



UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

## UNECE FUND-RAISING STRATEGY

### Background

The UNECE fund-raising has been pursued in the de-centralized manner, mainly by the **Commission's Divisions and Regional Advisers**. The approaches applied by the Divisions and Regional Advisers have been rather diverse and heavily conditioned by:

- Respective mandates
- The nature of projects for which funds have been sought
- Donors' priorities
- Personal contacts
- Strategic importance of the area/activities, and, consequently,
- The existence of large funds for promoting certain changes in the areas of strategic importance
- The quality of the project elaboration

Both the **UNECE Divisions** have been instrumental, trying to uncap various sources of funding, including:

- UN foundations/funds and programmes
- EU funds
- Donor-countries
- Specialized international and regional organizations
- NGOs
- Sub-regional country groupings' funds
- Private sector

Although, there are no staff-members on board with professional training in fund-raising, UNECE staff with varying degree of success has practised the latter. Two UNECE Divisions (Transport and Industrial Restructuring, Enterprise Development and Energy Divisions) have established a kind of permanent structure within their respective inter-governmental bodies. These structures have served as an instrument of mobilization of extra-budgetary funds from participating member States.

The **UNECE Regional Advisers** are expected to spend some of their working time on fund-raising. It is anticipated that Regional Advisers have a higher probability of success than other UNECE staff due to:

- Their direct involvement in the elaboration of projects
- Their knowledge of organizations and corporations active in the field, which would be interested in partnering with the UNECE
- Their familiarity with the requirements of donor organizations
- Contacts with both recipient and giving Governments to ensure support

To ensure that project proposals match the requirements and principles of the United Nations, UNECE has been regularly in consultation with UNOG Legal Adviser, who screens the project proposals submitted by Divisions before they are presented to potential donors. Another mechanism of oversight, which was devised by the UNECE, is the Grant Committee, which main function is to review the Divisions' proposals on awarding grants to Government and non-governmental organizations.

The **results of the UNECE fund-raising activities** have been mixed with some Divisions and Regional Advisers being more successful than others.

At the administrative level, packages of the project-proposals were prepared for submitting to potential donors, including sub-regional country groupings interested in the UNECE contribution with some accepted for funding.

Attempts have also been made to attract funds or investors to meet specific requests for assistance in capacity building by advertising UNECE project proposals in business-oriented mass media.

Sharing the costs with other UN, regional and national organizations active in the fields that are relevant to the UNECE mandates has been a relatively successful means of raising extra-budgetary resources for funding projects. UNECE has been partnering with:

- UNDP
- UNEP
- UNAIDS
- ILO
- UNCTAD
- WHO
- ITC
- EU
- World Bank
- Council of Europe
- TACIS
- OSCE
- EBRD
- USAID and other organizations.

Drawing upon the resources of the private sector and NGOs has also become an important instrument of the UNECE fund-raising (see, E/ECE/1404, 20 December 2002). Private sector, for example, has been providing substantial resources for funding the UNECE Gas Center, as well as other projects both field and those implemented on premises.

Despite of some success stories, the present fund-raising strategy of the UNECE is fragmented. There is no unifying framework, no shared data bank on donor organizations and their requirements. UNECE Divisions and Regional Advisers do not share their knowledge and experience among themselves. The results of their fund-raising efforts and successful methodologies applied by them remain known to only a small circle of staff.

The UNECE administrative capacity to process funds is very limited, and the charges for administrative services are relatively high (13%). This also causes problems. Increasingly, outside donor organizations are reluctant to place funds with the UNECE and looking for alternative arrangements.

On the other hand, some conditionality imposed by donors (like, for example, 75-80 % of the given resources should be spent on services of consultants/experts originating from the donor-country) undermines the UNECE effort to utilize the local expertise in recipient countries, and, therefore, achieve efficiency gains, while strengthening the sense of ownership of receiving countries.

The UNECE has been experiencing difficulties in meeting requests of countries in transition for technical assistance due to the limited resource base and the lack of interest on the side of donors.

Finally, most of the UNECE technical cooperation activities funded by donors are those, which match their priorities, but not necessarily the priorities of recipient countries.

## **I. UNECE Fund-Raising Strategy**

In the light of the above, it is proposed the following.

### ***1. Priorities***

Within the strategic directions of the UNECE activities defined by its mandates, the fund-raising effort should be concentrated on mobilizing resources and/or partners to meet the immediate concerns of economies in transition. These are:

- trade and border-crossing facilitation
- harmonization (and/or approximation to the EU) of norms, standards and regulation
- transport infrastructure and corridors
- joint exploitation of the shared river basins
- efficient use of water resources

The projects and activities aiming to meet needs of the most vulnerable UNECE countries and sub-regions should be treated on the priority basis.

### ***2. Principles***

- a. Neutrality

- b. Transparency
- c. Accountability
- d. Partnership approach (pooling resources and sharing the costs)

### ***3. Responsibility for fund-raising***

The responsibility for fund-raising remains with the UNECE Divisions and Regional Advisers.

UNECE Divisions have to:

- a. Prepare and submit an assessment of their needs for extra-budgetary funds to their respective inter-governmental bodies during the annual session of the latter
- b. Requests of member States for technical assistance have to be incorporated into the above need assessment.
- c. On the basis of the need assessment, project-proposals have to be prepared, if necessary, with the help of outside experts, and presented to potential donors
- d. The project-proposals have to be put on the Divisions' websites
- e. A consolidated assessment report and the accompanying package of project-proposals, as well as the information on the outcome of fund-raising efforts, have to be submitted to the Coordinating Unit for Operational Activities
- f. Divisions have to establish a data bank, containing the information on donors' priorities, requirements for submitting project-proposals, monitoring and evaluation
- g. Divisions should ensure that Regional Advisers:
  - Devote at least one month of their working time on fund-raising
  - Elaborate project-proposals in cooperation with local experts, targeted groups, and respective Government structures, both recipient and donor countries or organizations
  - Inform the Executive Secretary of the UNECE, Director of the respective Divisions and the CUOA about the needs and/or requests of the economies in transition for technical assistance
  - Inform their respective Divisions on new sources of funding
  - Investigate opportunities for uncapping sources of funding in receiving countries, especially, in the new private sector of emerging market and transition economies

Coordinating Unit for Operational Activities has to:

- a. In cooperation with the UNECE Divisions and Regional Advisers, prepare and submit a consolidated need assessment report to the UNECE annual session
- b. Prepare and submit packages of project-proposals to donor-countries through the UNECE Group of Experts
- c. During the annual inter-agency meeting, prepare and present a report, highlighting project ideas for joint activities in the areas of the UNECE concern
- d. Set up a joint data bank on donor organizations

- e. Organize the exchange of experience in fund-raising between the UNECE Divisions and between the UNECE and other UN bodies and organizations
- f. Organize a training in fund-raising techniques for staff responsible for fund-raising
- g. Conduct negotiation with potential donor organizations
- h. In cooperation with the Group of Experts, develop unified rules, procedure and forms for application for funding, both by the UNECE Divisions and member-countries
- i. Monitor and report on UNECE fund-raising activities
- j. Coordinate the preparation and o Transparency organize pledging conferences in cooperation with the UNECE Divisions and sub-regional country groupings

## **II. Plan of Action**

### ***1. The UNECE Divisions***

- Prepare and submit a need assessment report (15 August 2003)
- Prepare and submit a package of project-proposals (15 August 2003)
- Establish a donor data bank (1 October 2003)
- Provide information of their fund-raising experience (15 July 2003)

### ***2. Regional Advisers***

- Submit their proposals on new project and/or project ideas in their respective fields to the Directors of their respective Division (1 August 2003)
- Identify potential donor organizations in recipient and donor countries (15 September 2003)
- Provide a report on fund-raising efforts and their outcome (15 November 2003)

### ***3. Coordinating Unit for Operational Activities***

- Prepare and submit to the UNECE annual session a consolidated report on options, realistic procedures and possible types of projects that should be considered for centralized fund-raising. (1 January 2004)
- Prepare and submit to potential donors and the UNECE Group of Experts a consolidated package of project-proposals (25 August 2003)
- Organize a meeting on fund-raising experience for UN staff (12 October 2003)
- Create a shared data bank on donor organizations (1 November 2003)
- Develop forms, rules and procedures on application for funds and project-proposals in consultation with the UNECE Divisions and the Group of Experts
- Organize a pledging conference for joint BSEC/UNECE project-proposals (14 November 2003)