

EXTERNAL GUIDANCE NOTE ON UNHCR PROCEDURES ON PARTNERSHIP MANAGEMENT



Version: 0.1

Published: 19 March 2024

Table of Contents

1. PURPOSE	3
2. SCOPE	3
3. RATIONALE	3
4. TERMS AND DEFINITIONS	4
5. PARTNERSHIP AGREEMENT TYPES	4
6. UNHCR’s PARTNER MANAGEMENT PRINCIPLES	5
7. PLAN FOR RESULTS.....	7
7.1 PLAN for Results phase	7
7.2 Determination of implementation modalities	7
7.3 Best-fit partner	9
7.4 Capacity Assessments	11
8. GET RESULTS	14
8.1 GET Results phase	14
8.2 Project workplan development	15
8.3 Grant agreements	18
8.4 Implementation monitoring	18
8.5 Adjustments	20
9. SHOW RESULTS	23
9.1 SHOW Results phase	23
9.2 Partner Reports	23
9.3 Risk-based project audit	24
9.4 Project Closure	26
10. HISTORY.....	27

Annexes

1. [UNHCR Programme Glossary List for Partner](#)

1. PURPOSE

- 1.1 This guidance note aims to offer clarification and guidance to partners funded by UNHCR regarding the procedures for managing partnerships. The specific terms and conditions governing UNHCR-funded partnership engagements are outlined in the relevant partnership agreement and are subject to the procedures in this guidance note. Partners can seek clarification, support or notify UNHCR headquarters via epartner@unhcr.org.
- 1.2 These procedures provide a unified framework for and overall direction on partnership management processes throughout the three inter-linked phases of UNHCR's programme cycle: PLAN for, GET and SHOW Results. They aim to enhance our effectiveness and capacity in delivering results for forcibly displaced and stateless persons through robust, diverse, and meaningful partnerships that receive financial support from the organization.

2. SCOPE

- 2.1 These procedures apply to all partners funded by UNHCR. Further information and tools are available on the [Funded partners | UNHCR](#) internet page.
- 2.2 The primary focus of these procedures is to provide a framework for the engagement with funded partners, who receive financial support from UNHCR, henceforth referred to as "partners" in this document. [Non-funded partners](#) are referenced as such. Additionally, these procedures apply to the provision of grants to organizations led by forcibly displaced and stateless persons.
- 2.3 These procedures are complemented by the [UNHCR Programme Handbook for Partners](#) that also provides a UNHCR partnership calendar with key milestones of the partnership management cycle.
- 2.4 It is mandatory for UNHCR operations¹ to use the Project, Reporting, Monitoring and Oversight Solution (PROMS) tool for partnerships falling in the scope of these procedures. All templates and/or processes to be documented by UNHCR operations in PROMS are specified in these procedures. The direct use of PROMS by partners is not mandatory, although it is highly recommended.

3. RATIONALE

- 3.1 These procedures enable the effective implementation of modernized partnership management as part of PROMS, COMPASS and Cloud Enterprise Resource Planning (ERP).
- 3.2 Through the implementation of these procedures, PROMS and the UNHCR Programme Handbook for Partners, UNHCR aims to clarify and streamline partnership management. These procedures facilitate the retirement of all previously existing funded partnership

¹ In these procedures, "country operations" is used to refer to UNHCR country operations and UNHCR multi-country offices, unless otherwise specified. "Operations" is used to refer to all UNHCR offices, entities and presences where a UNHCR senior manager has the authority to oversee partnership procedures, whether a sub-office, country operation, multi-country office, bureau or headquarters division or entity.

guidance notes.² They promote online management of partnership agreements, thereby improving data quality and reporting, and enhance overall monitoring and transparency in partnership management processes.

3.3 The implementation of these procedures supports the delivery of results-based management (RBM) through effective collaboration with partners, emphasizing the longer-term positive changes for forcibly displaced and stateless persons.

4. TERMS AND DEFINITIONS

4.1 All terms within these procedures are defined in annex 1 UNHCR partnership management glossary, with key definitions also hyperlinked to the [UNHCR master glossary](#).

5. PARTNERSHIP AGREEMENT TYPES

5.1 UNHCR uses the standard agreement types below for funded partnerships.³ Operations use global mandatory templates approved by the Legal Affairs Service, accessed in Cloud ERP and signed, to establish agreements. The standard agreement types are set out below:

A **global partnership agreement (GPA)** is for international partnerships, most often with INGOs, at a global level and is not timebound. The GPA, established by the UNHCR Implementation Management and Assurance Service (IMAS) of the Division of Strategy Planning and Results (DSPR), defines global terms and conditions of the partnership. It does not include any financial commitment and is optional.

A **partnership framework agreement (PFA)** includes two components: a. standard partnership terms, defining the terms and conditions of the partnership between UNHCR, the partner and (in the case of tripartite agreements) the government; and b. standard PFA cover sheet contract available in Cloud ERP. The PFA cover sheet contract is often over a multi-year duration, typically aligned with the operation's strategic plan that lasts three to five years. In the event that a GPA exists for the same partner, the terms and conditions in the PFA refer to the global agreement clauses, limiting duplication but ensuring contractual obligation. The PFA describes the purpose and scope of the partnership for which the partner was selected. The PFA may be bipartite or tripartite, if the government also signs. It does not include any financial commitment.

A **data protection agreement (DPA)** is a legally binding document between UNHCR and a partner that establishes the terms and conditions of how the personal data of forcibly displaced and stateless persons benefiting from a project/service delivered/provided by the partner will be used. The DPA is subject to a PFA, and by itself does not impose any financial obligations. The DPA often covers a multi-year duration, aligned with the PFA. This agreement includes details about the roles and responsibilities of the parties with respect to processing of personal data and the safeguards that will be put in place. A DPA is required whenever the partner is foreseen to process personal data of forcibly displaced and/or

² See Section 8: History.

³ A memorandum or letter of understanding (MoU/LoU) can be used by an operation and a non-funded partner to document their cooperation at the country, regional or global level, but they do not address funded relationships or implementation.

stateless persons, under the project workplan.

A [project workplan](#) is subject to a PFA and is for partnerships on an annual basis stipulating the responsibilities, obligations and accountabilities of the participating parties for undertaking specific activities. The project workplan concludes negotiations and formalizes common understandings among involved parties. It is between UNHCR and the partner only and includes a financial commitment.

A [grant agreement](#) is a type of agreement with organizations or groups in which persons with direct lived experience of forced displacement play a primary leadership role and whose stated objectives and activities are focused on responding to the needs of refugees and/or related communities. The grant may be transferred to an individual that is part of and receives the grant on behalf of such an organization. The grant agreement includes a project proposal, and a Financial Plan. The grant agreement partner must have a signed [Code of Conduct](#) in place. Grant agreements are capped at USD 12,000 per agreement, allowing for multiple agreements with the same organization within a calendar year, as long as the total budget does not exceed USD 12,000 during that year.

5.2 Other forms of agreement for specific purposes or periods include:

UN-to-UN Agreements govern funding arrangements between two UN organizations and consist of UN harmonised provisions and a financial plan. A UN-to-UN agreement is not subject to project audits. The same principles that apply to a project workplan in these procedures, also apply to a UN-to-UN agreement unless otherwise stipulated, with the exception that the UN-to-UN agreement is not subject to a PFA.

Non-Standard Agreements govern funding arrangements between UNHCR and the partner. A non-standard agreement incorporates special provisions agreed upon by the Legal Affairs Service and the partner along with a financial plan. The same partnership management principles that apply to a standard agreement in these procedures, also apply to a non-standard agreement unless otherwise stipulated.

5.3 UNHCR Operations and partners must maintain records related to partnership management to ensure compliance with audit requirements. This includes all the above types of agreements.

6. UNHCR's PARTNER MANAGEMENT PRINCIPLES

6.1 **Effective partnership:** UNHCR's partnership approach is guided by the [principles of partnership](#) endorsed by the Global Humanitarian Platform on 12 July 2007, which emphasize equality, transparency, a results-oriented approach, responsibility and complementarity.

6.2 **Localization:** UNHCR gives priority to partnerships with local and national actors, including governments and local authorities, which possess local knowledge, expertise, and understanding of the context.⁴ By collaborating with local actors, UNHCR leverages their

⁴ Selection of local and national actors is subject to standard due diligence, past performance and audit findings.

established presence and strong connections within affected communities. This approach enables more effective and contextually appropriate responses to the needs of forcibly displaced and stateless populations while strengthening inclusion in national plans, budgets, datasets and service delivery systems.⁵ UNHCR has committed to transfer at least 25 percent of its programme budget as directly as possible to local and national actors (which includes government) in line with the Grand Bargain.⁶

6.3 Multi-functional team: Partnership management requires collaboration among individuals from diverse functional areas, each contributing their capabilities, knowledge, and expertise to design programmes, solve problems, and achieve results. In UNHCR, a multi-functional team (MFT) serves a flexible approach to bring together such colleagues. Operations must establish an Implementation Programme Management Committee (IPMC) which ensures informed and transparent decision-making. Members of the IPMC must disclose any potential conflict of interest to the IPMC chair, who determines their involvement.

6.4 Strengthening results: UNHCR fosters a results-oriented culture and promotes knowledge-sharing and learning through emphasizing ownership and accountability within the MFT, led by the UNHCR results managers. Supported by the MFT, results managers ensure flexibility in response to changing circumstances, using continuous feedback mechanisms and other evidence to adjust programmes for improved effectiveness. They possess the technical expertise required in the specific results areas outlined in the operation's strategy.

6.5 Risk management: Risks are shared and mitigated through the application of relevant risk-based internal controls. UNHCR maintains a zero-tolerance approach towards fraud, corruption, and exploitation, including sexual exploitation. This commitment involves implementing robust measures to prevent incidents and establishing effective systems to promptly detect and respond to any instances of fraud, corruption and exploitation. UNHCR applies a risk-based approach when determining monitoring, verification and reporting requirements in agreements, and when deciding which partnerships to audit.

6.6 Monitoring of implementation by partners: Implementation monitoring, including verification, is conducted regularly to assess a partner's progress in achieving expected results in terms of resource allocation, timeframe, and agreement terms. Such monitoring contributes to improving project implementation and generates evidence to adjust ongoing programming while providing feedback to forcibly displaced and stateless persons, donors, governments, and other stakeholders.

6.7 Evidence-based programming: Partnership management at UNHCR is driven by reliable, high-quality, and timely data and information obtained through robust monitoring, reporting, feedback and verification processes. To ensure the privacy and protection of personal data of forcibly displaced and stateless persons, UNHCR asks that partners adhere to [data protection](#) and [information security standards](#). UNHCR promotes data interoperability with

⁵ At the [Global Refugee Forum 2023](#), the [multistakeholder pledge on Advancing Localisation in Displacement and Statelessness Responses](#) aimed to transform the way local and national actors can work in displacement and statelessness situations by developing stronger and more equitable partnerships with them. Additionally, the [UN Common Pledge 2.0](#) saw a commitment, by the whole UN, to a) include refugees in all UN plans, and b) promote refugees' inclusion in national plans, datasets, budgets and systems; and ensure their access to decent work.

⁶ [Grand Bargain Localisation Workstream - Home \(ifrc.org\)](#), [Grand Bargain HFTT Localisation Marker Definitions Paper](#).

other UN organizations and mutual recognition of assessments related to good business practices.

6.8 Transparency: UNHCR is committed to making information about its programmes and operations publicly available. This includes sharing partners’ names, region/country and implementation locations, sectors of work, and total expenditure on the [UNPP](#), except in circumstances where the publication of such information may give rise to security concerns.

7. PLAN FOR RESULTS

7.1 PLAN for Results phase

7.1.1 During the UNHCR PLAN for Results phase, partnership management involves determining implementation modalities, selecting appropriate partners, and focusing on capacity strengthening to deliver the desired outputs and thus enable broader outcomes and impact.

7.2 Determination of implementation modalities

7.2.1 Implementation is the delivery of the results outlined during strategic planning as UNHCR’s response to the problems identified. Results can be implemented directly by UNHCR, through partnerships or managed through commercial contracts. UNHCR encourages implementing activities through partnerships, collaborating closely with national authorities and technical ministries from the planning stage to ensure their involvement, agreement, and potential transition of protection and assistance programmes to them, when and where possible.

Why? Good planning involves determining the most suitable implementation modalities for achieving the strategic plan.

When? Identification of implementation modalities occurs during strategic planning or the annual strategy implementation review. This process supports the finalization of the results framework, monitoring and evaluation (M&E) plan and the resource and management plan.

Who? The IPMC is responsible for presenting recommendations on best-fit implementation modalities to the UNHCR head of sub-office, representative or director. The planning coordinator ensures a timely decision-making process on implementation modalities to initiate the partnership selection process.

Smaller operations: In smaller country operations where the establishment of an IPMC is not feasible, the responsibilities typically assigned to the IPMC are assumed by the two most senior UNHCR MFT members. These individuals take on tasks and functions outlined for the IPMC in these procedures.

In these procedures a “smaller operation” is a UNHCR operation with a partnership budget of less than USD 1 million. UNHCR Bureaux work with country operations to confirm whether the IPMC requirement should be applied, based on this criterion, and having assessed risk

through consideration of trends surrounding the number of partnership agreements, staffing capacity and audit recommendations surrounding partnership management.

Emergency preparedness and response: In declared emergencies, the UNHCR representative or director has the authority to decide on the best-fit implementation modalities, without an IPMC recommendation. This documented decision considers the needs, operational capacity, presence, and availability of other stakeholders, and other context-specific parameters. After the emergency declaration expires, the representative will revisit implementation modalities with the IPMC prior to the next year of implementation.

7.2.2 The IPMC relies on the situation analysis and the theory of change to gain a strategic overview and understanding of both current and potential partners. This includes local and international actors, as well as commercial entities, and their respective impact on forcibly displaced and stateless persons. The IPMC prioritizes implementation modalities that:

- Support the development and strengthening of national systems and related public institutions to include forcibly displaced and stateless persons in public services.
- Support national and local responders,⁷ including government, in their efforts to become more sustainable and impactful.
- Give individuals and communities the greatest consideration for their capacity, agency and dignity in meeting their needs and reducing barriers in accessing rights, goods and services.⁸

7.2.3 If the strategy involves procurement, the IPMC must also consider whether NGOs have comparative advantages within the operational context to undertake procurement.

7.2.4 The IPMC seeks further analysis and information from the UNHCR MFT, where required, to present recommendations to the representative or director on the most effective and efficient implementation modalities, including procurement.⁹

7.2.5 While governments are not members of the IPMC, their perspectives, as conveyed through the situation analysis and stakeholder mapping, can inform the decision-making process of UNHCR. The government's opinion regarding the involvement of partners in addressing the needs of forcibly displaced and stateless persons is considered valid, though not binding, when selecting partners for the UNHCR operation.

7.2.6 UNHCR operations and partners are required to maintain records related to partnership management for a minimum of six years after project closure. This is necessary to ensure compliance with audit requirements.

⁷ "National and local responders comprising governments, communities, Red Cross and Red Crescent National Societies and local civil society are often the first to respond to crises, remaining in the communities they serve before, after and during emergencies" See the [IASC website for more support and funding tools for local and national responders](#).

⁸ Experience and evidence highlight that CBI increases protection outcomes, facilitates inclusion and solutions, and improves efficiency and effectiveness in programme delivery [UNHCR Policy on Cash-based Interventions](#), 2022-2026.

⁹ The [UNHCR Programme Handbook for Partners](#) gives further guidance as to comparative advantages criteria considered by UNHCR.

7.3 Best-fit partner

- 7.3.1 Partners bring distinctive attributes and often work with UNHCR in unique situations and complex environments. UNHCR operations, through an IPMC, select partners that can:
- Meet the requirements of multi-year results and the operational context;
 - Build on partnership principles, complementarities, and comparative advantages;
 - Demonstrate sound stewardship of funds provided by donors.

The IPMC strives to ensure transparency, objectivity and accountability in its recommendations for partnership selection, leading to the establishment of partnership framework agreements (PFAs) and data protection agreements (DPAs) if applicable, that support the multi-year strategy.

Why? UNHCR applies standardized procedures to mitigate operational, financial and reputational risks. UNHCR uses competitive selection as its default process, to support identification of best-fit partners based on evidence, objectivity, consistency and transparency. The common [UN Partner Portal \(UNPP\)](#)¹⁰ platform is used for partnership registration and due diligence to facilitate selection processes.

When? Partnership selection typically takes place shortly after UNHCR operations submit multi-year strategies and should be aligned with the duration of the strategy where feasible. However, new competitive selection processes can be initiated during implementation if there is a need to consider new partners. It is recommended that the selection process (from issuing the call for expression of interest to communicating the decision to applicants) does not exceed three months.

Who? The authority to decide on the best-fit partner lies with UNHCR heads of sub-office, representatives, and directors, taking into consideration the recommendations of the IPMC. UNHCR is responsible for coordinating a timely partnership selection process, with the MFT members leading relevant stages, as defined below.

Keep in mind: Certain partners are exempted from the competitive partnership selection process, including UN organizations, government institutions with specific mandates, and groups or organizations considered for a grant agreement. In addition, in non-emergency contexts, based on the recommendation of the IPMC, a head of sub-office, representative or director has the discretion not to release a call for expression of interest if: 1. the most suitable partner is already identified through the theory of change and stakeholder mapping, and/or 2. the total estimated partnership budget will not exceed USD 100,000 for that particular partner, within a calendar year.

¹⁰ The [UNPP](#) is an online platform used by UN agencies to support the process of engaging civil society organizations.

Emergency preparedness and response: Operations facing a high risk of a new or escalated emergency may conduct an expediated process to establish a pool of potential partners for future emergency response as part of contingency planning¹¹. Following an emergency declaration, the representative holds the authority to temporarily suspend competitive selection for new partnership agreements established within the emergency period until revisiting implementation modalities with the IPMC prior to the next year of implementation, documenting the decision in the operation's SharePoint. During any emergency declaration, the registration, due diligence and verification on the UNPP must be completed as soon as possible and no later than three months after signing the project workplan.

7.3.2 The UNPP serves as an electronic platform for NGOs, community-based organizations, grant agreement partners¹² and academic institutions to complete a UN partnership declaration, barring exceptional circumstances.¹³ Certain partners are exempted from UNPP registration, including UN organizations and programmes, and governmental entities. Once registered, organizations become eligible to apply for UNHCR partnership selection processes. Registration includes a PSEA self-assessment on the UNPP.

7.3.3 When organizations register on the UNPP, they are required to complete a self-declaration of eligibility for establishing a partnership. This declaration states that their organization's values and conduct align with those of the UN. Additionally, the UNPP system automatically screens organizations against the UN Security Council sanctions lists. Prospective partners can apply for competitive selection processes while verification of their UNPP status is ongoing.

7.3.4 UN agencies on the UNPP conduct due diligence and verify information provided by organizations in their profiles on the portal.¹⁴ Within UNHCR operations, the most senior member of the programme personnel is responsible for ensuring that potential partners have been verified on the UNPP before signing the project workplan.

7.3.5 Competitive partner selection includes eight key steps:

Step 1: A call for expression of interest on the UNPP provides essential information about the partnership opportunity, project scope and must include reference to UNHCR's partner [areas of specialization](#). UNHCR provides weighted criteria for selection. UNHCR is responsible for publishing the call for expression of interest on the UNPP¹⁵ in a timely manner.

¹¹ The pool is valid for the duration that is stipulated within the Call for Expression of Interest and may be aligned to the operation's multi-year strategy. Even if the emergency is not declared, the representative/delegated authority may sign an agreement with a partner from the selected pool during its validity period.

¹² Grant agreement partners are encouraged to register on the UNPP, though this is not a pre-requisite to signing a UNHCR grant agreement.

¹³ Exceptional circumstances are considered where the operational context prevents the use of the UNPP, including emergency situation declarations.

¹⁴ UN personnel review the information to conduct due diligence verification. In UNHCR this verification is conducted by headquarters.

¹⁵ Further dissemination may be explored via social media promotion of the UNPP link, outreach to civil society platforms, or other relevant communication platforms (humanitarian, development, government), taking into account the local context.

Step 2: Organizations express their interest and showcase their comparative advantage and value through a concept note. Any clarifications or additional information are communicated by UNHCR to all through the UNPP, to ensure fairness and transparency.

Step 3: UNHCR conducts a technical evaluation based upon the predefined weighted criteria. The outcomes are presented to the IPMC.

Step 4: UNHCR screens the organizations with the highest technical score to identify their UNPP partner profile, UN Protection from Sexual Exploitation and Abuse (PSEA) capacity status, previous UN/UNHCR project audit internal control questionnaire (ICQ), and any risks that may be flagged in the UNPP. If an organization has been flagged on the UNPP it may be suspended or barred by UNHCR from partnering with UN/UNHCR.

Step 5: The IPMC recommends one or more organizations to the UNHCR head of sub-office, representative or director with whom UNHCR may enter into a PFA and DPA (if applicable) and subsequent project workplan. The operation may pool multiple partners for specific results or sectors.

Step 6: The UNHCR head of sub-office, representative or director agrees or disagrees with the IPMC recommendation and decides on which partner/s to select. Any deviation from the IPMC recommendation must be documented for audit purposes.

Step 7: UNHCR must inform all applicant organizations of the outcome of the selection process in a timely manner.¹⁶

Step 8: UNHCR shares an invitation with the newly selected partner to register in [PROMS](#) and must generate a [PFA cover sheet](#) contract in Cloud ERP shared with partners for signature.

7.3.6 UNHCR must be able to fully justify selecting a partner in a non-competitive manner. Steps 4-6 and 8 above still apply to non-competitively selected partners in a context where there is no emergency declaration.

7.3.7 Selected partners are responsible for meeting relevant government requirements before signing the project workplan.

7.4 Capacity Assessments

7.4.1 UNHCR maintains transparency with partners during capacity assessments and communicates with them in a timely manner regarding identified opportunities for improvement.

¹⁶ In the UNPP, the call for expression of interest is finalized, and an automated notification is sent to all applicants who were not selected for the partnership opportunity.

Why? UNHCR conducts assessments of an organization’s capacity and controls to determine whether to sign a project workplan with a partner and the level of responsibility placed on that partner.

When? In accordance with the results of the partnership selection screening, the required assessments commence once partners are recommended by the IPMC and before signing a project workplan.

Who? UNHCR has the responsibility for ensuring that partners have the necessary capacity when entering into project workplans.¹⁷ The selected partner is responsible for ensuring that any third parties that they contract also possess the required capacity.

Keep in mind: UN organizations and grant agreement partners are exempt from capacity assessments. UN agencies’ rules, standards, procedures and conditions are similar to those of UNHCR. For grant agreement partners, a number of safeguards are incorporated into the selection criteria and have to be taken into account by the operation when establishing a grant agreement. For government partners special conditions apply based on the assessment.

Emergency preparedness and response: In a declared emergency, all new partners’ PSEA capacity is assessed as soon as possible and no later than three months after signing a project workplan. If the project workplan is extended beyond the emergency declaration period, where an ICA/ICQ is required, the ICA is to be completed before the emergency declaration expires.

7.4.2 The assessments required for UNHCR partners include:

- **Assessment of partners’ capacity to prevent and respond to the risk of sexual exploitation and abuse** when activities involve direct contact with affected communities. If the partner has no valid UN PSEA capacity rating, UNHCR conducts the assessment to ensure that appropriate measures and policies are in place to prevent and respond to such incidents. The assessment is valid for five years.
- **Internal Control Assessment (ICA)** when a partner has no previous UN Internal Control Assessment/ Questionnaire (ICA/Q) risk rating within the last three years. UNHCR performs an ICA of a partner’s structure, procurement, financial and operational policies, procedures and systems. This assessment provides reasonable assurance that risks can be managed effectively and that results can be successfully achieved. It is valid for three years.

7.4.3 Opportunities to strengthen internal controls identified during the capacity assessments are recorded and monitored in collaboration with the partner via PROMS. In the case of a PSEA assessment, there may be additional monitoring of the partner’s PSEA Capacity Strengthening Implementation Plan (CSIP) on the UNPP. All recommended action for improvement is followed up throughout implementation, and any documented improvements are captured during the project performance verification process, recorded

¹⁷ See [SG Bulletin Special measures for protection from sexual exploitation and sexual abuse, ST/SGB/2003/13](#), 9 October 2003, paras 6.1 and 6.2; and the [UN Protocol on Allegations of SEA Involving Implementing Partners, 21 March 2018](#), para. 3 reaffirming that “the UN does not partner with entities that fail to address sexual exploitation and abuse through appropriate preventive measures, investigation and corrective action”. Both the 2003 SG Bulletin and UN Protocol are considered binding.

in PROMS.

Partner's Capacity for Protection against Sexual Exploitation and Abuse (PSEA)

7.4.4 When entering into or renewing partnerships that involve direct contact with affected communities, UNHCR must verify that the partner possesses the necessary capacity in terms of PSEA, using the harmonized UN assessment tool with its eight core standards.¹⁸ UNHCR will not enter into any agreement with a partner that fails to meet the PSEA core standard 8, which relates to the partner taking corrective measures in response to previous allegations of SEA. UN organizations have agreed to mutual recognition of each other's PSEA capacity assessments based on the principles of the UN Protocol. The capacity assessment process is conducted online through the PSEA module on the UNPP. UN agencies agree on the lead agency responsible for assessing the capacity of common partners.

7.4.5 Organizations without a valid assessment must complete a self-assessment after registering on the UNPP.¹⁹

7.4.6 Once the assessment is completed and if the partner meets all eight core standards, the final determination of their PSEA capacity is established. If the partner meets six or seven core standards (medium capacity), or five or fewer core standards (low capacity), a preliminary determination and rating of their capacity is concluded.

7.4.7 For partners with low or medium capacities, the development of a CSIP is mandatory before signing the project workplan. The duration of the CSIP is six months from its development and can be extended for an additional three months, totalling nine months.

7.4.8 At the end of the CSIP duration, the final determination of the partner's capacity is concluded in the UNPP, irrespective of their capacity rating and whether they completed the CSIP activities or not. The final determination of a partner's capacity remains valid for a period of five years unless an earlier re-assessment becomes necessary.²⁰ However, the CSIP will remain open in the UNPP for the partner to complete its pending capacity-strengthening activities, and the final determination (rating) will be automatically recalculated.

Internal Control Assessment (ICA)

7.4.9 The UNHCR ICA results in an overall low, moderate, significant, or high-risk rating for each partner. It is broken down into several categories, concluding a risk rating for human resource management, organizational structure and governance; reporting and accountability; assets and inventory; procurement, sub-partners; and systems. The risk ratings are harmonized with those used for the ICQ conducted by UN/UNHCR project auditors. The ICA risk rating is superseded by a UN project audit ICQ risk rating.

7.4.10 When a partner recommended by the IPMC has no previous UN/UNHCR ICA/Q completed within the last three years, an ICA must be completed by UNHCR.

¹⁸ See [Harmonized Implementation Tool on the PSEA capacity assessment](#).

¹⁹ In case the partner has no access to the UNPP, partners request templates from the UNHCR operation.

²⁰ See UNHCR Programme Handbook for Partners for more details.

7.4.11 The ICA results are shared with the partner in draft, ahead of finalization.

7.4.12 Government partners are not exempt from the requirement of an ICA/Q. The supply function leads in reviewing procurement and inventory management categories within the ICA.

7.4.13 The ICA/Q remains valid for a period of three years from the date of when the last ICA/Q assessment was completed.

Partner's capacity related to procurement

7.4.14 Provided that the partner's most recent ICA/Q procurement assessment indicates a medium or low risk rating, partners procure goods and services according to their financial plan except for the following categories of items for which UNHCR clearance is needed before purchasing them with UNHCR funds:

- [Core relief items](#);
- Medicine or medical supplies; and
- Vehicles.

Partners are strictly prohibited from procuring land, buildings or property with UNHCR funds, regardless of their ICA/Q procurement assessment risk rating.

7.4.15 If a partner's ICA/Q results in a significant or high procurement risk rating, the IPMC shall recommend to the UNHCR head of sub-office, representative or director limitations that must be applied to the project workplan regarding procurement. The final decision is made by the head of sub-office, representative or director, and is summarised within the project workplan risk assessment as additional factors considered when deciding essential controls. The decision is documented through the signature of the project workplan.

7.4.16 Government partners of World Trade Organization (WTO) member States, excluding observers,²¹ have procurement rules that are considered compatible with UN/UNHCR standards. Therefore, the ICA/Q process compares WTO member State government partner compliance with UN procurement standards without having to review policies or systems in place. If a government partner from a non-WTO member State is found unable to comply with UN/UNHCR procurement principles due to legal constraints, the operation documents the circumstances in the operation's SharePoint and seeks guidance from UNHCR headquarters, including explanations and justifications. UNHCR headquarters reviews such submissions on a case-by-case basis and provides advice accordingly.

8. GET RESULTS

8.1 GET Results phase

²¹ The list of WTO members is available on the [official website of WTO](#).

8.1.1 Annual implementation planning involves establishing project workplans. Throughout the implementation year, monitoring and corrective action play a crucial role, ensuring effective execution and providing the flexibility to make necessary adjustments as needed.

8.2 Project workplan development

8.2.1 Every year, UNHCR and partners agree on and sign a standard project workplan contract from Cloud ERP. The negotiation of a project workplan includes the following additional mandatory components that are negotiated and agreed in PROMS: 1. a financial plan; 2. a results plan; and 3. a risk register. These three components are not annexed to the contract.

Why? The collaboration between UNHCR and its partners in designing projects through a project workplan is aimed at achieving added value and collective results within a defined timeframe, while ensuring responsible management and accountability of resources.

When? The development of project workplans takes place annually during the second half of the year prior to the implementation year. UNHCR operations commence negotiation with partners on detailed activities, results and budgets of project workplans no later than 15 October for the upcoming implementation year.

Who? The authority to sign partnership agreements, on behalf of UNHCR, lies with the UNHCR head of sub-office, representative or director. The UNHCR operation is responsible for timely negotiation and signature before the start date of implementation.

Emergency preparedness and response: For new partners, UNHCR operations generate, sign and approve a standard PFA Cover Sheet, DPA (if applicable) and a project workplan with only basic information completed in Cloud ERP. A financial plan must be negotiated. The financial plan may include only one account code (budget line) per output. The implementation of a project workplan may be completed, within the emergency declaration period (including any extension), having only released one prepayment, with the PFA (and DPA if applicable), project workplan minimum details and a financial plan. In such a case, the agreement is subject to a minimum of one Project Financial Report (PFR). An amendment of the project workplan is then required in case the partnership is extended beyond the emergency declaration period (including any extension of the latter), to include all project workplan details, a results plan and a risk register. Partners are entitled to the special supply procedures²² at all emergency levels for the duration of the declaration period, including any extension thereof.

8.2.2 **Establishing the results plan:** The results plan, which includes project outputs and indicators, is derived directly from the UNHCR operation's strategy in COMPASS. The partner and UNHCR collaborate to establish detailed project activities, outputs, indicators, and targets, categorized by population type and reference value in the results plan in PROMS.

8.2.3 **Establishing the financial plan:** The partner indicates how the resources that are

²² The special supply procedures are listed in the [Policy on Emergency Preparedness and Response | UNHCR](#).

agreed with UNHCR will be used to implement the project and all its related activities within the period specified, in the financial plan in PROMS.

8.2.4 Project workplans are developed using a single currency, which is typically the currency of expected predominant expenditure, usually the local currency. There are three exceptions to this rule:

- If the majority of expenses are anticipated to be incurred outside the country operation, the applicable currency of the forecasted expenses may be used as the single currency for the agreement without requiring authorization.
- If the majority of expenses are expected to be incurred inside the country operation but in hard currency, the operation must seek authorization from UNHCR headquarters through the relevant bureau.
- If the partner is a UN sister agency, the most efficient currency will be determined in consultation between the UN counterpart and the UNHCR operation.

8.2.5 Partners are required to nominate one bank account to which UNHCR will transfer prepayments for the project. They can use a pooled bank account²³ without prior approval from UNHCR if they have adequate mechanisms in place to trace the use of UNHCR funds and they allow UNHCR and its auditors to conduct financial verifications by accessing the pooled account bank statements and related reconciliations. However, if a partner believes that it is unable to satisfy these requirements, they must open a separate bank account exclusively for the use of UNHCR funds. This separate bank account ensures proper tracking and accountability of UNHCR funds.

8.2.6 **Risk Mitigation and Monitoring:** UNHCR completes a risk assessment embedded in the project workplan which considers the prior ICA/Q results, alongside the project workplan budget. This informs the expected number of prepayments, value of the first prepayment, budget flexibility and whether the partner is required to submit a personnel report with each PFR. The UNHCR head of sub-office, representative or director has the authority to tailor and determine the final control measures to be applied to the project workplan. UN and grant agreements do not require a risk assessment.

8.2.7 Both UNHCR and partners have shared responsibilities to identify and manage risks, and they should collaborate to find joint solutions that mitigate challenges and leverage opportunities. UNHCR coordinates with the partner to identify risks that could significantly impact the achievement of outputs or deviate from the expected results of the project. At least three risks are recorded using the project Risk Register template in PROMS. UNHCR and the partner agree on relevant treatment plans, within the same Risk Register, to address these risks. The progress and activities related to the treatment plans are monitored during performance verification, and the partner's Risk Register is revised by UNHCR and/or the partner throughout the implementation phase.

8.2.8 As part of annual implementation planning, operations develop an **annual assessment, monitoring and evaluation workplan** that outlines key monitoring, assessment and evaluation activities planned for the upcoming year. This encompasses monitoring

²³ A pooled bank account is a bank account that the partner may use for funds from other sources and for different activities and purposes.

activities for high-risk partners, as well as commercial contracts. By consolidating these activities into one workplan, UNHCR can effectively track progress and make necessary adjustments throughout the implementation phase.²⁴

8.2.9 Partnership asset²⁵ requirements: A partnership may require the use of UNHCR assets to achieve the agreed results. During the project design development, the country operation has the following options for loaning assets to partners²⁶:

- UNHCR retains control and ownership of assets by **giving right of use** of the asset to a funded partner. All right-of-use clauses are indicated within the project workplan [areas of specialization](#),²⁷ while the asset details, including the identification number and loan start date, are indicated in the asset table within the project workplan contract.
- All partners with UNHCR loaned vehicles and/or generators submit monthly vehicle and generator data, including mileage, fuel, maintenance, and repair costs²⁸.

8.2.10 UNHCR may donate its assets, transferring control and ownership of assets²⁹ (including vehicles with the exception of armoured vehicles), to a funded or non-funded partner. This can either be:

- An asset purchased by UNHCR with the express purpose of it being transferred immediately, which is considered a **direct transfer**. For funded partners, in this case, an operation transfers ownership and control through an external Movement Request Issue (MRI) in Cloud ERP, supported by a Goods Received Note (GRN), and uploaded into Cloud ERP. A separate Transfer of Ownership (ToO) agreement is needed with funded partners only for the transfer of a vehicle. For non-funded partners, a ToO is required for all **direct transfers**, including vehicles.
- An asset that has already been in use by UNHCR or by a partner under right of use clauses, which is considered a **transfer of an existing asset**. For both funded and non-funded partners, in this case, a ToO agreement is required once approval is obtained from an Authorizing Officer or Asset Management Board. Transfers of assets acquired for **direct transfers** do not need a disposal authorization.

8.2.11 Partners can use UNHCR funds to directly purchase assets as outlined in the financial plan and signed project workplan. In these cases, control and ownership of the assets belong to the partner and not UNHCR.

8.2.12 The dates of the implementation period specified within the project workplan contract

²⁴ This is not an annex to the project workplan.

²⁵ UNHCR assets are classified into two main categories:

- Fixed assets (tangible and intangible assets) – those assets that meet the capitalization criteria under UNHCR's Accounting Policy Framework; and
- Low value tracked items – those assets that do not meet the capitalization criteria but represent important resources for the organization and are thus tracked and registered by UNHCR for accountability and internal control purposes.

²⁶ See the [Partnership Asset Management Table](#) in the Programme Repository for further details.

²⁷ The most recent version is always the one considered currently applicable/binding, except for agreements signed previously with a reference to an earlier version included.

²⁸ The fleet focal point reviews the data, consolidated in [FleetWave](#), where available, to ensure that it is properly entered and accurate, and analyses such data to assess whether the vehicles and generators are used efficiently by the partner.

²⁹ See the AI on Asset Management in UNHCR for further details.

determine the budget year in which the agreement must be considered for budget consumption purposes. This informs the determination of partnership-related commitments or prepayments to be recorded in UNHCR accounts in compliance with UNHCR's Accounting Policy Framework.

8.2.13 No new project workplan may be created and signed after the end of November, for the current implementation year. The exception is only due to an L1-3 emergency declaration.

8.3 Grant agreements

8.3.1 UNHCR may solicit via the UNPP and/or receive unsolicited concept notes from organizations that an operation can consider for grant agreements.

8.3.2 Organizations, individuals or groups who sign a **grant agreement** are required to sign and commit to UNHCR's core values and standards of conduct by way of a [Code of Conduct](#). The same organizations are exempted from a PSEA capacity assessment, an ICA, and are not project audited. However, PSEA and other safeguards are included in the selection criteria.

8.3.3 One PFR and final narrative report is required for grant agreements, without supporting documents and without UNHCR carrying out a project financial verification. One project performance verification (PMC02) records, in PROMS, progress against planned activities, as stipulated within the grant agreement. UNHCR proceeds to reflect the PFR in PROMS for the first and only prepayment.

8.4 Implementation monitoring

8.4.1 Implementation monitoring aims to ensure the progress, quality and compliance of partner activities, informing necessary adjustments, as distinct from results monitoring which tracks progress towards the results and associated indicator targets set out in the strategy. Implementation monitoring involves assessing whether activities are being carried out as per the project workplan and validating the accuracy of reported results, including through consultations with forcibly displaced and stateless persons, as well as feedback and response mechanisms.

Why? Implementation monitoring is essential to ensure that projects are being implemented according to contractual obligations and to evaluate the partner's overall performance.

When? Implementation monitoring is ongoing and takes place throughout the implementation year.

Who? UNHCR is responsible for coordinating the overall monitoring process and ensuring continued synergies between results and implementation monitoring. This involves monitoring whether activities have been delivered as reported, including through visits to project locations and/or through consultations with stakeholders and forcibly displaced and stateless people.

Keep in mind: Taking into account that UN organizations are subject to the UN single audit principle, joint performance monitoring is highly encouraged. Unless agreed specifically with the UN partner, the financial verification of reports from UN agencies is not required.

- 8.4.2 UNHCR and its partners jointly monitor implementation by documenting challenges and raising recommendations or appreciations via PROMS to the relevant party during the implementation year.
- 8.4.3 The partner reports data in accordance with the list of indicators and reporting frequency agreed in the project workplan and using the data collection system or tool agreed by the operation and stipulated in the agreement. UNHCR validates the partner's reported results.
- 8.4.4 Partners submit the PFR in PROMS when significant expenditure of the previous prepayment has occurred. During the risk assessment, the expected number of prepayments is defined. UNHCR operations verify a partner's performance and financial expenditure ahead of releasing each prepayment. UNHCR requires partners to submit a minimum of three PFRs annually (ordinarily mid-year, interim and year-end).³⁰
- 8.4.5 The interim financial report is a key PFR provided in the last quarter, and no later than 10 December by the partner. The UNHCR operation and partner decide on the deadline ahead of the project workplan signature, and reporting period coverage.³¹ UNHCR operations must complete the interim PFR verification before the end of December.
- 8.4.6 A PFR must be reported in the same currency as the financial plan. In case a partner spends in another currency or currencies, this must be converted to the reporting currency:
- **Dedicated bank account:** expenses are converted based on the withdrawal/payment date and the exchange rate of the bank.
 - **Pooled bank account:** partners follow their internal rules for expense recognition and document the applied exchange rates.
- 8.4.7 The partner's **indirect support costs** are first set in the financial plan and calculated automatically when reporting expenditure in the PFR template, based upon the expenditure reported to date. UNHCR does not systematically require documents substantiating the details of transactions related to such support activities, however partners may be required to provide such documents upon request.
- 8.4.8 In cases where the project workplan risk assessment identified the personnel report as a necessary control with each PFR, the partner provides a breakdown of personnel costs charged to the project when submitting their PFR, via PROMS. For these partners, UNHCR operations must verify that the **partner's personnel costs** align with the partner's human resources policies, system, procedures as well as the provisions in the

³⁰ Unless the project start date commences after the 1 January, in which case fewer PFRs may be required.

³¹ It is often submitted by partners around the end of November or early December of the implementation year and covers expenditures up until a few weeks before the submission deadline.

PFA.

- 8.4.9 **Project Verification:** Throughout the year, the UNHCR operation must conduct project performance and financial verifications prior to accepting each of the partner's PFRs and releasing the next prepayment.
- 8.4.10 **Project performance verification** involves a desk review by UNHCR using the templates in PROMS, following on from a PFR submission. It includes analysing challenges, recommendations and appreciations, partner and joint monitoring, reviewing feedback from forcibly displaced and stateless persons through the relevant feedback and complaints mechanisms, and assessing the partner's reported results.
- 8.4.11 **Project financial verification** involves UNHCR reviewing financial supporting documents on-site or remotely to ensure the accuracy of reported expenses. This is completed using the templates (long and short) in PROMS. UNHCR only uses remote financial verification in exceptional circumstances for partners with low-risk rating in ICA/Q, and/or in cases where recent verifications have not reported weaknesses, with justification documented within the template in PROMS. UNHCR operations may conduct a short project financial verification (short form) for interim PFRs, with expenses included in the next scheduled standard verification (long form).
- 8.4.12 The partner reports progress against indicator targets throughout implementation as agreed in the project workplan. UNHCR analyzes progress during the project performance verification and undertakes the project financial verification based on the performance verification. A recommendation is then presented to the UNHCR head of sub-office, representative or director, as to whether to release the next prepayment based on the expenditure rate and considering the partner's request. If the unused balance from the prior prepayment is significant (more than 1/6 of the total financial plan) the exceptional circumstances surrounding the recommendation to nonetheless release the prepayment must be documented in PROMS.

8.5 Adjustments

- 8.5.1 UNHCR and/or the partner identifies when adjustments are required to projects based on implementation monitoring. Such adjustments are coordinated by the UNHCR and the partner. There are two forms of 'adjustment':
- (a) a variation (when the change does not affect the scope of the agreement as regards its timeframe, expected results, total budget or other factors); and
 - (b) an amendment (when the scope of the agreement requires change).

Why? UNHCR and partners transparently and timely communicate implementation monitoring findings and recommendations for action to one another, adjusting projects as required.

When? UNHCR or a partner may request adjustments to a project workplan as and when required, but no later than **mid-December** each year.

Who? The UNHCR head of sub-office, representative, and director have the authority to sign amendments. Respective partners are consulted before a final decision is taken on any project modifications.

Emergency preparedness and response: In exceptional cases, including during an emergency declaration, the head of sub-office, the representative or director can expand the scope of a PFA via an amendment (for example, to cover a new outcome or geographical area) without a new recommendation from the IPMC – if the partner has prior experience, proven capacity and is willing to expand.

8.5.2 A **project workplan variation** includes changes to administrative details such as the **partner's name or bank account changes**. UNHCR receives and verifies the information provided by the partner via the Partner Registration Form.

8.5.3 A **project workplan amendment** includes adding assets under right of use, outputs and/or indicators, adjusting the overall financial plan total, changing project implementation dates, or modifying the financial plan beyond the applied output budget flexibility.

8.5.4 The project workplan implementation period ends on 31 December, and the liquidation period continues for one month, or as otherwise specified. During this period, the partner can settle financial commitments made prior to the completion date but cannot undertake new commitments or implement new activities. If circumstances beyond UNHCR's and/or the partner's control, such as disasters and natural hazards, security issues or earmarked funds, require an extension, the partner can submit a request via PROMS before the end of November. The UNHCR operation evaluates all requests and determines which ones are sent for approval to the bureau (for country operations) and headquarters (for bureau and headquarters). If extension requests are approved, the UNHCR operation and partner amends the project workplan contract by 31 December in Cloud ERP, at the latest.

Project workplan and related PFA Termination within the implementation year

8.5.5 Both UNHCR and the partner have the right to terminate a project workplan and related PFA for any reason and at any time by providing written notice to the other party.³² UNHCR operations may terminate an agreement with cause with immediate effect. Events that lead to the immediate termination of an agreement are listed within the [partnership terms](#).³³ The termination process follows the conditions outlined in the PFA partnership terms and applicable preconditions. The parties involved aim to minimize negative impact on affected communities during the termination process, documenting the causes and steps taken for audit purposes.

8.5.6 Any time UNHCR or partner personnel come across information that indicates that a

³² The [partnership terms](#) of the agreement specify the number of days' notice required dependent upon the reason for termination. Obligations following termination or expiry are also listed. Written notification may be communicated to a partner via PROMS.

³³ The most recent version is always the one considered currently applicable/binding, except for agreements signed previously with a reference to an earlier version included.

member of personnel from either party has engaged in inappropriate conduct, including fraud, corruption or exploitation, the personnel shall report the information to the UNHCR [Inspector General's Office \(IGO\)](#). In handling the allegation, the IGO can request the assistance of UNHCR, which can request that a project auditor considers the information in the conduct of a financial or special audit. The partner's PFA provisions stipulate that partners have a duty to promptly report allegations of misconduct implicating any partner personnel or UNHCR funds to the IGO. Allegations of sexual exploitation and abuse must be reported directly to the IGO. When doing so, the partner takes care to minimize further harm to the victim(s) and follow confidentiality and data protection requirements, in addition to any requirements communicated by the IGO.

Suspension or barring of a partner

- 8.5.7 If a partner grossly violates the terms of the agreement, is added to a sanctions list recognized by the UN, engages in improper ethical conduct, refuses corrective measures, and/or refuses to undergo an audit, it may be suspended or barred from partnering with UNHCR at the country, regional, and/or global level.
- 8.5.8 UNHCR headquarters supports any review in consultation with the concerned operation and its bureau, the UNHCR Legal Affairs Service (LAS), the IGO, and other relevant UNHCR divisions and services as applicable. The final decision to suspend or bar the partner is concluded by the Deputy Director of the Division of Strategic Planning and Results in UNHCR headquarters, following a thorough review. **UNHCR headquarters is accountable for reflecting in the UNPP via a risk flag, any subsequent decision to suspend or bar a partner** from UNHCR collaboration either at country, regional and/or global level in the UNPP by adding a risk flag to the partner's profile.
- 8.5.9 When a partner is suspended or barred, UNHCR cannot sign any new agreement with the partner until the suspension is lifted, following the recommendation by the UNHCR bureau director.

PFA termination and/or no project workplan for the forthcoming year:

- 8.5.10 The PFA is typically aligned with the duration for which the partner was selected.³⁴ A PFA can be terminated earlier and/or a decision can be made not to enter into a new project workplan immediately, for the forthcoming year:
- If a partner is underperforming;³⁵ or
 - If there are significant shifts in funding, an emergency declaration, or the need for a strategic reorientation to the operation's multi-year strategy.
- 8.5.11 In these cases, the IPMC makes a timely recommendation to the UNHCR head of sub-office, representative or director to terminate a PFA at the end of the current implementation year, and/or not to create a new project workplan immediately for the forthcoming year.
- 8.5.12 The UNHCR representative or director has the authority to terminate a PFA, effectively

³⁴ Therefore, no partnership retention is required.

³⁵ The UNHCR Programme Handbook for Partners provides parameters for under-performance and gives further guidance surrounding such cases.

ending the partnership and/or not to enter into a new project workplan immediately for the forthcoming year. UNHCR must share the decision and associated feedback with the respective partner no later than 15 October for the forthcoming year.

9. SHOW RESULTS

9.1 SHOW Results phase

9.1.1 During the Show Results phase, the focus is on reviewing, reflecting and reporting annual results, encompassing the overall objectives and requirements. In terms of partnership management, the emphasis is on the processes related to partners' annual reporting, project audit and closure of project workplans.

9.2 Partner End Reports

9.2.1 Reporting by partners is required at the end of the defined project period. The UNHCR operation, in consultation with the partner, sets specific deadlines for each reporting component. However, there are key dates that must be met:

- End-results reporting by 31 January;
- End-narrative reporting by 15 February; and
- The end-project financial report (PFR) by 15 February.

Why? The partners' final reporting provides a detailed overview of the progress in achieving planned activities and results, as well as the quality of their delivery. It allows for reflection on their overall performance and serves as an important documentation of their work.

When? Partners are expected to submit their final reports according to the specified dates outlined in their project workplan. UNHCR operations verify the partners' reported data and information, including **results validation**, final **project performance verification**, and final **project financial verification** by the end of February of the year following implementation.

Who? UNHCR operations hold the responsibility of ensuring that the partners submit their end reports in a timely manner.

9.2.2 UNHCR coordinates a physical verification exercise of all UNHCR assets loaned to partners under right of use clauses, on an annual basis or in case of reallocation between partners.³⁶ Partners are required to facilitate the visit of and to cooperate with UNHCR or other duly authorized persons.

9.2.3 Any interest gained by a partner directly due to a UNHCR-funded agreement can be used by the partner for activities that are consistent with the goals of the partnership and will be documented in accordance with the partner's financial rules. However, if the partner's financial rules necessitate the return of the interest income, it will be repaid to UNHCR and reported via the relevant supporting documentation, when submitting the PFR. This

³⁶ UNHCR headquarters may organize and perform remote verifications of vehicles equipped with tracking systems and certain IT equipment, where possible.

amount is not to be reported as expenses within the PFR.

9.2.4 Non-interest revenue received by the partner directly due to a UNHCR-funded agreement is reported by the partner with the next PFR after the revenue is received via the relevant supporting documentation, when submitting the PFR. This amount is not to be reported as expenses within the PFR. This includes insurance revenue resulting from project-related insurance claims, income generating activities and the reimbursement of value-added tax (VAT). The representative has the authority to approve if such non-interest revenue will be used by the partner for activities that are consistent with the goals of the partnership, or if the amount will be refunded to UNHCR.

9.2.5 **Project Evaluations:** When a donor requires an evaluation of a specific partnership, the UNHCR operation ensures its planning, management, and delivery. Access to a partner's data and information is provided for evaluations led by the UNHCR headquarters Evaluation Office. Conclusions and lessons learned from evaluations are discussed with partners for improvement.

9.3 Risk-based project audit

9.3.1 UNHCR headquarters contracts audit service firms ("project auditors") who perform project audits of UNHCR-funded partners.³⁷ Project auditors are contracted for a maximum of three to five years under a framework agreement following a procurement process undertaken by UNHCR headquarters. A statement of work will be signed by UNHCR with the auditors for the specific annual audit work to be performed following a secondary bidding process.

Why? Project audits provide reasonable assurance that there are no significant errors or discrepancies in the PFRs and that the funds have been utilized appropriately. A risk-based approach allows UNHCR to optimize its resources and focus on projects with higher risks or areas where additional scrutiny is necessary for effective management and accountability.

When? Project audits are typically conducted after the completion of the implementation period and the submission of the end-PFR by the partner. However, in exceptional cases, project audit may occur during the project implementation period or up to six years after the project's closure.

Who? UNHCR regional bureaus and headquarters are responsible for overseeing project audits. The UNHCR operation is responsible for coordinating the project audit work, ensuring compliance with established deadlines and deliverables, and ensuring the project audits are conducted with integrity and professionalism.

Keep in mind: **Government partners** audited by their national audit authority are not subject to UNHCR's project audit. UNHCR follows the UN's single audit principle, and therefore, it

³⁷ The performance of the project auditors, quality of the audit reports and their compliance with the contractual terms will be assessed by UNHCR and the UN Board of Auditors for achieving credible, consistent and high-quality assurance of work done, and may also be assessed by OIOS/IAS. UNHCR headquarters will seek feedback from UNHCR operations and partners on the performance and the quality of the project audit field work and services provided by the assigned project auditor in their respective areas.

does not conduct project audits on other **UN entities** implementing UNHCR-funded projects.³⁸ Grant agreements are also exempt from being project audited.

- 9.3.2 UNHCR determines which project workplans or non-standard agreements implemented by partners should be project audited. Several factors are considered in this process:
- New partners to UNHCR are often selected for audit to ensure proper financial management and accountability from the beginning of their partnership.
 - Partners with low assessed risk and unmodified audit opinions from previous audits may be given lower priority for project audits.
 - Projects involving high-risk activities or operating in challenging contexts may be prioritized for audits.
 - Findings from implementation monitoring and UNHCR's verifications can also influence the decision to conduct a project audit.
 - Project workplan budgets are considered as an indicator of the volume of activities.
 - Requests for audits may be made based on specific donor requirements or at the request of a representative or director.
 - The costs and benefits of conducting an audit are taken into account, ensuring value for money.
- 9.3.3 In cases where a partner uses one of the audit firms contracted by UNHCR for project auditing as its statutory auditor, UNHCR may agree, with the partner and relevant auditors, to conduct a single project audit of the partner. This is subject to the audit meeting UNHCR's requirements for project audits. Partners are responsible for informing the UNHCR operation, who then informs UNHCR bureau and headquarters when this situation applies.
- 9.3.4 As part of the global statement of work, project auditors are mandated to conduct or update the ICQ of the partner where relevant.³⁹
- 9.3.5 UNHCR submits the partner's final PFRs to the project auditors as soon as possible, and before 16 March of the following implementation year.
- 9.3.6 The project auditors are required to conduct the audit following the most updated [International Standards on Quality Management \(ISQM\)](#) for firms that perform audits and reviews of financial statements, and other assurance and related service engagements.
- 9.3.7 The UNHCR operation coordinates, as needed, with project auditors and partners to ensure that the timing of the project audit does not disrupt partners and remains in compliance with set deadlines. UNHCR facilitates project audit meetings that include partners (entry briefing and closure meeting).
- 9.3.8 The project auditor must provide draft audit reports, including a draft of the management letter and ICQ (where relevant), to partners and UNHCR via PROMS, allowing up to seven days for comments, before finalization.

³⁸ UN organizations are subject exclusively to the provisions on external and internal audit stipulated in the United Nations Financial Regulations and Rules as well as in their respective financial policies and procedures.

³⁹ If scheduled for an audit, the ICQ will not be reassessed for a period of 3 years starting from the date of the recent ICQ.

- 9.3.9 The final audit certificate, consisting of an audit report with a clear opinion⁴⁰ on the audited PFR, a management letter, and an ICQ (where relevant), is provided to the partner and UNHCR via PROMS by the project auditor before the end of April. For partners assessed as low-risk with an unmodified audit opinion from a previous UN audit process, the ICQ will not be reassessed for a period of three years starting from the date of the ICQ. In case of a modified opinion (qualified, adverse, disclaimer), the ICQ will be required. Moreover, the partner or UNHCR operation may request that an ICQ be conducted for risk-related reasons, such as the need for an independent assessment of improvements implemented by the partner. The audit certificate follows generally accepted auditing standards and formats.⁴¹ In the event of an exceptional extension of project implementation and/or liquidation approved by UNHCR, the operation and the project auditor negotiate a revised deadline for submission of the relevant audit certificate.
- 9.3.10 If the project auditor identifies significant project audit observations, including possible misconduct such as fraud and corruption by the partners, the UNHCR representative or director immediately refers them to the IGO, UNHCR headquarters and the UNHCR regional bureau as appropriate.
- 9.3.11 UNHCR operations and partners are required to take appropriate action to address any **project audit recommendations**. The UNHCR operation provides any audit recommendations for the partner's follow-up in the matrix via PROMS. Timely submission of the project audit reports to the UN Board of Auditors (UN BoA) by UNHCR is essential for the UN BoA to form an opinion and draw conclusions on UNHCR's financial statements.
- 9.3.12 **For project audits with an unmodified or unqualified audit opinion** UNHCR's review and approval of the actions taken by the partner and operations to close the project audit recommendation must be conducted by the relevant UNHCR bureau or UNHCR headquarters. **For project audits with modified audit opinions (qualified, adverse or disclaimer)**, UNHCR headquarters must approve.

9.4 Project Closure

- 9.4.1 The closure of project workplans is completed by the operation via PROMS,⁴² to ensure the proper financial closure of the project, including the return of any unused funds and the reconciliation of financial transactions.

Why? For timely closure of UNHCR accounts and the preparation of the financial statements.

When? Project closure takes place after the end of contract liquidation, completion of any applicable project audits, and the return of all unspent funds by partners to UNHCR.

⁴⁰ In compliance with the [international standards](#) on auditing, auditors will issue one of the following audit opinions: unmodified opinion, qualified opinion, adverse opinion, or a disclaimer of opinion.

⁴¹ Generally Accepted Auditing Standards or GAAS are sets of standards against which the quality of audits is performed and may be judged. Several institutions have developed such sets of principles, which vary by country and/or territory.

⁴² The [UNHCR Programme Handbook for Partners](#) provides guidance including requirements to close a project workplan.

Who? UNHCR operation is responsible for overseeing the project closure process.

9.4.2 Partners are requested via PROMS to return any unspent balances and revenue received directly as a result of UNHCR's funded agreement (i.e. insurance proceeds, income-generating activities and VAT reimbursements), **no later than 31 March** of the year following project implementation, unless exceptional extensions have been approved.

10.HISTORY

10.1 These procedures supersede all UNHCR previous Implementing Partnership Guidance Notes #1 to #9 inclusive.