European Commission
United Nations Development Programme
International IDEA

Joint Training on
Effective Electoral Assistance

EC-UNDP Contractual Arrangements
Avoiding the Traps

Pierre Harze
Deputy Director – UN/UNDP Brussels Office

DAY 5
Bruxelles, 04 Decembre 2008
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
The image of UNDP in the EC

- 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
The image of the EC in UNDP

- BAD...
- Bureaucratic, obsessed by visibility, micro management, cumbersome, high maintenance
But … common objectives / same values
But … serious and reliable partner
But … financial means
Visibility
Accountability
Transparency
Audit / Verification
Publication of the Beneficiaries
Modality of Execution

- DEX
- NEX
Difficulty 1: lack of communication

- 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 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
EC’s desire to participate to the selection of the electoral assistance experts

UNDP rules and procedures for the selection of experts.

consensus
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.
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?

- 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
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
Thanks for your Attention.

Good Luck 😊