Governance Measures for the Management of Extrabudgetary Contributions

In the Work-Plan on the UNECE Reform adopted in December 2005, the Commission requested that "*Any change in resources (both regular budget and extrabudgetary) materializing after the adoption of the programme budget by the General Assembly shall be presented to the Executive Committee for approval.*"[1] Since 2006, UNECE has undertaken continuous efforts to improve the efficiency and transparency of the management of extrabudgetary contributions in UNECE.

A. *Planning*

1) Following the UNECE Reform, the Executive Committee (EXCOM) became involved in the approval of extrabudgetary projects in 2006.

2) UNECE decision A(65)[2] on the outcome of the review of the 2005 reform of ECE called for strengthening transparency and accountability in the use of extrabudgetary resources. Pursuant to this decision, EXCOM approved "Transparency, accountability and approval of extrabudgetary funding" (2014/41), which further outlined the role of EXCOM in the planning and approval of extrabudgetary resources.[3]

3) In order to strengthen internal controls for implementation of the UNECE decision A (65), the secretariat adopted Directive 17 for "the establishment of agreements and management of extrabudgetary resources"[4] to ensure transparent, effective and efficient management of extrabudgetary resources and to strengthen the accountability of UNECE staff for their use.

4) Following an Office of Internal Oversight (OIOS) audit in 2016, UNECE adopted Directive 18, standardized project concept notes (for projects below $250,000) and project documents (for projects above $250,000) for EXCOM approval, and templates for annual and terminal reports.

5) The coordination and oversight of extrabudgetary contributions in UNECE is supported by overarching frameworks including the Strategic Framework, the UNECE Technical Cooperation Strategy[5], the UNECE Accountability Framework[6], and the UNECE Resource Mobilization Strategy[7], which are all publicly available on Open UNECE.

B. *Monitoring Project Implementation*

1) In the outcome of the Review of the 2005 Reform[2], EXCOM requested the Secretariat "*to assure transparency and accountability … throughout the project cycle on the use of resources and the concrete results achieved*" for extrabudgetary technical cooperation projects. The web-based Project Monitoring Tool (PMT) was developed to provide information on all activities funded from extrabudgetary resources including project documents, progress reports, and end-of-project completion reports.

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[1] Para 94, E/ECE/1434/Rev.1

[2] Para.31 a, http://www.unece.org/fileadmin/DAM/commission/2013/Chapter_IV_Decision_and_Annex_III_Outcome_document.pdf

[3] http://www.unece.org/commission/excom/welcome.html (72nd meeting)

[4] http://www.unece.org/fileadmin/DAM/project-monitoring/Other_documents-PMT/ECE_Directive_18-Establishment_of_Agreements_Management_XB_esources-June2016.pdf

[5] http://www.unece.org/fileadmin/DAM/operact/Revised%20TCS%20e%5B2007%5D.pdf

[6] http://www.unece.org/info/open-unece/accountability.html

[7] http://www.unece.org/fileadmin/DAM/OPEN_UNECE/Resource_Mobilization_Strategy/ECE_Resource_Mobilization_Strategy.pdf

C. Reporting

1) In reviewing the UNECE Technical Cooperation Strategy, the Commission decided: "*The overall governance for technical cooperation activities is assured by the EXCOM. The annual report that was regularly submitted to the annual session of the Commission shall now be submitted to the EXCOM. In addition, as required by the UNECE reform, technical assistance extrabudgetary projects not already included in the programme budget are now reviewed by the EXCOM.*"[8]

2) Annual progress and end-of-project reporting on extrabudgetary projects are prepared in accordance with the requirements of the donor. An annual report on technical cooperation activities is submitted to EXCOM for approval. The report covers three UN programmes implemented by UNECE: "Economic Development in Europe" (Section 20), "Regular Programme of Technical Cooperation" (Section 23) and "United Nations Development Account" (Section 35 of the programme budget).

3) The UMOJA Programmatic Donor Reporting Dashboard (coming soon) is designed to link financial data from UMOJA to the implementation of substantive activities from legacy systems for all UN Secretariat Departments. The Dashboard will ultimately provide users with up-to-date expenditures, which will in time provide reliable tool for donor reporting.

D. Evaluation

1) In 2005, the Commission requested the Secretariat to *"develop and streamline its evaluation functions and practices in conformity with the relevant decision of the Commission and in compliance with the instructions of the OIOS."* In 2013, the Commission emphasized "*the importance of internal controls, oversight and evaluation functions... through proper evaluation, reporting and discussion on evaluation of subprogramme performance.* EXCOM endorsed the UNECE Evaluation Policy based on the UNEG Norms and Standards for evaluation in 2014.

2) EXCOM approves the Biennial Evaluation Workplan for UNECE. All extrabudgetary projects are evaluated according to the policy of the respective donor, and managed by the relevant subprogramme. Further, all projects funded from the UN Development Account and extra budgetary projects with a budget at or above USD 250,000 are subject to an end-of-project evaluation. To this end, at least 2% of the project budget is set aside at the planning stage, to engage a consultant for conducting the evaluation upon the completion of the project.

3) In March 2017[9], EXCOM requested the secretariat to submit an annual report of evaluations, containing information of implementation rates, status and information on completed and ongoing evaluations.

All planning, monitoring, reporting and evaluation of extrabudgetary projects is undertaken in compliance with UNECE policies, UN Financial Rules and Regulations. The detailed processes for managing extrabudgetary contributions in UNECE can be found in Directive 18.[10] Open UNECE provides information on all aspects of programme management (planning, monitoring, reporting and evaluation) including extrabudgetary resources.

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[8] http://www.unece.org/operact/opera/tcoop.html (para. 14, E/ECE/1447/Add.2)
[9] At the 91st Session of the EXCOM (24 March 2017)
[10] http://www.unece.org/fileadmin/DAM/project-monitoring/Other_documents-PMT/ECE_Directive_18Establishment_of_Agreements_Management_XB_esources-June2016.pdf