage all UN-Habitat staff members, particularly senior managers to ensure compliance with the responsibilities and procedures outlined in the policy and to seek clarification with the Project Office and Office of Management where necessary.

Thank You.

# Project Based Management

November 2012

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## Glossary of Terms and Acronyms

Concept Development Team	Team of staff drawn from different offices to develop a project concept for funding
Concept Document	Document outlining a new project's goals, objectives, themes, main activities etc. for approval by the Regional or Headquarters Project Advisory Group. Unlike a full Project Document, the Concept Document does not have to give details on some aspects of the project e.g. stakeholder analysis, monitoring and reporting, evaluations, etc. Template automated in PAAS
CPR	Committee of Permanent Representatives, intersessional body of the Governing Council – UN-Habitat reports on a quarterly period on its performance, including performance on the project portfolio and financial implementation rates
Direct Costs	All costs that are incurred for, and can be fully traced to activities, projects and programmes. This includes project personnel, equipment, project premises, and travel
Fixed Indirect Costs	Costs that are incurred by an organization regardless of the scope and levels of its activities such as top management and statutory bodies not related to service provision
IMDIS	Integrated Monitoring and Documentation Information System which used by UN Secretariat agencies to report on delivery of the work programme on a six monthly basis
Project	A set of related tasks, that have a plan, start and end date, defined outputs and results and are allocated financial, human and other resources. Projects must have a Project Leader and Project Administrator. All work is to be defined as a project – ongoing work e.g. administrative / support work will have a start date of 1 January and end date of 31 December. The Project Leader for such projects is the head of office/branch/country/region.
Project Accrual and Accountability System (PAAS)	Computer system to support project management and help enhance accountability, transparency, productivity and efficiency in the management of the agency's project portfolio
Project Advisory Group (PAG)	Group at Headquarters or at Regional Office level that reviews and approves new Concept/Project Documents
Project Document	Document outlining a project's goals objectives, background, implementation strategy, governance, budget, results, logical framework, etc., based on a standard template. After approval, the document guides the substantive and financial implementation of the project. Template automated in PAAS. Automation of donor templates under consideration
Project Originator	Any individual or office that conceives a project at the country, regional liaison office or headquarters level
Programme Support Costs (PSC)	Programme Support Costs – costs to cover expenditure of management and administration and project support recovered mainly from the overhead charged to projects
Project Formulation Team	Team that may be established to formulate a Project Document.
Standard Costs	Estimated cost used developed as basis for charging for a service e.g. the total chargeable staff cost is composed of the standard salary rate based on the salary UN salary scale for the duty station plus a standard cost to account for rent, utilities and common

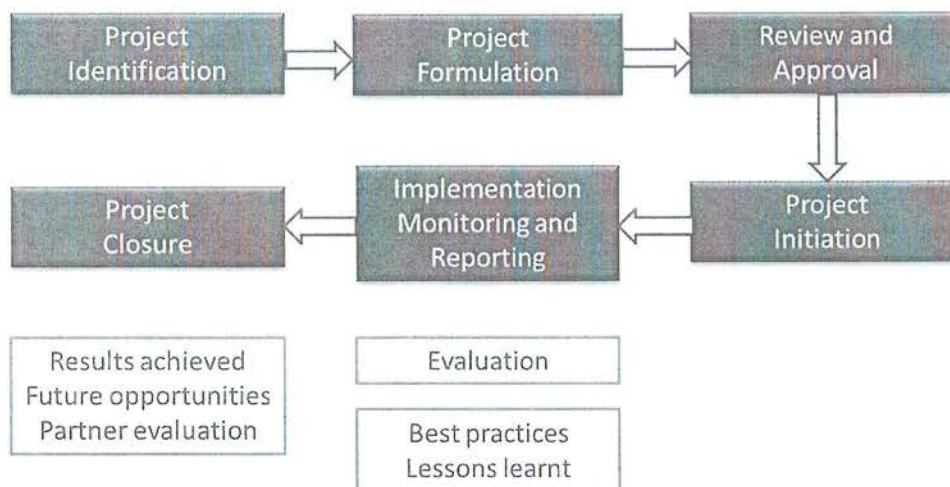
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## 1. Purpose and Scope

1. The main purpose of these policy guidelines is to give direction on the project based management. The guidelines cover the whole project cycle from project identification, formulation, planning, approval, implementation, monitoring, reporting and evaluation. Supporting tools are highlighted at each stage of the project cycle. For each stage of the project, the guidelines highlight the main actors/roles and the main supporting tools.
2. This document should be read in conjunction with the related policies listed in Annex 1 issued as part of UN-Habitat's 2011-12 organizational review.
3. This project based management policy applies to all the work of the organization. Under this policy, the work of all offices and branches/units including those handling administrative, support, advocacy, liaison, and coordination functions is also organized and managed as projects.
4. For the purpose of this document a project is defined as any activity which has a life cycle and:
  - a. **Purpose** – goals, objectives, rationale
  - b. **Duration** – start and end dates; ongoing work is divided into work plans that have a duration of one year starting date of 1 January – 31 December each year
  - c. **Resources** – budget, funding source, human resources to carry out the activities
  - d. **Outcomes** – output, results, impact
  - e. **Implementation strategy** – includes management structure, schedule with milestones, activities, risk assessment, assumptions, and monitoring and reporting mechanism
  - f. **Partners** – includes donors, implementing partners, beneficiaries, collaborating units within the organization



5. This policy takes effect from 1 January 2013. All projects submitted after this date should be entered online via the PAAS. Similarly, updates on delivery of outputs and results are made online every 3 and six months respectively. Individual and group training on the use of the system is provided by the Office of Management.

## 2. Alignment to Strategic Results

6. The organization's priorities are outlined in a six year strategic plan which is delivered through three successive biennial work programme and budgets. All projects undertaken by UN-Habitat are aligned with the biennial work programme and budget. Each organizational unit should develop an annual work plan outlining the projects to deliver the results in the biennial work programme.
7. The biennial work programme and budget outlines planned results specified as *expected accomplishments* and *outputs* for a particular biennium. Projects undertaken during this period contribute to the *expected accomplishments* and deliver *outputs* outlined in the work programme. Projects may deliver more outputs than those outlined in the work programme. The PAAS contains a list of all the *expected accomplishments* and *outputs* for each sub programme in the biennial work programme and budget to facilitate linkage of projects to the strategic priorities of the agency.

## 3. Main roles

8. The main roles for a particular stage of the project life cycle are highlighted throughout the document under the relevant section. They are summarized here for easy reference. The roles outlined below relate only to project related responsibilities:
  - a. **Project originator** – any person who leads conception of a new project. At regional or country level, this may be a Human Settlements Officer, Habitat Programme Manager, Head of Country Office, or Regional Director; at Headquarters this may be the Branch Coordinator or Unit Head
  - b. **Project Leader** - is responsible for overall coordination of the project is appointed when the project starts. Where the project leader is not a core UN-Habitat staff, the Regional Office or Branch Coordinator will designate a staff member to ensure that written authorizations are in line with the policies relating to delegations of authority
  - c. **Project Administrator** – is responsible for all financial aspects of the project including entering allotments into IMIS, certifying expenditure, budget revisions, monitoring income and implementing partner agreements, monitoring financial implementation rate against budgets, income and agreements, and highlighting financial issues relating to the project. Project Administrators are assisted by Programme Administrative Assistants
  - d. **Branch Coordinator** – is responsible for acquisition of new projects relating to the themes of the branch, ensuring timely review and approval of projects within the region, overall coordination of projects led by the branch, ensuring effective collaboration and support of projects which have themes that are covered by the branch, and producing an annual report which includes a synthesis the agency's work on the themes covered by the branch. The report shall highlight the main outputs and results, best practices and lessons learnt from the projects and provide a summary of financial implementation
  - e. **Regional Director** – is responsible for acquisition of new projects in the region, overall coordination and monitoring of projects in the region, providing support for project implementation, ensuring regular liaison with external stakeholders including donors and beneficiaries, highlighting key achievements and significant risks and ensuring effective collaboration relevant thematic branches



- f. **Head of Country Office, Habitat Programme Manager** – is responsible for acquisition of new projects in the country, and where appropriate, coordination, monitoring, and support of projects within the country
- g. **Project Office** – is responsible for ensuring timely review and approval of new projects origination from Headquarters and Liaison Offices, supporting regional Project Advisory Group (PAG) meetings, ensuring that cross cutting issues are mainstreamed into projects, facilitating collaboration between thematic branches and regional and country offices, supporting resource mobilization efforts, and monitoring and reporting on the corporate project portfolio. Reports will include but are not limited to regular reports on newly approved projects, progress on delivery versus planned outputs, highlighting achievements and risks
- h. **Office of Management** – is responsible for the overall financial management of the agency’s project portfolio, providing support to Project Administrators, facilitating financial setup of new projects, monitoring expenditure against budgets to ensure resources are used for the intended purpose, providing reports on delivery of results against the work programme and budget and financial reports on financial implementation rates, overhead income, and exception reports on over/under expenditure and financial compliance with regard to agreements. It also provides training on systems that support project management
- i. **Office of the Executive Director** – provides support for legal instruments including income and implementing partner agreements; project evaluation; publicity and outreach; and advice on partnerships

#### 4. Project Identification

- 9. All project proposals must be linked to the UN-Habitat mandate, strategic plan and biennial work programme results. New concepts should be shared with the Project Office and relevant Regional Offices and Branches, indicating possible sources of funds. Pipeline projects fall into the following main categories:
  - a. **Hard pipeline** - are project concepts where a demand has been articulated and where financial, substantive and implementing partner, where applicable, have been identified. These may be part of the *UN Delivering as one* at country level, new phases to existing projects, responses to interests from donors and/or beneficiary countries for new projects or responses to natural disasters or conflicts;
  - b. **Soft pipeline** – are concepts outlining responses by UN-Habitat to a recognized need that have been sent to targeted donors and partners for validation for use to raise funds for implementation. Soft pipeline proposals may also result from follow up of high level missions by senior staff where new proposals for funding are discussed;
  - c. **Responses to Calls for Proposals** –are proposals to be drawn up by an expert concept development team convened by the Project Office to respond to competitive *Calls for Proposals* from donors.



**Main actors:**

- a) Branch, Regional Office or other office taking the lead in developing concept
- b) Project Office
- c) Concept Development Team

**Tools:**

- a) PAAS - Knowledge/ Market Intelligent feature has updates on current calls for proposals
- b) PAAS – Knowledge/Archives feature has database of successful past projects by theme and country as reference for development of new project concepts
- c) PAAS – Human Resources feature has staff skills to help find relevant staff to develop project concepts

## 5. Project Formulation

10. Project formulation starts once the need and/or funding for project implementation to start have been established. Project formulation is a collaborative and interactive process between Branches and Regional Offices. Where a project originates from a country or region, the originator should ensure that the relevant thematic branch is involved from the formulation stage. Conversely, where a project originates from a branch, the originator shall involve the region and country of implementation. This ensures that all normative and operational aspects are taken into account from inception. The Project Office offers support in the preparation of proposals when requested, or on its own initiative. If requested, the Project Office can support project formulation e.g. establish a project formulation team and/or identify relevant staff to assist.

### 5.1. Key documents

11. Proposals are entered online into the PAAS by any designated staff member and may be formulated as:
  - a. **Concept Documents** – if all aspects of the project are not yet determined. Concept Documents are not required to include sections on stakeholder analysis, evaluations, advocacy, ICT and knowledge management, reporting, audit, governance, or legal instruments. An initial budget and skeleton logical framework of main activities and outputs are required.
  - b. **Project Document** – where full information is available a full Project Document should be completed for faster project approval.

Mandatory fields that must be completed for project approval for the documents to be reviewed or approved. In addition, donor project documents may be uploaded into the system to complement the information in the online templates.

12. The standard Concept Document / Project Document template *see Annex 1 for link to document*. The Word version, available on the [habnet.unhabitat.org](http://habnet.unhabitat.org) may be used for initial drafting. For review and approval, the information must be entered in the automated template in PAAS which can also be used to automatically generate a word version of the project document.

### 5.2. Project rationale and background

13. Projects shall outline the project rationale and background in line with the standard template. Elements to be highlighted include the party requesting the project, central issues being addressed by the project, the main purpose of the project, how it is aligned to the goals of the main stakeholders at the local, national and regional levels, and the reason for UN-Habitat's engagement. The project should also highlight the lessons and best practices being applied in this project from previous work.

14. The project shall also specify how the project is aligned to the agency's strategic themes and to the results outlined in the biennial work programme and budget. Further, it should indicate the geographical scope and specific countries and towns/cities, where applicable, that are covered by the project. Based on this thematic and geographical information, the collaborating branches/units and country/regional offices shall be given.

### *5.3. Cross-cutting issues*

15. Cross-cutting issues are to be streamlined into projects. This includes:
- a. **Environmental** and ecological objectives and impacts of the projects, safeguards, where necessary, to prevent negative environmental and social impact and preservation of the ecological environment during and after the project
  - b. **Gender** aspects highlighting how the project benefits or improves the status of women and gender equality, women participation in the project, any negative impacts on women, how benefits could be aggregated by gender and where appropriate what resources are set aside in the project for gender related issues
  - c. **Human rights** strategy outlining how human rights are realized and maintained, what indicators are used to monitor human rights related progress, and what safeguards are in place to ensure human rights are not violated e.g., prevention of discrimination and evictions, access to basic services, minimal disruption of livelihoods.

### *5.4. Implementation strategy*

16. As part of the implementation strategy, the project shall outline any important assumptions that have been made, and risks identified such as financial, political, legislative, economic and financial, environmental, security operational, managerial, or partner-related risks among others.
17. The project shall also outline the governance structure of the project, describing the arrangements roles of the parties overseeing project activities, highlight potential conflict of interest areas, if any, and specify any legal instruments pertaining to the project.

### *5.5. Budget Considerations*

18. The Concept/Project Document templates provide guidelines on completing the documents. However it is important to highlight budget considerations to ensure that they are incorporated into the budgets before they are shared with potential donors:
- a. **Programme Support Cost** – the maximum possible level of Programme Support costs (PSC) should be negotiated with donors. The aim is to attain a level of between 7% and 13%. This income goes toward the core funds of the organization and is critical to ensure human and other central resources necessary to support implementations of the agency's project portfolio. The *Cost Allocation and Recovery Policy* outlines how these resources are used.
  - b. **UN-Habitat staff costs** – where a project calls on UN-Habitat staff to provide substantive input into the project, the costs of these staff should be reflected as direct costs to the project, where possible. The *Cost Allocation and Recovery Policy* gives guidance on how to estimate these costs.
  - c. **Consultancy costs** – the costs of consultants must include the cost of rent, utilities and other common services. The *Cost Allocation and Recovery Policy* gives guidance on how to estimate these costs.
  - d. **Other costs** – the sections on evaluation, advocacy, ICT and knowledge systems outline resource requirements associated with those areas that need to be incorporated into project budgets.



### 5.6. Evaluation

19. All projects with a budget over US\$5 million require an end-of-project evaluation. Mid-term evaluations are recommended for projects with a budget over US\$5 million and duration of 4 years or more. Projects with a budget below US\$ 5 million may be prioritized for evaluation for mandatory, strategic, thematic or demonstration purposes by the programme manager. All projects must submit an end of project report. The table below outlines indicative budget levels for project evaluation. The indicative amounts in the table below notwithstanding, a minimum of 0.6% should be budgeted for evaluation.

Total project budget (USD)	Indicative evaluation cost (per cent)	Indicative evaluation cost (USD)
<1 million	N/A	30,000
1-5 million	1.5-3%	30,000-75,000
>5 million*	1.5 %	75,000-or more

### 5.7. Advocacy and Communication

20. It is important that projects include an outreach and publicity element to highlight project achievements and UN-Habitat's and partners contributions. Project Leaders should liaise with the Office of External Relations for outreach and publicity activities relating to the project. The resources put aside for advocacy work in the budget and should not be lower than 0.8% of the project budget. These resources allow the Office of External Relations to maintain and corporate outreach and publicity platforms ensuring that project achievements are incorporated in external communications. Specific communications needs such as press, design, editorial, production and dissemination services for a particular project are charged on a case by case basis.

### 5.8. ICT and Knowledge Management

21. The costs of support for information and communications and knowledge functions including archives and records management and access to corporate information systems are reflected as direct costs of the project. The minimum level of resources set aside for ICT and knowledge support is 0.6% of the project budget. Project Leaders should liaise with the Office of Management for specific advice on ICT and knowledge needs relating to their projects.

### 5.9. Legal Considerations

22. The Legal Unit in the Office of the Executive Director gives guidance on the formulation of legal agreements with donors and implementing partners. Currently review of English and French documents is supported. Staff are reminded that:
- Agreements with donors should include an income schedule outlining the amounts and timing of payments made to UN-Habitat to donors. If there are conditions attached to payments, then these must be stated clearly in the agreements;
  - Agreements with implementing partners should include the payment schedule outlining the level and timing of payments to implementing partners as well as the outputs/services must be delivered by the partner before each payments is made.

### 5.10. Logical Framework

23. A logical framework based on the UN-Habitat Project Document template is required for final approval of the project. Expenditure on projects will not be authorized before this framework is established. This is because the framework is critical for guiding project implementation, and for monitoring and reporting on progress of activities, delivery of outputs and results, and alignment of these with UN-Habitat's



Email: OED@unhabitat.org | Website: www.unhabitat.org  
P.O. Box 30030, GPO Nairobi 00100, KENYA | Tel: +254 20 7625555 | Fax: +254 20 7620325/7620326

overall biennial work programme and budget. The Project Office gives guidance on the logical framework.

24. In specifying activity schedules and output delivery timelines, account should be taken of corresponding agreements with donors and implementing partners to ensure that their milestones correspond to those outlined in the UN-Habitat logical framework. Account should also be taken of the fact that mandatory reporting is required every 3 months for outputs and every 12 months for expected accomplishments. These schedules are consistent with the agency's quarterly reporting to the CPR and annual reporting requirements. This also forms the basis for streamlined integrated reporting for the whole agency.

**Main actors:**

- a) Regional Office / Branch / Project taking the lead in project proposal formulation
- b) Collaborating offices / branches that will contribute to project
- c) Project Office advises on project formulation and to establish concept formulation team, if required
- d) Office of Management advises on budget aspects
- e) Legal Unit, Office of the Executive Director advises on agreements with donors and implementing partners

**Tools:**

- a) PAAS – Project Concept/Document template, budgeting and associated tools to guide completion of the forms
- b) PAAS – Human Resources feature has staff skills to help find staff with thematic knowledge to help develop project proposals
- c) PAAS – Knowledge/Archives feature has database of successful past projects by theme and country as reference for development of new project proposals

## 6. Project Review and Approval

25. The detailed project review and approval work flows are outlined in Annex 2. These workflows are automated in the PAAS. This means that Project Documents are entered online into the system and when they are submitted, the system automatically forwards them to the relevant office for review and approval depending on the project's budget size and originating office. Review comments are also made online in the system.

### 6.1. Review of Concept Documents

26. Concept Documents are prepared where a project originating office requires substantive input from other parts of the organization to enhance a project proposal before it is submitted for final approval. Resources to fund the proposed project may not be fully secured at the time that the Concept Document is submitted. Concept Documents are reviewed by the relevant Country, Regional and Branches. The submission of Concept Documents for review is an optional step in the project approval process. The main review and initial steps are outlined below. The review process should take a maximum of 5 working days.
- a. The originating office submits a Concept Document via the PAAS
  - b. The project is automatically forwarded for review to the Project Office, the Office of Management, the appropriate Regional Director if the project is to be executed at country level, and relevant Branch Coordinators depending on the theme of the project
  - c. Reviewers make their project review comments within 5 working days to enhance the Concept Document online via the PAAS. The originating office may also arrange meetings with relevant parties, as necessary, to review the document



- d. Once the review is complete, the heads of all the relevant offices to whom the project has been sent should indicate online that they have reviewed and endorsed the Concept Document.

#### *6.2. Review and Approval of Project Documents*

27. Project Documents are reviewed for approval once there is assurance that resources can be secured to fund implementation of the proposed project. The minimum project value should be US\$300,000 where possible (see Annex 1 policy on *Approval and Management of small projects with budgets of less than US\$300,000*).
28. Review and approval of projects originating from Country or Regional Offices is coordinated by the relevant Regional Office Director.
29. Review and approval of projects originating from Branches, Offices at Headquarters and Liaison Offices is coordinated by the Project Office.
30. The office responsible for organizing the review and approval shall take a maximum of 15 working days to complete this process. The main review and approval steps are outlined below. The detailed process is given in Annex 2.
  - a. Originating office submits a Project Concept/Document online via the PAAS.
  - b. Projects that are led by a country or region are automatically sent to the Regional Office while those led by a Branch or other office are sent to the Project Office requesting them to start the review and approval process
  - c. A message is automatically sent to the Project Office for quality assurance when the originator submits a project online
  - d. Messages are also automatically sent to Branches whose themes coincide with those of the proposed project, as well as to units responsible for reviewing cross-cutting issues, financial, advocacy, ICT, evaluation, and other aspects of the project
  - e. Online reviews of the project are undertaken by relevant staff within 3 working days to ensure that the PAG meeting takes these reviews into account at its meeting
  - f. Following online reviews, a Project Advisory Group meeting is held to review and endorse the project within 5 working days of a proposal being submitted. The review ensures that the project is relevant to UN-Habitat's mandate and strategy and assesses the quality, results focus, cross-cutting issues and cost effectiveness of the proposal
    - i. For projects led by a country or region, the Secretary of the Regional Office Project Advisory Group (PAG) is responsible for organizing PAG meeting, inviting the heads of the relevant thematic Branch Coordinators and Secretary of the HQ PAG to attend via audio or video conference to review and endorse the project.
    - ii. For projects lead by offices at Headquarters or in Liaison Offices, the Secretary of the Headquarters PAG is responsible for organizing a PAG meeting, inviting the Directors of the relevant Regional Offices to attend via audio or video conference to review the project. Relevant country offices may attend if requested by the Regional Office.
  - g. Once the project is reviewed all the recommended changes are made online to the project by the originating Office and the minutes of the PAG shall also be uploaded in the PAAS. The project document is then submitted online for endorsement to the Project Office, and Office of Management. The Project Offices verifies that the substance of the Project Document is in line with the decisions of the PAG meeting, and the Office of Management verifies that the budget and necessary funding agreements are in place and in line with the decision of the PAG meeting

- h. After Project Office and Office of Management online endorsements, the appropriate Regional Director or Branch Coordinator approves the project online
- i. The Project Document is signed by the Project Office, Office of Management and Regional Director/ Branch Coordinator, as appropriate
- j. The Office of Management sets up project in IMIS for budget allotment to enable implementation to start. The project will only be set up in IMNIS when the funding agreement is signed.

**Main actors:**

- d) Submitting Office
- e) Regional Office for country/regional projects
- a) Project Office for Headquarters projects and those from Liaison Offices
- b) Office of Management to verify budget and source of funding, set up project in IMIS
- c) Collaborating offices to be kept informed of review and approval process

**Tools:**

- a) IMIS – Project creation in IMIS
- b) PAAS – Project Planning: Concept/Project Document submission workflows
- c) PAAS – Project Planning: Project Review comments feature and review/approval workflows

*6.3. Review and Approval of Emergency and Internal Development Fund Projects*

The review and approval of the Emergency Projects that need a 48 hour turn around period are covered in a separate policy. Similarly the approval of projects applying for funds from the Internal Development Fund for pre-project investment activities is covered in a separate policy.

**7. Project Initiation**

- 31. Once a project is approved, the Lead Office/Branch should consult with the Project Office with regard to the appointment of the Project Leader and agree on the Project Administrator with the Office of Management. Once the appointments are agreed, the roles are assigned to the project in PAAS by the Office of Management.
- 32. The Project Leader, is responsible for the day to day management of the project and is required to:
  - a. Refine the outputs and activities entered in the log frame and timelines for delivery
  - b. Put together a project team
  - c. Direct the implementation of the project in line with stated objectives
  - d. Assign team members the activities outlined in the logical framework and allocate the number of days to project team staff members per year so that staff costs can be calculated

**Main actors:**

- a) Project Leader
- b) Project Administrator

**Tools:**

- a) IMIS – Budget preparation
- b) PAAS – Project Management: Project team assignment feature



## 8. Project Implementation, Monitoring and Reporting

33. The roles of the Project Leader and Project Administrator are outlined in Section 3. Further details are given here with regard to implementation monitoring and reporting.
34. The Project Leader is responsible for overall management of the project. This includes but is not limited to:
  - a. Ensuring that the project team members carry out tasks allocated to them
  - b. Monitoring progress of activities towards timely and effective delivery of outputs
  - c. Monitoring income and implementing partner agreements to ensure that conditions are met
  - d. Liaising with the stakeholders on operational matters relating to the project
  - e. Highlighting any issues relating to the project and making proposals for their resolution
35. The Project Administrator is responsible for monitoring the financial aspects of the project and keeping the Project Leader informed of any issues. This includes but is not limited to:
  - a. Entering project budget and project revisions into the PAAS
  - b. Entering allotments consistent with the project budget into IMIS
  - c. Entering all financial transactions into IMIS
  - d. Ensuring that expenditure does not exceed allotted budgets for the year and that funds are spent on the originally intended expenditure categories
  - e. Ensuring that allotments for each year are entered at the beginning of the year
  - f. Highlighting any financial issues related to the project and making proposals for their resolution
36. The following information must be entered into the PAAS to ensure that the agency can produce the required mandatory reports. These inputs also enable streamlining of UN-Habitat's reporting and where possible, automatically generate standard reports thus reducing requests for ad-hoc reporting.
  - a. The Project Leader is responsible for updating information on progress on activities in the project logical framework at least once in 3 months
  - b. The Project Leader is responsible for updating information on delivery of outputs in the project logical framework at least once in 3 months
  - c. The Project Leader is responsible for updating information on progress towards the expected accomplishments in the logical framework at least once in 12 months

- d. The Project Leader is responsible for entering information on financial performance issues highlighted by the system such as significantly higher expenditure than budget/income, late payments from donors, and overdue payments to implementing partners, among others.

**Main actors:**

- a) Project Leaders: overall coordination of project and ensuring timely and effective delivery
- b) Project Administrators: financial monitoring, highlighting issues with projects and agreements
- c) Regional Office Directors: monitoring implementation at regional level
- d) Branch Coordinators: overall coordination of Branch-led projects and reporting on all projects related to Branch themes
- e) Project Office: monitoring and reporting of substantive delivery at corporate level, highlighting achievements and risks
- f) Office of Management: monitoring financial implementation, highlighting key achievements and risks

**Tools:**

- a) IMDIS – Six-monthly reporting on achievements towards approved work programme outputs and results
- b) IMIS – Financial transactions and workflows
- c) PAAS – Project Management: Monitoring feature to enable entering of progress on activities, outputs and expected accomplishments, based on logical framework
- d) PAAS – Reports including income/expenditure reports, income/budget reports, wide range of reports by region and theme, exception reports, alert system to highlight issues, interface to enable Project Leaders to enter / respond on issues

## 9. Budget and Content Revisions

37. It is often necessary to revise budgets and substantive content of projects for a number of reasons. These include:
- a. Revising budgets at the start of each year to account for unspent balances or over-expenditure from a previous year
  - b. Reflecting additional or reduced income
  - c. Reallocating funds to different expenditure categories to those originally planned
38. Budget revisions are approved by the Regional Director or the Branch Coordinator as appropriate in line with policies relating to delegations of authority.
39. Regardless of the amount, the following types of budget revisions require a review by the Headquarters or Regional Project Advisory Group
- a. Revisions that entail a change in the external stakeholders e.g. new donors, beneficiaries, and/or implementing partners
  - b. Revisions that entail delivery of different or additional expected accomplishments not originally agreed by the PAG

**Main actors:**

- a) Project Leaders: ensuring budget revisions in line with planned activities
- b) Project Administrators: revising budgets in line with activities
- c) Project and/or Regional PAG: review projects where applicable
- d) Office of Management: authorizing budget revisions

**Tools:**

- e) IMIS – Budget allotment revision
- f) PAAS – Budget revision tool and workflows



## 10. Project Completion

40. At the end of a project, the following actions shall be taken to close the project.

### 10.1. Operational Closure

41. The Project Leader is responsible for:

- a. Compiling and submitting a final project report to external stakeholders and relevant UN-Habitat management. The report shall describe i) the main outputs and results (expected accomplishments) delivered by the project, ii) actual versus planned performance both substantive and financial; iii) best practices and lessons learned; iv) an analysis of how the project contributed to cross-cutting issues; v) challenges and opportunities
- b. Reviewing legal agreements related to the project to ensure that conditions have been met
- c. Resolving any outstanding issues
- d. Uploading the final report(s) into the PAAS

### 10.2. Financial Closure

42. The Project Leader with support of and in consultation with the Project Administrator is responsible for:

- a. Ensuring that any pending financial obligations are met
- b. Disposing of any project assets in line with the agreement from donors and other relevant stakeholders
- c. Producing a chapter on the financial implementation and distribution of resources to be included in the final report.
- d. Ensuring that the project is closed in IMIS.

**Main actors:**

- a) Project Leaders: ensure project closure procedure followed
- b) Project Administrators: ensure financial procedure followed
- c) Branch Coordinator /Regional Director: review and include in annual reporting
- d) Office of Management: verify financial procedure followed

**Tools:**

- a) IMIS – to ensure that balances cleared when project closed financially
- b) PAAS – Best practices, lessons learnt, project closure checklist (to be automated)

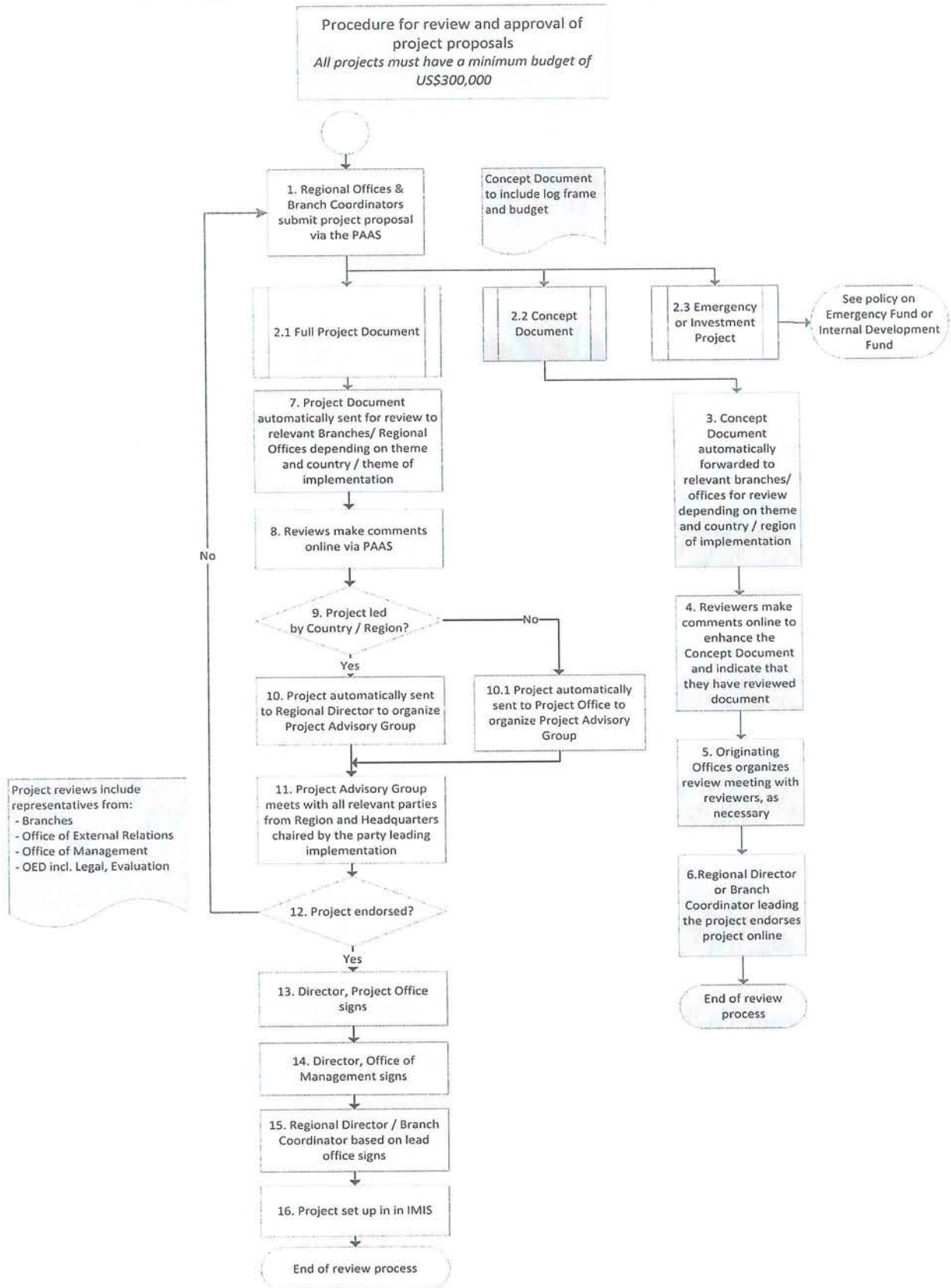


## Annex 1 – List of related policies and documents

These related policies are linked to the documents on [habnet.unhabitat.org](http://habnet.unhabitat.org)

1. Internal Development Fund, Policy and Procedures - June 2012
2. Emergency Fund, Policy and Procedures- June 2012
3. Cost Allocation and Recovery Policy - June 2012
4. Approval and Management of small projects with budgets of less than US\$300,000 – July 2012
5. Policy and Procedures for Clearing Agreements and Legal Instruments and the Designated Signatories for the Instruments – July 2012
6. UN-Habitat Organizational Responsibility and Accountability Policy – July 2012
7. Staff Reporting Lines and Coordination – July 2012
8. Project Concept/Document Template – May 2012
9. Biennial Work Programme and Budget 2012-2013
10. Six-year Strategic Plan 2008-2013

## Annex 2 – Detailed process flow for the review and approval of projects





## Project Stage

## Key elements

## Roles

## Tools

Project Stage	Key elements	Roles	Tools
Strategic Alignment	Alignment of project to organizational context	<ul style="list-style-type: none"> <li>Project Originator</li> <li>Branch Coordinator</li> <li>Regional Director</li> </ul>	<ul style="list-style-type: none"> <li>Six year strategic plan</li> <li>Work programme and budget</li> <li>Annual work plan</li> </ul>
Project Identification	<ul style="list-style-type: none"> <li>Hard pipeline – has committed funds</li> <li>Soft pipeline – concept likely to be funded; eligible for investment fund</li> <li>Response to call for proposal</li> <li>Emergency: eligible for rapid response fund</li> </ul>	<ul style="list-style-type: none"> <li>Project Originating Office</li> <li>Project Office / Regional Office – for approval</li> <li>Concept Development Team, if required</li> </ul>	<ul style="list-style-type: none"> <li>PAAS – Market Intelligence; Archives of past successful projects; Human resources to find suitable skills for concept development</li> <li>Emergency Fund Procedures paper</li> <li>Internal Development Procedures paper</li> </ul>
Project Formulation	<ul style="list-style-type: none"> <li>Concept Document – if all information not yet available</li> <li>Full Project Document – if information for all mandatory sections available</li> </ul>	<ul style="list-style-type: none"> <li>Project Originator</li> <li>Collaborating Offices, Branches, Units</li> <li>Project Office - advice on project formulation</li> <li>Office of Management - advice on budget</li> <li>Legal Unit - advice on legal instruments</li> </ul>	<ul style="list-style-type: none"> <li>PAAS – Project Document online templates</li> <li>PAAS – Project Document online templates</li> <li>Project Based Management Policy</li> <li>Cost Allocation and Recovery Policy</li> </ul>
Project Review and Approval	<ul style="list-style-type: none"> <li>Concept Document – some sections not required for endorsement</li> <li>Full Project Document – must complete all mandatory sections for project to be fully approved and set up in IMIS</li> </ul>	<ul style="list-style-type: none"> <li>Project Originator</li> <li>Regional Office Project Office: HQ and Liaison projects</li> <li>Office of Management</li> </ul>	<ul style="list-style-type: none"> <li>PAAS – Project Document online templates</li> <li>PAAS – approval workflows</li> <li>Project Based Management Policy</li> <li>Cost Allocation and Recovery Policy</li> </ul>
Project Initiation	<ul style="list-style-type: none"> <li>Assign Project Team</li> <li>Budget creation in IMIS</li> <li>Verify activities and outputs</li> </ul>	<ul style="list-style-type: none"> <li>Project Leader</li> <li>Project Administrator</li> <li>Office of Management</li> </ul>	<ul style="list-style-type: none"> <li>IMIS – Allotments for current year</li> <li>PAAS – Project Management: Project team assignment feature</li> </ul>
Project Monitoring and Reporting	<ul style="list-style-type: none"> <li>Monitor substantive and financial implementation; issue management</li> <li>Quarterly update of activities, outputs, expected accomplishments</li> <li>Agreement monitoring</li> <li>Donor reports</li> <li>Evaluations</li> </ul>	<ul style="list-style-type: none"> <li>Project Leader</li> <li>Project Administrator:</li> <li>Regional Office Director</li> <li>Branch Coordinator</li> <li>Project Office</li> <li>Office of Management:</li> </ul>	<ul style="list-style-type: none"> <li>IMDIS – Six-monthly reporting</li> <li>IMIS – Financial transactions and workflows</li> <li>PAAS – Monitoring feature, reports by project, theme, region, exception reports, alerts if issues</li> </ul>
Project Closure	<ul style="list-style-type: none"> <li>Operational closure procedures</li> <li>Financial closure procedures</li> <li>End of project report</li> <li>Best practices, lessons learnt</li> <li>Results achieved</li> </ul>	<ul style="list-style-type: none"> <li>Project Leader</li> <li>Project Administrator</li> <li>Regional Director</li> <li>Branch Coordinator</li> <li>Project Office</li> <li>Office of Management</li> </ul>	<ul style="list-style-type: none"> <li>IMIS – financial closure</li> <li>PAAS – best practices, lessons learnt, end of project report upload, results achieved</li> </ul>