European Commission
United Nations Development Programme
International IDEA

Joint Training on
Effective Electoral Assistance

EC-UNDP Contractual Arrangements
Avoiding the Traps

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DAY 3
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- EC–UNDP partnership in electoral assistance: the context.
- 10 major difficulties encountered in the implementation phase.
- How to put together a Contribution Agreement?
- EUEOM
EC and UNDP

different corporate cultures

- Mutual limited knowledge
- Economic background / Developmental background (romantic...)
- European Organisation / International Organisation
- Round table / Square table
- New rich / Old lord (clash of personalities)
Context: EC and UNDP

different corporate cultures

But ... complementarities
The image of UNDP in the EC

- BAD...
- poor reporting, slow, tricky, costly, heavy administrative procedures
But...close to beneficiary governments
But...neutral partner in politically sensitive situations
But...long experience (electoral assistance) and managerial capacity
But...ability to pool resources (Multi-donor actions) administrative capacity
But...long experience and mandate for donor coordination
BAD...

Bureaucratic, obsessed by visibility, micro management, cumbersome, high maintenance
The image of the EC in UNDP

- But ...common objectives / same values
- But...serious and reliable partner
- But...financial means
Visibility
Accountability
Transparency
FAFA tensions

- Audit / Verification
- Publication of the Beneficiaries
DEX/NEX

- Modality of Execution
- DEX
- NEX
Absence or lack of communication between the ECD and the UNDP CO.
Suspicion and paranoia.
“Ego”

Joint Formulation Mission
Role of JTF
Exchange of document
Informal communication
Difficulty 2: Switch from Contractor to Partner

- Sometimes difficult for the ECD to consider UNDP as a partner and not as a contractor.
- Sometimes difficult for UNDP to consider the EC as a partner and not as a banker.

- Greater involvement of the EC in the preparatory phase..."Joint Project" but not Joint Management.
- Mutual respect.

- Difficulty 2: Switch from Contractor to Partner
Difficulty 3: contradictions between EC-UNDP project documents.

- existence of discrepancies /contradiction between EC and UNDP official project documents (Project Identification Fiche, Financing Proposal, Prodoc, annex I of the Contribution agreement)

- Exchange of documents
- Draft contribution agreement aligned with UNDP Prodoc and based on recommendations of the Operational guidelines
Difficulty 4: Time constrain

- UNDP often makes the mistake of working too sequentially leading to time compression issues (hiring experts)
- No retroactivity with EC financing

- UNDP financial and technical input for preparatory activities (UNDP contribution, not reimbursable)
- UNDP advance of funds from the day of the signature of the contract (reimbursable)
Difficulty 5: endless discussions on 7% of indirect costs/GMS.

- UNDP’s Executive Board decision (2007) to adopt a rate of 7% GMS
- FAFA ...up to 7%

- Unless exceptionally high amount...7%.
Difficulty 6: EU visibility

- EU limited visibility in multi-donor actions
- Need for UNDP to accommodate the visibility requirements of other donors.

- EC’s participation in the steering and technical committees
- Joint Visibility Guidelines for EC-UN Actions in the field.
- Specific Visibility Plan
Difficulty 7 : Selection of Expertise

- EC’s desire to participate to the selection of the electoral assistance experts
- UNDP rules and procedures for the selection of experts.

consensus
 Difficulty 8 : Audit / Verification

- ECD wants to programme an audit at the end of the project.
- UNDP rules and procedures: selection of the projects to be audited is the prerogative of the auditors (DEX)
- No reference to specific audit in the annex I of the contract or in the special conditions.
- Possibility for the EC to send a Verification Mission.
Difficulty 9 : Earmarking of funds

- ECD wants to earmark funds for specific activities in a multi-donor action.

- By nature No earmarking in a multi-donor action
Difficulties : 10 Reporting

- Reporting : deadline not respected
- Exchange losses claimed by UNDP
- Publication of the “Beneficiaries”

Respecting the reporting deadlines of the contract are essential when working with the EC. The financial report must follow the format of the original budget, not Atlas.

- Exchange losses : UNDP.
How to put together a Contribution Agreement?

**Contract**

- Narrative / Terms of Reference
  - Context / Background
    - Justification
  - General objective
  - Specific objectives
  - Activities / Tasks
  - Expected Outputs
  - Required Inputs
  - Management Structure / Partners
  - Monitoring and Evaluation
  - Reporting
  - Timeline
  - Budget

- Budget
  - Personnel (International/local)
    - Expertise
  - Per diems
  - Transport
  - Office Costs
  - Procurement
  - Overheads

- Special Conditions and Standard legal annexes
  - General Conditions

Sets out all legal and financial parameters key of the intervention.
How to put Together a Contribution Agreement?  
4 Steps

- Joint Formulation Mission: Agreement on Annex I and Budget
- Draft Contribution Agreement prepared by the ECD (Special Conditions and 5 annexes)
- Clearance of the draft by UNDP Brussels: FAFA compliance and UNDP rules and regulations compliance
- Signature
UNDP Logistical Support to EU EOM
Characteristics

- Not a partnership: independent mission
- No political or visible role for UNDP.
- Pure logistical support (and damages control..)
- High EU priority
UNDP Logistical Support to EU EOM
Characteristics

Difficulties encountered:

- Short timing
- Significant pre-financing required
- Further administrative burden on the Country Offices
- Difficult missions to close
- Often clash of characters due to high pressure situations
- Difficult contracts to clear in UNDP HQ
UNDP Logistical Support to EU EOM

Why?

Why do them?:

- For the democratic cause
- For the good of the global EC-UNDP partnership
- Entry point with the EC Delegation and delivery.
- For the overheads? Not really
The improved relationship:

- Greater corporate experience and lessons learned
- Permanent small team of experts ready for deployment
- Better understanding between EC and UNDP on mutual constraints and expectations
- Better cooperation between EC and UNDP on how to handle the Core Team
Thanks for your Attention.
Good Luck 😊