

Guidelines for the implementation of QSP projects

This information is intended for applicants whose respective projects are approved or conditionally approved.

I. Project initiation

Applicants are informed of decisions regarding the respective applications after the date of the finalization of the provisional meeting report of the QSP Trust Fund Implementation Committee (TFIC), which meets once a year¹ to appraise the applications. Projects which are conditionally approved are given three months to address the conditions for approval. If an applicant fails to meet the conditions for approval, the application will be recommended for resubmission by the applicant in a subsequent application round.

For approved applications (including those approved subsequent to satisfying the conditions of the TFIC), legal arrangements are made between UNEP and the applicant for projects implemented without an executing agency, or between UNEP and the executing agency, if outlined in the application.

Agreement preparation steps:

- The draft legal agreement and budget are provided to all parties for consultation.
- Once both parties agree on the text, and bank and contact details are provided to the secretariat, the agreement is ready to be formalised and signed. According to UNEP practice, UNEP signs the agreement first and then it is sent for counter-signature by the parties.
- Once the agreement is signed by both parties, the project is officially launched (agreements come into force upon the date of the last signature). This date determines when the project is to be completed. For example, if the duration of the project is 24 months and the date of the last signature in the agreement is 23 February 2010, the end date of the agreement, and consequently of the project, will be 22 February 2012.

The legal agreement between UNEP and the project proponent must be concluded within 12 months of the date that the agreement is sent by UNEP to the project proponent for signature. If the agreement is not signed within this period of time, the secretariat will recommend that the TFIC suspends the project and require its resubmission by the applicant in a subsequent application round.

In case of projects for which the legal agreements had been concluded between UNEP and an executing agency, bilateral legal arrangements between the executing agency and the applicant should be concluded within 12 months of the date of the conclusion of the agreement between UNEP and the executing agency. If this is not achieved, the secretariat will recommend that the TFIC suspends the project and require its resubmission by the applicant in a subsequent application round.

II. Project implementation

The projects should be implemented in accordance with the project arrangements approved by the QSP Trust Fund Implementation Committee and established in the legal agreement.

1. Reporting Obligations

Half-yearly Reports: Once the project agreement is signed, project proponents are requested to provide half-yearly progress and financial reports to the SAICM secretariat on 31 January and 31 July of each year during which the project is being implemented. The first half-yearly reports can sometimes cover less than a 6-month period, depending on the project starting date, and therefore does not exclude implementers from reporting. (e.g. a project starting on 30 May will still have to submit these reports for the 31 July, even if little or no activity and expenditure has taken place). The half-yearly reporting templates are Annex III and IV of the legal agreement.

Please note that the table included in the half-yearly report template (item 2.1) should be completed based on the workplan contained in the Annex 1 of the project implementation agreement (Application Form III – Project Description) or the latest approved workplan.

¹ Subject to the availability of funds.

Final Reports: At the end of the project a final narrative report and a final certified expenditure report are to be submitted. Final reporting has specific templates you can find at:

http://www.saicm.org/index.php?option=com_content&view=article&id=567&Itemid=777

Please note that the table included in the half-yearly report template (item 2) should be completed based on the workplan contained in the Annex 1 of the project implementation agreement (Application Form III – Project Description) or the latest approved workplan.

Monitoring and Evaluation reports: All QSP projects are required to be evaluated by an independent entity or consultant² responsible for project monitoring and evaluation (M&E). It is the responsibility of the project proponents to make necessary administrative and legal arrangements for the independent monitoring and evaluation. For projects with over 12 months' duration, two monitoring and evaluation reports must be submitted, the first after one year of project implementation and the second one at the end of the project. Recommendations and lessons learnt in the first independent monitoring and evaluation report are to be addressed during the implementation by the project team. For projects of 12 months' duration or fewer, the final M&E report is the only necessary M&E report. Guidelines for M&E may be found at:

http://www.saicm.org/index.php?option=com_content&view=article&id=109&Itemid=504

Audit report: All QSP projects (except those with an intergovernmental organizations acting as executing agency) are required to be audited by an independent entity. The audit report should be submitted upon completion of the project and should cover the duration of the original, and amended or extended (if relevant) agreements.

Table 1: Reporting schedule

Reports to the SAICM secretariat	Due Date
Half yearly substantive/ narrative report	31 January & 31 July of each year of project implementation
Half yearly expenditure report	31 January & 31 July of each year of project implementation
Final substantive project report	Upon completion of the project
Final certified expenditure report	Upon completion of the project
First project monitoring and evaluation report	12 months after the final signature
Final project monitoring and evaluation report	Upon completion of the project
Audit report (if required)	Upon completion of the project

a. Guidelines for compiling expenditure reports:

The budget lines should be exactly the same as in the budget template which is Annex II of the legal Agreement, unless an approved revision has taken place.

Programme Support Costs (PSC) reflected in the budget: PSCs are allowed for project implementers up to a maximum of 8% of expenditures reflected as Direct Project Cost. This is a levy charged on direct project costs and is a sum payable to project implementers for general overheads and administration indirectly linked to the project. Once the PSCs rate is agreed, through the signing of the legal agreements, this rate must be used for all reporting and budgeting purposes throughout the life of the project. PSCs are calculated on the basis of direct project costs **after** they are incurred, not as an amount to be taken as per the approved budget. As it has been noted that project implementers have incorrectly proposed and/or reported different PSC rates, to help clarify how PSC should be administered, please see below examples:

Example 1: A project implementer is reporting financial expenditures at the end of year one (of a two year, \$250,000 project project). The report says that \$100,000 has been spent as Direct Project Cost. If **8%** was

² The independent monitoring and evaluation should be undertaken by a person or an organization, which has no ties to the project development and implementation. Independent monitoring and evaluation can be carried out by an academic institution, a research centre, an independent consultant, or a non-governmental organization.

agreed in the approved budget and agreement, then \$8,000 should be the figure in Programme Support Cost. This will leave a budget of \$131,481 for year 2's Direct Project Cost and \$10,519 for PSC.

Example 2: A project implementer requests an extension to a \$250,000 project and sends a final expenditure report for the end of the original agreement period (phase 1)³. In phase 1 of the project the implementer reported \$150,000 as Direct Project Cost and the reported PSC was \$9,000, as per the agreed 6% rate. This will leave an available balance for the next period (phase 2) as \$85,849 for Direct Project Cost and \$5,151 for PSC.

If needed, the exact agreed PSC rate can be calculated by taking the approved budget in the signed legal agreement and dividing the Total Programme Support Cost by the Total Direct Project Cost.

Period Covered: The expenditure reports should indicate the timeframe covered by the report. In case of Final overall expenditure reports, the period covered by the legal agreement should be mentioned as expenditures cannot be incurred after the expiry of the agreement.

Final expenditure reports need to have "Final" written at the top of the report. They must either be prepared with the organizations' letter-head on the document or submitted with a covering letter with the letter-head, addressed to UNEP's correspondence address as per the signed project agreement.

Certification of expenditure report: half yearly expenditure reports can be signed by an authorized official of the executing agency with delegated authority. In case of projects without an intergovernmental organization acting as executing agency, the **final** financial report should be certified by an external auditing firm or entity.

2. Changes in the project arrangements- Approval needed before implementation

If due to unforeseen circumstances there is a need to introduce changes to the project arrangements⁴ or change in budget, the project implementers are required to seek approval from the SAICM secretariat **before** changes are implemented. If necessary, the secretariat will seek approval from the QSP Trust Fund Implementation Committee. A formal request should be sent to the secretariat explaining the nature and reason of the requested modification.

a. Change in entity for M&E or Audit

If there is a need to change the entity for conducting the project monitoring and evaluation or the nominated Audit entity, the project implementer should inform the secretariat of such a change, provide reasons for the change and the curriculum vitae of the new entity.

b. Changes in approved budget

Please note that budget revisions should be sought before incurring expenditures.

Budget revisions can be requested for a variety of reasons. One reason is when an Applicant needs to change an element of the budget required for the successful continuation of a project.

Project implementers are required to submit the following documents for budget revision:

- (i) a budget revision request
- (ii) justification of revision and
- (iii) a budget revision table with the original budget on the left hand side and the proposed revised budget on the right with changes highlighted in red. This should be done in an **excel file**, an example is provided in Annex 1.

If the proposed changes do not exceed 10 percent of the Direct Project Cost, the secretariat has the capacity to confirm the budget revision, upon request from the Project Implementer. However, if the proposed change is greater than 10 percent, the request for the budget revision will be transferred to the QSP Trust Fund

³ For more information on project extensions please see page 4 and 5.

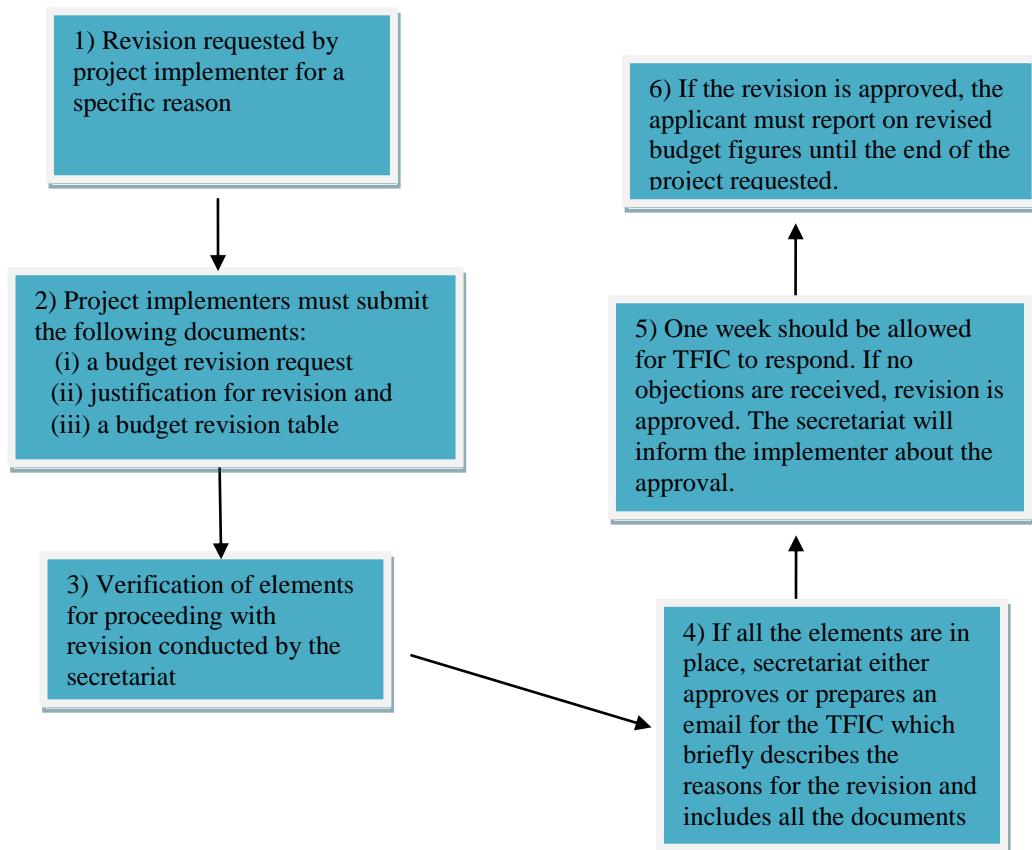
⁴ Examples of alteration in project arrangements can be change in the M&E entity or delays in the implementation of activities or changes in the approved budget.

Implementation Committee for approval. The secretariat and the Committee may ask for clarifications and additional information, if necessary, before granting approval.

Once the budget revision is approved, the project implementer will be informed accordingly and the subsequent financial reports must reflect the approved revised budget.

The procedure for requesting a budget revision from the TFIC is provided in Fig.1 below.

Fig. 1 – Process for budget revisions



c. Change in project duration - Project Extension

Documents for project extension should be submitted to the secretariat 3 months before the end date of the project. If a project extension is granted, the secretariat will prepare an amendment to the agreement for signature by both parties. *Any revision related to the budget is to be sought before the extension.*

Project extensions may be granted up to an overall duration of project implementation of 36 months. The secretariat has the capacity to grant an extension up to 12 additional months not exceeding the 36 months of implementation to projects with satisfactory performance which have completed two-thirds of the agreed work plans and spent two-thirds of the agreed budget. In cases where the secretariat is not able to grant an extension, the decision of the QSP Trust Fund Implementation Committee is sought.

Project implementers are required to submit the following documents for processing extensions:

1. A letter from the Applicant (as well Executing Agency, if applicable) requesting the extension, along with the justification on why the extension is required and the timeframe for extension. Please express the requested timeframe as number of months instead of setting specific dates.

2. Workplan for the extended period. The work plan should include only the activities that will be carried out during the extension.
3. An assessment of project performance. For the secretariat to assess whether two-thirds of the agreed work has been completed, project implementers will be supplied with a reporting template **to be completed in line with the original workplan**, indicating progress of each activity. Please note that all activities reported as completed, need to be supported by means of verification (e.g. documents, meeting reports, awareness raising materials, etc.).
4. Overall financial report, which is certified, signed and stamped by an authorized official with delegated authority indicating the amount of funds spent until the date the extension has been requested. Both excel and pdf versions of the financial report are required. Instructions for developing expenditure reports can be found in section 1 of this guidance document.

NOTE: If the project has passed 12 months of implementation, it should also submit the first Independent Monitoring and Evaluation report⁵ as well as other deliverables if they have not already been submitted.

Project extensions in case of agreement expiry: Due to various circumstances the amendment of legal documents to extend projects can take longer than expected and agreements can expire before the amendments can be signed. In those cases, the extension is made through a new agreement. In order to develop the new agreement the secretariat requires, in addition to the letter (1), the work plan (2) and the assessment (3), a **Final** certified overall expenditure report indicating the amount of funds spent between the date of start and expiry of the original agreement. This report also has to be certified, signed and stamped by the authorized official with delegated authority, and submitted in excel and pdf versions. The specific template for final expenditure reports and instructions to develop it can be found in section 1 of this guidance document.

Project extensions in case of unsatisfactory performance; For projects which demonstrate little progress with respect to the approved work plan by the middle of their agreed duration, the secretariat will set up a measurable indicator or objective, which should be attained within a requested timeline and this should be demonstrated by a project proponent in the subsequent progress report. To monitor progress and determine whether the implementation of a project is on track the secretariat draws on various information sources including half-yearly progress reports and mid-term independent monitoring and evaluation reports. If the project proponent fails to meet the objective or indicator as required, no project extension shall be granted.

⁵ In the case of a 12 month project, the M&E will be submitted only at the end of the project.

Annex I – Example of Budget Revision Request in US\$

			Approved Budget			Proposed Revision		
			Year 1	Year 2	TOTAL	Year 1	Year 2	TOTAL
10	PROJECT PERSONNEL COMPONENT							
	1200	Consultants						
	1201	Project coordinator (national)	14'200	14'200	28'400	12'500	12'500	25'000
	1202	Assistant manager (national)	7'000	7'000	14'000	6'200	6'200	12'400
	1203	Resource persons (international)	10'000	10'000	20'000	9'000	9'000	18'000
	1204	Advisor on institutional/legal issues (national)	7'200	7'200	14'400	7'200	7'200	14'400
	1205	Local consultants (10 consultants)	15'000	15'000	30'000	18'000	18'000	36'000
	1206	Local Travel	6'000	6'000	12'000	6'000	6'000	12'000
	1299	Total	59'400	59'400	118'800	58'900	58'900	117'800
	1300	Administrative support personnel						
	1301	Administrative assistants (national)	1000	1000	2'000	1'200	1'200	2'400
	1399	Total	1'000	1'000	2'000	1'200	1'200	2'400
	1600	Travel of UN Staff on Official Business						
	1601	Travel of Executing Agency staff for meetings	14'900	14'000	28'900	14'900	14'000	28'900
	1699	Total	14'900	14'000	28'900	14'900	14'000	28'900
	1999	Component Total	75'300	74'400	149'700	75'000	74'100	149'100
30	TRAINING COMPONENT							
	3200	Group training						
	3201	Inception meeting, Capacity Assessment, and governance planning meetings	5'500	0	5'500	5'500	0	5'500
	3202	Legislation and awareness raising and training activities	3'500	3'500	7'000	3'500	5'500	9'000
	3203	Database training workshops	4'000	1'500	5'500	4'000	1'500	5'500
	3204	Action plan development training	0	4'000	4'000	0	6'000	6'000
	3299	Total	13'000	9'000	22'000	13'000	13'000	26'000
	3300	Meetings/conferences						
	3301	Final Capacity Assessment, governance, and database review meetings	4'500	4'500	9'000	4'500	4'500	9'000
	3302	Interim meetings	2'000	2'000	4'000	2'700	2'800	5'500
	3303	Final Project Review Meeting	0	4'000	4'000	0	4'000	4'000
	3399	Total	6'500	10'500	17'000	7'200	11'300	18'500

3999	Component Total		19'500	19'500	39'000	20'200	24'300	44'500
40	EQUIPMENT AND PREMISES COMPONENT							
4100	Expendable equipment (items under \$1,500 each)							
4101	Office supplies		2'000	782	2'782	2'000	782	2'782
4199	Total		2'000	782	2'782	2'000	782	2'782
4200	Non-expendable equipment (items above \$1,500 each)							
4201	Computers for project		7'500	0	7'500	7'500	0	7'500
4202	LCD projector for project		2'500	0	2'500	2'500	0	2'500
4299	Total		10'000	0	10'000	10'000	0	10'000
4999	Component Total		12'000	782	12'782	12'000	782	12'782
50	MISCELLANEOUS COMPONENT							
5200	Reporting cost							
5201	Translation of updated profile and website materials		1'000	5'000	6'000	1'000	5'000	6'000
5299	Total		1'000	5'000	6'000	1'000	5'000	6'000
5300	Sundry							
5301	Printing and postal costs		3'750	3'750	7'500	2'550	2'600	5'150
5302	Communication costs		5'000	0	5'000	5'000	0	5'000
5303	Other communications costs		3'650	3'850	7'500	2'450	2'500	4'950
5399	Total		12'400	7'600	20'000	10'000	5'100	15'100
5500	Independent Monitoring and Evaluation							
5501	Evaluation consultant		2'000	2'000	4'000	2'000	2'000	4'000
5599	Total		2'000	2'000	4'000	2'000	2'000	4'000
5999	Component Total		15'400	14'600	30'000	13'000	12'100	25'100
	Direct Project Cost		122'200	109'282	231'482	120'200	111'282	231'482
	Programme Support Cost (8%)		9'776	8'743	18'519	9'616	8'903	18'519
99	GRAND TOTAL		131'976	118'024	250'000	129'816	120'184	250'000