

# EXTERNAL GUIDANCE NOTE ON UNHCR FUNDED PARTNERSHIP MANAGEMENT



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## Annexes

1. [UNHCR Programme Glossary List for Partner](#)

## 1. PURPOSE

- 1.1** This guidance note aims to offer clarification and guidance to partners funded by UNHCR regarding the procedures for managing partnerships. The specific terms and conditions governing UNHCR-funded partnership engagements are outlined in the relevant partnership agreement and are subject to the procedures in this guidance note. Partners can seek clarification, support or notify UNHCR headquarters via [epartner@unhcr.org](mailto:epartner@unhcr.org).
- 1.2** These procedures provide a unified framework for and overall direction on partnership management processes throughout the three inter-linked phases of UNHCR's programme cycle: PLAN for, GET and SHOW Results. They aim to enhance our effectiveness and capacity in delivering results for forcibly displaced and stateless persons through robust, diverse, and meaningful partnerships that receive financial support from the organization.

## 2. SCOPE

- 2.1** These procedures apply to all partners funded by UNHCR. Further information and tools are available on the [Funded partners | UNHCR](#) internet page.
- 2.2** The primary focus of these procedures is to provide a framework for the engagement with funded partners, who receive financial support from UNHCR, henceforth referred to as "partners" in this document. [Non-funded partners](#) are referenced as such. Additionally, these procedures apply to the provision of grants to organizations led by people with lived experience of forced displacement and/or statelessness.
- 2.3** These procedures are complemented by the [UNHCR Programme Handbook for Partners](#) that also provides a UNHCR partnership calendar with key milestones of the partnership management cycle.
- 2.4** It is mandatory for UNHCR operations<sup>1</sup> to use the Project, Reporting, Monitoring and Oversight Solution (PROMS) tool for partnerships falling in the scope of these procedures. All templates and/or processes to be documented by UNHCR operations in PROMS are specified in these procedures. The direct use of PROMS by partners is not mandatory, although it is highly recommended.

## 3. TERMS AND DEFINITIONS

- 3.1** All terms within these procedures are defined in annex 1 UNHCR partnership management glossary, with key definitions also hyperlinked to the [UNHCR master glossary](#).

## 4. PARTNERSHIP AGREEMENT TYPES

### 4.1 Standard Partnership Agreement Templates

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<sup>1</sup> In these procedures, "country operations" is used to refer to UNHCR country operations and UNHCR multi-country offices, unless otherwise specified. "Operations" is used to refer to all UNHCR offices, entities and presences where a UNHCR senior manager has the authority to oversee partnership procedures, whether a sub-office, country operation, multi-country office, bureau or headquarters division or entity.

UNHCR uses standard agreement templates for funded partnerships.<sup>2</sup> UNHCR operations use global mandatory templates to establish agreements. The standard agreement templates are set out below:

Standard Agreement Type	Who It Applies To	Timeframe	Application Level	Funding commitment	Project Audit	Key Characteristics
<a href="#">Global partnership agreement (GPA)</a>	INGOs.	Indefinite	Global	No	No	Global terms, supersedes the standard PFA cover sheet, special INGO provisions apply.
<a href="#">Partnership framework agreement (PFA)</a>	<a href="#">Civil Society Organizations</a> (CSOs) and governments (excludes grants).	Multi-year, aligned with operation's strategy.	Area of Budgetary Control (ABC)	No	No	Standard <a href="#">PFA cover sheet</a> with reference to <a href="#">partnership terms</a> ; can be bipartite or tripartite (with government).
<a href="#">Data protection agreement (DPA)</a>	CSOs and governments processing personal data of individuals who benefit from the scope of a project (excludes UN).	For as long as partner is authorized to process personal data, typically aligned with PFA.	ABC	No	No	Defines roles and responsibilities on data protection.
<a href="#">Project workplan (PW)</a>	CSOs and governments (excludes UN and grants).	Annual or shorter.	ABC	Yes – PROMS Purchase Order (PO).	Yes	Mandatory components in addition to the contract: financial plan and risk register.
<a href="#">Grant agreement</a>	Organization or groups led by >50% people with lived experience of forced displacement and/or statelessness.	Annual or shorter.	ABC	Yes – Procurement PO. Grant capped at USD 12,000 per partner per year.	No	Mandatory components: A signed Code of Conduct per member/ individual involved in conducting activities.
<a href="#">Innovation partnership agreement</a>	Organization or groups led by >50% people with lived experience of forced displacement and/or statelessness.	Annual or shorter.	Innovation Service ABC	Yes – PROMS PO	Yes	A non-standard agreement with deviations from these Procedures in place agreed by DEPS. <sup>3</sup>
<a href="#">UN to UN agreement (where UNHCR is contributor of funds<sup>4</sup>)</a>	All UN organizations.	Annual or shorter.	ABC	Yes – PROMS PO for partnership and PO Procurement for procuring goods/ services. <sup>5</sup>	No	Agreement consists of UN harmonized provisions. The same principles that apply to a project workplan in these procedures also apply to a UN to UN agreement, unless otherwise stipulated.

## 4.2 Non-Standard Agreements

Non-standard agreements with funded partners that include deviations to the terms and conditions of the standard partnership agreement templates may be entered into only after clearance UNHCR headquarters. This guidance note applies uniformly to both standard and non-standard agreement types, unless otherwise outlined within this document or agreed by UNHCR headquarters.

## 4.6 UNHCR operations and partners must maintain records related to partnership management

<sup>2</sup> A memorandum or letter of understanding (MoU/LoU) can be used by an operation and a non-funded partner to document their cooperation at the country or regional level, but they do not address funded relationships or implementation.

<sup>3</sup> A deviation memo, approved by DEPS, is available upon request. The Innovation partnership agreement template is offline and only available through the Innovation Service.

<sup>4</sup> Where UNHCR is the recipient of funds from another UN organization, the review and clearance of the agreement by the Division of External Relations is required, which falls out of scope of these Procedures.

<sup>5</sup> See the [UNHCR Guidance Note for the use of the UN to UN Transfer Agreement](#) for more detailed information.

to ensure compliance with audit requirements. This includes all the above types of agreements.

## 5. UNHCR's PARTNER MANAGEMENT PRINCIPLES

**5.1 Effective partnership:** UNHCR's partnership approach is guided by the [principles of partnership](#) endorsed by the Global Humanitarian Platform on 12 July 2007, which emphasize equality, transparency, a results-oriented approach, responsibility and complementarity.

**5.2 Localization:** UNHCR gives priority to partnerships with local and national actors, including governments and civil-society organizations, recognizing their deep-rooted understanding of local contexts, their presence before, during, and after the crisis, and existing connections within affected communities.<sup>6</sup> By collaborating closely with local and national actors, UNHCR can facilitate more effective, sustainable and contextually appropriate responses to the needs of forcibly displaced and stateless populations, strengthening their inclusion in national plans, budgets, datasets and service delivery systems.<sup>7</sup> UNHCR has committed to transfer at least 25 percent of its programme budget as directly as possible to local and national actors (which includes government) in line with the Grand Bargain.<sup>8</sup>

**5.3 Multi-functional team:** Partnership management requires collaboration among individuals from diverse functional areas, each contributing their capabilities, knowledge, and expertise to design programmes, solve problems, and achieve results. In UNHCR, a multi-functional team (MFT) serves a flexible approach to bring together such colleagues. Large UNHCR operations must establish an Implementation Programme Management Committee (IPMC) which ensures informed and transparent decision-making. Members of the IPMC must disclose any potential conflict of interest to the IPMC chair, who determines their involvement.

**5.4 Strengthening results:** UNHCR fosters a results-oriented culture and promotes knowledge-sharing and learning through emphasizing ownership and accountability. UNHCR ensures flexibility in response to changing circumstances, using continuous feedback mechanisms and other evidence to adjust programmes for improved effectiveness.

**5.5 Risk management:** Risks are shared and mitigated through the application of relevant risk-based internal controls. UNHCR maintains a zero-tolerance approach towards fraud, corruption, and exploitation, including sexual exploitation. This commitment involves implementing robust measures to prevent incidents and establishing effective systems to promptly detect and respond to any instances of fraud, corruption and exploitation. UNHCR applies a risk-based approach when determining monitoring, verification and reporting requirements in agreements, and when deciding which partnerships to audit.

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<sup>6</sup> Selection of local and national actors is subject to standard due diligence, past performance and audit findings.

<sup>7</sup> At the [Global Refugee Forum 2023](#), the [multistakeholder pledge on Advancing Localisation in Displacement and Statelessness Responses](#) aimed to transform the way local and national actors can work in displacement and statelessness situations by developing stronger and more equitable partnerships with them. Additionally, the [UN Common Pledge 2.0](#) saw a commitment, by the whole UN, to a) include refugees in all UN plans, and b) promote refugees' inclusion in national plans, datasets, budgets and systems; and ensure their access to decent work.

<sup>8</sup> [Grand Bargain Localisation Workstream - Home \(ifrc.org\)](#), [Grand Bargain HFTT Localisation Marker Definitions Paper](#).



**5.6 Monitoring of implementation by partners:** Implementation monitoring, including verification, is conducted regularly to assess a partner's progress in achieving expected results in terms of resource allocation, timeframe, and agreement terms. Such monitoring contributes to improving project implementation and generates evidence to adjust ongoing programming while providing feedback to forcibly displaced and stateless persons, donors, governments, and other stakeholders.

**5.7 Evidence-based programming:** Partnership management at UNHCR is driven by reliable, high-quality, and timely data and information obtained through robust monitoring, reporting, feedback and verification processes. UNHCR promotes data interoperability with other UN organizations and mutual recognition of assessments related to good business practices.

**5.8 Data Protection:** To ensure the privacy and protection of personal data of forcibly displaced and stateless persons, UNHCR asks that partners adhere to [data protection](#) and [information security standards](#).

**5.9 Transparency:** UNHCR is committed to making information about its programmes and operations publicly available. This includes sharing partners' names, region/country and implementation locations, sectors of work, and total expenditure on the [UNPP](#), except in circumstances where the publication of such information may give rise to security concerns.

## 6. PLAN FOR RESULTS

### 6.1 PLAN for Results phase

6.1.1 During the UNHCR PLAN for Results phase, planning for multi-year results involves determining best-fit implementation modalities, selecting appropriate partners, and focusing on capacity strengthening to deliver the desired outputs, which in turn lead to broader outcomes and impact for forcibly displaced and stateless people.

### 6.2 Determination of implementation modalities

6.2.1 Implementation is the delivery of the results outlined during the strategic planning as UNHCR's response to the problems identified. Results can be implemented directly by UNHCR, through partnerships or managed through procurement contracts. UNHCR encourages implementing activities through partnerships, ensuring collaboration with national authorities including ministries from the planning stage to ensure their engagement and potential transition of protection and assistance programmes to them, when and where possible.

**Why?** Good planning involves determining the most suitable implementation modalities for achieving the multi-year strategic plan.

**When?** Identification of implementation modalities occurs during strategic planning or strategy modifications. This process supports the finalization of the results framework, monitoring and evaluation (M&E) plan and the resource and management plan.

**Who?** The IPMC is responsible for presenting recommendations on best-fit implementation modalities to the UNHCR head of sub-office, representative or director. The UNHCR planning coordinator ensures a timely decision-making process on implementation modalities to initiate the partnership selection process.

**Smaller operations:** In smaller country operations where the establishment of an IPMC is not feasible, the responsibilities typically assigned to the IPMC are assumed by the two most senior UNHCR MFT members. They present recommendations to the representative verbally, documenting only the overall decisions. These individuals take on tasks and functions outlined for the IPMC in these procedures.

In these procedures a “smaller operation” is an ABC with a partnership budget of less than USD 1 million. Bureaux work with country operations to confirm whether the IPMC requirement should be applied, based on this criterion, and having assessed risk through consideration of trends surrounding the number of partnership agreements, staffing capacity and, in the case of UNHCR, audit recommendations surrounding partnership management.

**Emergency preparedness and response:** In declared emergencies, the UNHCR representative or director has the authority to decide on the best-fit implementation modalities, without an IPMC recommendation. This decision considers the needs, operational capacity, presence, and availability of other stakeholders, and other context-specific parameters. After the emergency declaration expires, the representative will revisit implementation modalities with the IPMC prior to the next year of implementation.

6.2.2 The IPMC relies on the situation analysis and the theory of change to gain a strategic overview and understanding of both current and potential partners. This includes local and international actors, as well as commercial entities, and their respective impact on forcibly displaced and stateless persons. The IPMC prioritizes implementation modalities that:

- Support the development and strengthening of national systems and related public institutions to include forcibly displaced and stateless persons in public services.
- Support national and local responders,<sup>9</sup> including government, in their efforts to become more sustainable and impactful.
- Give individuals and communities the greatest consideration for their capacity, agency and dignity in meeting their needs and reducing barriers in accessing rights, goods and services.<sup>10</sup>

6.2.3 Where the results require procurement, the IPMC must also consider whether NGOs have comparative advantages within the operational context to undertake procurement.

6.2.4 The IPMC seeks further analysis and information from the UNHCR MFT, where required, to present recommendations to the UNHCR senior management on the most effective and

<sup>9</sup> “National and local responders comprising governments, communities, Red Cross and Red Crescent National Societies and local civil society are often the first to respond to crises, remaining in the communities they serve before, after and during emergencies” See the [IASC website for more support and funding tools for local and national responders](#).

<sup>10</sup> Experience and evidence highlight that CBI increases protection outcomes, facilitates inclusion and solutions, and improves efficiency and effectiveness in programme delivery [UNHCR Policy on Cash-based Interventions](#). 2022-2026.

efficient implementation modalities, including procurement.<sup>11</sup>

6.2.5 While governments are not members of the IPMC, their perspectives, as conveyed through the situation analysis and stakeholder mapping, can inform the decision-making process of UNHCR. The government's opinion regarding the involvement of partners in addressing the needs of forcibly displaced and stateless persons is considered valid, though not binding, when selecting partners for the UNHCR operation.

6.2.6 UNHCR operations and partners are required to maintain records related to partnership management for a minimum of six years after project closure.

### 6.3 Best-fit partners

6.3.1 Partners bring distinctive attributes and often work with UNHCR in unique situations and complex environments. UNHCR operations, through an IPMC, select partners that can:

- Meet the requirements of multi-year results and the operational context;
- Build on partnership principles, complementarities, and comparative advantages;
- Demonstrate sound stewardship of funds provided by donors.

The IPMC strives to ensure transparency, objectivity and accountability in its recommendations for partnership selection, leading to the establishment of partnership framework agreements (PFAs) and data protection agreements (DPAs) if applicable, that support the multi-year strategy.

**Why?** UNHCR applies standardized procedures to mitigate operational, financial and reputational risks. UNHCR uses competitive selection as its default process, to support identification of best-fit partners based on evidence, objectivity, consistency and transparency. The common [UN Partner Portal \(UNPP\)](#)<sup>12</sup> platform is used for the partnership selection processes and due diligence, including partner's self-registration.

**When?** Partnership selection typically takes place shortly after UNHCR operations submit multi-year strategies and should be aligned with the duration of the strategy where feasible. However, new selection processes can be initiated during implementation if there is a need to consider new partners. It is recommended that the selection process (from issuing the call for expression of interest to communicating the decision to applicants) does not exceed three months.

**Who?** The authority to decide on the best-fit partner lies with UNHCR senior management, taking into consideration the recommendations of the IPMC. UNHCR is responsible for coordinating a timely partnership selection process, with the UNHCR MFT members leading relevant stages, as defined below.

<sup>11</sup> The [UNHCR Programme Handbook for Partners](#) gives further guidance as to comparative advantages criteria considered by UNHCR.

<sup>12</sup> The [UNPP](#) is an online platform used by UN agencies to support the process of engaging civil society organizations.



**Keep in mind:** Certain partners are exempted from the competitive partnership selection process, including UN organizations, government institutions with specific mandates, and groups or organizations considered for a grant agreement. In addition, in non-emergency contexts, based on the recommendation of the IPMC, UNHCR senior management has the discretion not to release a call for expression of interest if: 1. the most suitable partner is already identified through the theory of change and stakeholder mapping, and/or 2. the total estimated partnership budget will not exceed USD 100,000 for that particular partner, within a calendar year.

**Emergency preparedness and response:** Operations facing a high risk of a new or escalated emergency may conduct an expedited process to establish a pool of potential partners for future emergency response as part of contingency planning<sup>13</sup>. Following an emergency declaration, UNHCR may temporarily suspend competitive selection for new partnership agreements established within the emergency period until revisiting implementation modalities with the IPMC prior to the next year of implementation. During any emergency declaration, the partner's registration, due diligence and partner profile verification on the UNPP must be completed as soon as possible and no later than three months after signing the project workplan.

6.3.2 The UNPP serves as an electronic platform for NGOs, community-based organizations, grant agreement partners<sup>14</sup> and academic institutions to complete a UN partnership declaration, barring exceptional circumstances.<sup>15</sup> UN organizations and programmes, governmental entities and grant agreement partners are exempt from UNPP registration.. Once registered, organizations become eligible to apply for UNHCR partnership selection processes. Registration includes a PSEA self-assessment on the UNPP.

6.3.3 When organizations register on the UNPP, they are required to complete a self-declaration of eligibility for establishing a partnership. This declaration states that their organization's values and conduct align with those of the UN. Additionally, the UNPP system automatically screens organizations against the UN Security Council sanctions lists. Prospective partners can apply for competitive selection processes while verification of their UNPP status is ongoing.

6.3.4 UN agencies on the UNPP conduct due diligence and verify information provided by organizations in their profiles on the portal.<sup>16</sup> UNHCR is responsible for ensuring that potential partners have been verified on the UNPP before signing the project workplan.

6.3.5 Competitive partner selection includes eight key steps:

**Step 1:** A call for expression of interest on the UNPP provides essential information about the partnership opportunity, project scope and must include reference to UNHCR's [areas](#)

<sup>13</sup> The pool is valid for the duration that is stipulated within the Call for Expression of Interest and may be aligned to the operation's multi-year strategy. Even if the emergency is not declared, the representative/delegated authority may sign an agreement with a partner from the selected pool during its validity period.

<sup>14</sup> Grant agreement partners are encouraged to register on the UNPP, though this is not a pre-requisite to signing a UNHCR grant agreement.

<sup>15</sup> Exceptional circumstances are considered where the operational context prevents the use of the UNPP, including emergency situation declarations.

<sup>16</sup> UN personnel review the information to conduct due diligence verification.

[of specialization](#). UNHCR provides weighted criteria for selection and is responsible for publishing the call for expression of interest on the UNPP<sup>17</sup> in a timely manner.

**Step 2:** Organizations express their interest and showcase their comparative advantage and value through a concept note. Any clarifications or additional information are communicated by UNHCR to all through the UNPP, to ensure fairness and transparency.

**Step 3:** UNHCR conducts a technical evaluation based upon the predefined weighted criteria. The outcomes are presented to the IPMC.

**Step 4:** UNHCR screens the organizations with the highest technical score to identify their UNPP partner profile, UN Protection from Sexual Exploitation and Abuse (PSEA) capacity status, previous UN/UNHCR project audit internal control questionnaire (ICQ) or UNHCR internal control assessment (ICA) risk rating, and any risks that may be flagged in the UNPP. If an organization has been flagged on the UNPP it may be suspended or barred by UNHCR from partnering with UN/UNHCR.

**Step 5:** The IPMC recommends one or more organizations to UNHCR senior management with whom UNHCR may enter into a PFA and DPA (if applicable) and subsequent project workplan. The operation may pool multiple partners for specific results or sectors.

**Step 6:** The UNHCR senior manager agrees or disagrees with the IPMC recommendation and decides on which partner/s to select. Any deviation from the IPMC recommendation is documented by UNHCR.

**Step 7:** UNHCR must inform all applicant organizations of the outcome of the selection process in a timely manner.<sup>18</sup>

**Step 8:** UNHCR shares an invitation with the newly selected partner to register in [PROMS](#) and must generate a [PFA cover sheet](#) contract, which is shared with partners for signature.

6.3.6 UNHCR must be able to fully justify selecting a partner in a non-competitive manner. Steps 4-6 and 8 above still apply to non-competitively selected partners in a context where there is no emergency declaration.

6.3.7 Selected partners are responsible for meeting relevant government requirements in the country of operation before signing the project workplan.

## 6.4 Capacity assessments

6.4.1 UNHCR maintains transparency with partners during capacity assessments and communicates with them in a timely manner regarding identified opportunities for improvement.

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<sup>17</sup> Further dissemination may be explored via social media promotion of the UNPP link, outreach to civil society platforms, or other relevant communication platforms (humanitarian, development, government), taking into account the local context.

<sup>18</sup> In the UNPP, the call for expression of interest is finalized, and an automated notification is sent to all applicants who were not selected for the partnership opportunity.

**Why?** UNHCR conducts assessments of an organization's capacity and controls to determine whether to sign a project workplan with a partner and the level of responsibility placed on that partner.

**When?** In accordance with the results of the partnership selection screening, the required assessments commence once partners are recommended by the IPMC and before signing a project workplan.

**Who?** UNHCR has the responsibility for ensuring that partners have the necessary capacity when entering into project workplans. The selected partner is responsible for ensuring that any third parties that they contract also possess the required capacity.

**Keep in mind:** UN organizations and grant agreement partners are exempt from capacity assessments. UN agencies' rules, standards, procedures and conditions are similar to those of UNHCR. For grant agreement partners, a number of safeguards are incorporated into the eligibility criteria and have to be taken into account by the operation when establishing a grant agreement. For government partners special conditions apply based on the assessment.

**Emergency preparedness and response:** In a declared emergency, all new partners' PSEA capacity is assessed as soon as possible and no later than three months after signing a project workplan. If the project workplan is extended beyond the emergency declaration period, where an ICA/ICQ is required, the ICA is to be completed before the emergency declaration expires.

#### 6.4.2 The assessments required for UNHCR partners include:

- **Assessment of risk mitigation of sexual exploitation and abuse<sup>19</sup>** when activities involve direct contact with affected communities. UNHCR conducts an assessment of a partner's capacity to prevent and respond to the risk of sexual exploitation and abuse. This assessment aims to ensure that partners have appropriate measures and policies in place to prevent and respond to such incidents. It is valid for five years.
- **Internal Control Assessment (ICA)** when a partner has no previous UN Internal Control Assessment/ Questionnaire (ICA/Q) risk rating within the last five years. UNHCR performs an ICA of a partner's structure, procurement, assets, inventory, financial and operational policies, procedures and systems. This assessment provides reasonable assurance that risks can be managed effectively and that results can be successfully achieved. It is valid for five years.

#### 6.4.3 Opportunities to strengthen internal controls identified during the capacity assessments are recorded and monitored in collaboration with the partner via PROMS. In the case of a PSEA assessment, there may be additional monitoring of the partner's PSEA Capacity Strengthening Implementation Plan (CSIP) on the UNPP. All recommended action for improvement is followed up throughout implementation, and any documented improvements are captured during the project performance verification process, recorded

<sup>19</sup> See [SG Bulletin Special measures for protection from sexual exploitation and sexual abuse, ST/SGB/2003/13](#), 9 October 2003, paras 6.1 and 6.2; and the [UN Protocol on Allegations of SEA Involving Implementing Partners, 21 March 2018](#), para. 3 reaffirming that "the UN does not partner with entities that fail to address sexual exploitation and abuse through appropriate preventive measures, investigation and corrective action". Both the 2003 SG Bulletin and UN Protocol are considered binding.

in PROMS.

### **Partner's Capacity for Protection against Sexual Exploitation and Abuse (PSEA)**

6.4.4 When entering into or renewing partnerships that involve direct contact with affected communities, UNHCR must verify that the partner possesses the necessary capacity in terms of PSEA, using the harmonized UN assessment tool with its eight core standards.<sup>20</sup> UNHCR will not enter into any agreement with a partner that fails to meet the PSEA core standard 8, which relates to the partner taking corrective measures in response to previous allegations of SEA. UN organizations have agreed to mutual recognition of each other's PSEA capacity assessments based on the principles of the UN Protocol. The capacity assessment process is conducted online through the PSEA module on the UNPP. UN agencies agree on the lead agency responsible for assessing the capacity of common partners.

6.4.5 Organizations without a valid assessment must complete a self-assessment after registering on the UNPP.

6.4.6 Once the assessment is completed and if the partner meets all eight core standards, the final determination of their PSEA capacity is established. If the partner meets six or seven core standards (medium capacity), or five or fewer core standards (low capacity), a preliminary determination and rating of their capacity is concluded.

6.4.7 For partners with low or medium capacities, the development of a CSIP is mandatory before signing the project workplan. The duration of the CSIP is six months from its development and can be extended for an additional three months, totalling nine months.

6.4.8 At the end of the CSIP duration, the final determination of the partner's capacity is concluded in the UNPP, irrespective of their capacity rating and whether they completed the CSIP activities or not. The final determination of a partner's capacity remains valid for a period of five years unless an earlier re-assessment becomes necessary.<sup>21</sup> However, the CSIP will remain open in the UNPP for the partner to complete its activities, and the final determination (rating) will then be automatically re-calculated.

### **Internal Control Assessment (ICA)**

6.4.9 The UNHCR ICA used the UN harmonized template and results in an overall low, moderate, significant, or high-risk rating for each partner. It is broken down into several categories, concluding a risk rating for organization; people and behaviours; activities; reporting and accountability; assets and inventory; procurement, sub-partners; and systems. The risk ratings are harmonized with those used for the ICQ conducted by UN/UNHCR project auditors. The most recent risk rating (ICA or ICQ) takes precedence of any former valid ICA/Q risk rating.

6.4.10 When a partner recommended by the IPMC has no previous UN/UNHCR ICA/Q completed within the last five years, an ICA must be completed by UNHCR.

<sup>20</sup> See [Harmonized Implementation Tool on the PSEA capacity assessment](#).

<sup>21</sup> See UNHCR Programme Handbook for Partners for more details.

6.4.11 The ICA results are shared with the partner in draft, ahead of finalization.

6.4.12 Government partners are not exempt from the requirement of an ICA/Q.

6.4.13 The ICA/Q remains valid for a period of five years from the date of when the last ICA/Q assessment was completed.

#### **Partner's capacity related to procurement**

6.4.14 Provided that the partner's most recent procurement category assessment within the ICA/Q indicates a medium or low risk rating, partners procure goods and services according to their financial plan except for the following categories of items for which UNHCR clearance is needed before purchasing them with UNHCR funds:

- [Core relief items](#);
- Medicine or medical supplies; and
- Vehicles.

Partners are strictly prohibited from procuring land, buildings or property with UNHCR funds, regardless of their ICA/Q procurement assessment risk rating.

6.4.15 If a partner's ICA/Q results in a significant or high procurement risk rating, the IPMC shall recommend, to the UNHCR senior manager, limitations that must be applied to the project workplan regarding procurement. The final decision is made by the UNHCR senior manager and is summarised within the project workplan risk assessment and essential controls. The decision is documented through the signature of the project workplan.

6.4.16 Government partners of World Trade Organization (WTO) member States, excluding observers,<sup>22</sup> have procurement rules that are considered compatible with UN/UNHCR standards. Therefore, the ICA/Q process compares WTO member State government partner compliance with UN procurement standards without having to review policies or systems in place. If a government partner from a non-WTO member State is found unable to comply with UN/UNHCR procurement principles due to legal constraints, the operation documents the circumstances in the operation's SharePoint and seeks guidance from UNHCR headquarters, including explanations and justifications. UNHCR headquarters reviews such submissions on a case-by-case basis and provides advice accordingly.

## **7. GET RESULTS**

### **7.1 GET Results phase**

7.1.1 Annual implementation planning involves establishing project workplans. Throughout the implementation year, monitoring and corrective action play a crucial role, ensuring effective execution and providing the flexibility to make necessary adjustments as needed.

### **7.2 Project workplan development**

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<sup>22</sup> The list of WTO members is available on the [official website of WTO](#).

- 7.2.1 Every year, UNHCR and partners agree on and sign a standard project workplan contract. The negotiation of a project workplan includes the following additional mandatory components that are negotiated and agreed in PROMS: 1. a financial plan; 2. a results plan; and 3. a risk register. These three components are not annexed to the contract.

**Why?** The collaboration between UNHCR and its partners in designing projects through a project workplan is aimed at achieving added value and collective results within a defined timeframe, while ensuring responsible management and accountability of resources.

**When?** The development of project workplans takes place annually during the second half of the year prior to the implementation year. UNHCR operations commence negotiation with partners on detailed activities, results and budgets of project workplans no later than 15 October for the upcoming implementation year.

**Who?** The authority to sign partnership agreements, on behalf of UNHCR, lies with the UNHCR senior manager in each operation. The UNHCR operation is responsible for timely negotiation and signature before the start date of implementation.

**Emergency preparedness and response:** For new partners selected after an emergency declaration, UNHCR generates, signs and approves a standard PFA Cover Sheet, DPA (if applicable) and a project workplan with only basic information completed. A financial plan can be concluded on the basis of one account code (budget line) per output. When the project is to be completed within the declaration period (including any extensions), it can be closed based on a PFA (and DPA if applicable) with project workplan minimum details and a financial plan. In such a case, the agreement is subject to a minimum of one Project Financial Report (PFR). An amendment of the project workplan is then required in case the partnership is extended beyond the emergency declaration period (including any extension of the latter), to include all project workplan details, a results plan and a risk register. Partners are entitled to follow their own special supply procedures at all emergency levels for the duration of the declaration period, including any extension thereof.

- 7.2.2 **Establishing the results plan:** The results plan, which includes project outputs and indicators, is derived directly from the UNHCR operation's strategy in COMPASS. The partner and UNHCR collaborate to establish detailed project outputs, indicators and targets, categorized by population type and reference value in the results plan in PROMS.
- 7.2.3 **Establishing the financial plan:** The partner indicates how the resources that are agreed with UNHCR will be used to implement the project and all its related activities within the implementation period specified in the contract, in the financial plan in PROMS.
- 7.2.4 Project workplans use a single currency, which is typically the currency of expected predominant expenditure, usually the local currency. There are three exceptions to this rule:
- If the majority of expenses are anticipated to be incurred outside the country operation, the applicable currency of the forecasted expenses may be used as the single currency for the agreement without requiring authorization.
  - If the majority of expenses are expected to be incurred inside the country operation



but in hard currency, the operation must seek authorization from UNHCR headquarters through the relevant bureau.

- If the partner is a UN sister agency, the most efficient currency will be determined in consultation between the UN counterpart and the UNHCR operation.

7.2.5 Partners are required to nominate one bank account to which UNHCR will transfer prepayments for the project. They can use a pooled bank account<sup>23</sup> without prior approval from UNHCR if they have adequate mechanisms in place to trace the use of UNHCR funds and they allow UNHCR and its auditors to conduct financial verifications by accessing the pooled account bank statements and related reconciliations. However, if a partner believes that it is unable to satisfy these requirements, they must open a separate bank account exclusively for the use of UNHCR funds. This separate bank account ensures proper tracking and accountability of UNHCR funds.

7.2.6 **Risk Mitigation and Monitoring:** UNHCR completes a risk assessment embedded in the project workplan. The risk assessment considers the prior project audits and ICA/Q risk rating, other capacity assessment results, prior verifications and implementation monitoring findings, and the financial plan. This informs the expected number of prepayments, maximum value of each prepayment as a percentage, output-level budget flexibility and whether the partner is required to submit a personnel report with each PFR. Additional controls as a result of the capacities assessed may also be applied (e.g. procurement limitations). The UNHCR senior manager has the authority to tailor and determine the final control measures to be applied to the project workplan. UN agreements do not require the application of essential controls. Grant agreements are considered low risk by default with a single prepayment of the full agreement value released.

7.2.7 Both UNHCR and partners have shared responsibilities to identify and manage risks, and they should collaborate to find joint solutions that mitigate challenges and leverage opportunities. UNHCR coordinates with the partner to identify risks that could significantly impact the achievement of outputs or deviate from the expected results of the project. At least three risks are recorded using the project Risk Register template in PROMS. UNHCR and the partner agree on relevant treatment plans, within the same Risk Register, to address these risks. The progress and activities related to the treatment plans are monitored during performance verification, and the partner's Risk Register is revised by UNHCR and/or the partner throughout the implementation phase. For grant agreements, a Risk Register is not required, and for UN agreements, it is optional.

7.2.8 As part of annual implementation planning, operations develop an **annual assessment, monitoring and evaluation workplan** that outlines key monitoring, assessment and evaluation activities planned for the upcoming year. This encompasses monitoring activities for high-risk partners, as well as procurement contracts. By consolidating these activities into one workplan, UNHCR can effectively track progress and make necessary adjustments throughout the implementation phase.<sup>24</sup>

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<sup>23</sup> A pooled bank account is a bank account that the partner may use for funds from other sources and for different activities and purposes.

<sup>24</sup> This is not an annex to the project workplan.

**7.2.9 Partnership asset requirements:** A partnership may require assets to achieve the agreed results. Assets may either be:

- a) purchased by a partner with UNHCR funds, as outlined in section 7.2.10 below; or
- b) provided to a partner by UNHCR, as detailed in section 7.2.11 below.

**7.2.10** Partners can use UNHCR funds to directly purchase Project Assets as outlined in the financial plan and signed project workplan, considering the conditions and exceptions outlined in section 6.4.14. In these cases, control and ownership of the Project Assets belong to the partner and not UNHCR.

**7.2.11** A UNHCR operation has the following options for providing assets to a partner (funded or non-funded):

- **UNHCR Assets:** UNHCR retains the control and ownership of the assets but gives the partner the right to use the asset.
- **Transfer of assets:** UNHCR transfers the ownership of the assets to the partner, which then becomes Project Assets. Following the transfer, control and ownership of the assets belong to the partner and not UNHCR and the assets are not to be returned to UNHCR.

**7.2.12** All partners to whom UNHCR gives the right to use vehicles and/or generators, submit monthly vehicle and generator data, including mileage (vehicles), running hours (generators) and fuel (when refueling from a UNHCR-fuel provider, in liters), maintenance, and repair costs. When fuel is provided by UNHCR—either directly or through its service providers—outside the scope of the project workplan, partners are required to report fueling events on a monthly basis. This applies to both UNHCR Assets under right of use conditions and Project Assets.

**7.2.13** The dates of the implementation period specified within the project workplan contract determine the budget year in which the agreement must be considered for budget consumption purposes. This informs the determination of partnership-related commitments or prepayments to be recorded in UNHCR accounts in compliance with UNHCR's Accounting Policy Framework.

**7.2.14** No new project workplan may be created and signed after the end of November, for the current implementation year. The exception is only due to an L1-3 emergency declaration.

### **7.3 Grant agreements**

**7.3.2** UNHCR may solicit via the UNPP and/or receive unsolicited concept notes from individuals or organizations that an operation can consider for grant agreements.

**7.3.3** Unlike standard funded partnerships, UNHCR grants do not require a results or financial plans, nor performance or financial verifications, or the return of unused funds, as these grants fall under the category of Transactions without Binding Arrangements per IPSAS 48.

7.3.4 Organizations, individuals or groups who sign a **grant agreement** are required to each sign individually the [Code of Conduct template](#), provided in Appendix 2 to the Grant Agreement contract. The PSEA capacity assessment and ICA are not needed for grant agreements. Grant Agreements are not project audited. However, PSEA and other safeguards are included in the eligibility criteria.

7.3.5 UNHCR monitors the activities of the grant agreement partner and the progress of the activities, providing follow-up and capacity strengthening to the grantee as required. A single final narrative report at the conclusion of the grant is sufficient for a grant agreement. This documentation includes information on the completion of activities, capacity strengthening, monitoring, and any safeguards implemented during the activities.

## 7.4 Implementation monitoring

7.4.2 Implementation monitoring aims to ensure the progress, quality and compliance of partner activities, informing necessary adjustments, as distinct from results monitoring which tracks progress towards the results and associated indicator targets set out in the strategy. Implementation monitoring involves assessing whether activities are being carried out as per the project workplan and validating the accuracy of reported results, including through consultations with forcibly displaced and stateless persons, as well as feedback and response mechanisms.

**Why?** Implementation monitoring is essential to ensure that projects are being implemented according to contractual obligations and to evaluate the partner's overall performance.

**When?** Implementation monitoring is ongoing and takes place throughout the implementation year.

**Who?** UNHCR is responsible for coordinating the overall monitoring process and ensuring continued synergies between results and implementation monitoring. This involves monitoring whether activities have been delivered as reported, including through visits to project locations and/or through consultations with stakeholders and forcibly displaced and stateless people.

**Keep in mind:** Taking into account that UN organizations are subject to the UN single audit principle, joint performance monitoring is highly encouraged. Unless agreed specifically with the UN partner, the financial verification of reports from UN agencies is not required.

**Emergency preparedness and response:** UNHCR may conduct an expedited project financial verification using the short form, during emergencies, with expenses reviewed to be included in the next standard financial verification long form.

7.4.3 UNHCR and its partners jointly monitor implementation by documenting challenges and raising recommendations or appreciations via PROMS to the relevant party during the implementation year.

- 7.4.4 The partner reports data in accordance with the list of indicators and reporting frequency agreed in the project workplan and using the data collection system or tool agreed by the operation and stipulated in the agreement. UNHCR validates the partner's reported results.
- 7.4.5 Partners submit periodic PFRs in PROMS when at least 70 percent of the previous prepayments are being reported as expensed. These periodic PFRs do not follow fixed reporting due dates. UNHCR operations verify a partner's performance and financial expenditure ahead of releasing each subsequent prepayment.
- 7.4.6 The end-PFR is the last PFR for a project workplan and is submitted after the liquidation period's end date of the project workplan. This report is critical for financial oversight and closure. The UNHCR operation and the partner agree on the due dates and reporting periods for the end-PFR, and document them in the project workplan prior to its signature. All partners **must submit an end-PFR by the 15 February** at the latest, following the year of implementation.
- 7.4.7 UNHCR requires partners to submit a minimum of two PFRs <sup>25</sup> annually (ordinarily mid-year and year-end) unless otherwise stated in the project workplan in accordance with assessed.
- 7.4.8 A PFR must be reported in the same currency as the financial plan. In case a partner spends in another currency or currencies, this must be converted to the reporting currency:
- **Dedicated bank account:** expenses are converted based on the withdrawal/payment date and the exchange rate of the bank.
  - **Pooled bank account:** partners follow their internal rules for expense recognition and document the applied exchange rates.
- 7.4.9 The partner's **indirect support costs** are first set in the financial plan and calculated automatically when reporting expenditure in the PFR template, based upon the expenditure reported to date. UNHCR does not systematically require documents substantiating the details of transactions related to such support activities, however partners may be required to provide such documents upon request.
- 7.4.10 In cases where the project workplan risk assessment, where the submission of a personnel report was deemed a necessary control with each PFR, or upon request from UNHCR during a financial verification, the partner provides a breakdown of personnel costs charged to the project when submitting their PFR, via PROMS. For these partners, UNHCR operations must verify that the **partner's personnel costs** align with the partner's human resources policies, system, procedures as well as the provisions in the PFA.
- 7.4.11 **Project Verification:** Throughout the year, the UNHCR operation must conduct project performance and financial verifications prior to accepting each of the partner's PFRs and releasing the next prepayment.

<sup>25</sup> Unless the implementation period for the project workplan is less than 12 months.

- 7.4.12 **Project performance verification** involves a desk review by UNHCR using the templates in PROMS, following on from a PFR submission. It includes analysing challenges, recommendations and appreciations, partner and joint monitoring, reviewing feedback from forcibly displaced and stateless persons through the relevant feedback and complaints mechanisms, and assessing the partner's reported results.
- 7.4.13 **Project financial verification** involves UNHCR reviewing financial supporting documents on-site or remotely to ensure the accuracy of reported expenses. This is completed using the financial verification templates (long and short) in PROMS. UNHCR only uses remote financial verification in exceptional circumstances for partners with low-risk rating in ICA/Q, and/or in cases where recent verifications have not reported weaknesses, with justification documented within the template in PROMS. During emergencies, or in cases where the release of the next prepayment is urgently required, UNHCR may conduct an **expedited financial verification using the short form**. This measure may only be applied when awaiting the full financial verification would compromise the ability to deliver critical services or assistance and/or would lead the partner to otherwise pre-finance the continuation of activities. Any expenses reviewed under the expedited short form must subsequently be included in the next standard financial verification (long form).
- 7.4.14 **Remote financial verification:** UNHCR applies remote financial verification only in exceptional circumstances and only for partners where recent verifications have not identified weaknesses.
- 7.4.15 The partner reports progress against indicator targets throughout implementation as agreed in the project workplan. UNHCR analyzes progress during the project performance verification and undertakes the project financial verification based on the performance verification. A recommendation is then presented to the UNHCR senior management, as to whether to release the next prepayment based on the expenditure rate and considering the partner's request. If the unused balance from prior prepayments is below the 70 percent expenditure threshold the circumstances surrounding the recommendation to release the prepayment must be documented in PROMS

## 7.5 Adjustments

- 7.5.2 UNHCR and/or the partner identifies when adjustments are required to projects based on implementation monitoring. Such adjustments are coordinated by the UNHCR and the partner. There are two forms of 'adjustment':
- (a) a variation (when the change does not affect the scope of the agreement as regards its timeframe, expected results, total budget, budget flexibility at the output-level or other contractual-binding factors); and
  - (b) an amendment (when the scope of the agreement or any of its component requires change).

**Why?** UNHCR and partners transparently and timely communicate implementation monitoring findings and recommendations for action to one another, adjusting projects as required.

**When?** UNHCR or a partner may request adjustments to a project workplan as and when required, but no later than **mid-December** each year.

**Who?** The UNHCR senior management have the authority to sign amendments. Respective partners are consulted before a final decision is taken on any project modifications.

**Emergency preparedness and response:** In exceptional cases, including during an emergency declaration, UNHCR can expand the scope of a PFA via an amendment (for example, to cover a new outcome or geographical area) without a new recommendation from the IPMC – if the partner has prior experience, proven capacity and is willing to expand.

- 7.5.3 Administrative changes—such as updates to a **partner’s name or bank account**—are not considered amendments but must be treated with equal seriousness. These variations involve core financial and contractual data and require verification by UNHCR. Despite their administrative nature, such variations demand strict due diligence, as they carry significant risk implications.
- 7.5.4 A **project workplan amendment** includes adding or removing assets under right of use, outputs and/or indicators, adjusting the financial plan budget, changing project implementation dates, or reallocating budget within the financial plan beyond the applied output-level budget flexibility.
- 7.5.5 **Year-end expenditure estimates from partners:** By 15 November, UNHCR must request from all partners a carefully considered estimate of expenditure expected to be incurred<sup>26</sup> by 31 December. This estimate is mandatory for all project workplans with an end date of implementation until 31 December, regardless of whether an exceptional extension is expected or approved. The estimate must be based on the best available financial information as of the submission deadline. When an estimate is submitted<sup>27</sup>, no PFR is required, and no formal verification of the estimate is necessary. However, the estimates must be reviewed for plausibility against prior expenditure trends. These estimates are essential to: finalize partnership amendments before end-November; optimize use of operating levels; provide global year-end financial projections; assess exchange-rate impacts; and ensure IPSAS-compliant year-end accounting of partnership costs.
- 7.5.6 The project workplan implementation period usually ends on 31 December, and the liquidation period continues for one month, or as otherwise specified. During this period, the partner can settle financial commitments made prior to the completion date but cannot undertake new commitments or implement new activities. If circumstances beyond UNHCR’s and/or the partner’s control, such as disasters and natural hazards, security issues or earmarked funds, require an extension, the partner can submit a request via PROMS before the end of November. The UNHCR operation evaluates all requests and determines which ones are sent for approval to the bureau (for country operations) and headquarters (for bureau and headquarters). If extension requests are approved, the

<sup>26</sup> This includes costs for goods and/or services **acquired or consumed by year-end**, even if payment occurs during the liquidation period in the following year.

<sup>27</sup> Estimated amounts can be shared by partners via an email, with no further supporting documentation.



UNHCR operation and partner amends the project workplan contract by 31 December in Cloud ERP, at the latest.

- 7.5.7 Partners with approved project workplan extensions **must still comply with the 15 February PFR submission deadline**, reporting expenditures incurred up to 31 December of the prior implementation year. An additional end-PFR will be required to cover any expenditure incurred during the approved extended implementation period in the following year.

#### **Project workplan and related PFA Termination**

- 7.5.8 Both UNHCR and the partner have the right to terminate a project workplan and related PFA for any reason and at any time by providing written notice to the other party.<sup>28</sup> UNHCR operations may terminate an agreement with cause with immediate effect. Events that lead to the immediate termination of an agreement are listed within the [partnership terms](#).<sup>29</sup> The termination process follows the conditions outlined in the PFA partnership terms and applicable preconditions. The parties involved aim to minimize negative impact on affected communities during the termination process, documenting the causes and steps taken for audit purposes.
- 7.5.9 Any time UNHCR or partner personnel come across information that indicates that a member of personnel from either party has engaged in inappropriate conduct, including fraud, corruption or exploitation, the personnel shall report the information to the UNHCR [Inspector General's Office \(IGO\)](#). In handling the allegation, the IGO can request the assistance of UNHCR, which can request that a project auditor considers the information in the conduct of a financial or special audit. The PFA's partnership terms stipulate that partners have a duty to promptly report allegations of misconduct implicating any partner personnel or UNHCR funds to the IGO. Allegations of sexual exploitation and abuse must be reported directly to the IGO, with UNHCR Representative in copy. When doing so, the partner takes care to minimize further harm to the victim(s) and follow confidentiality and data protection requirements, in addition to any requirements communicated by the IGO.

#### **Suspension or barring of a partner**

- 7.5.10 If a partner grossly violates the terms of the agreement, is added to a sanctions list recognized by the UN, engages in improper ethical conduct, refuses corrective measures, and/or refuses to undergo an audit, it may be suspended or barred from partnering with UNHCR at the country, regional, and/or global level.
- 7.5.11 UNHCR headquarters supports any review in consultation with the concerned operation and its bureau and the IGO. The final decision to suspend or bar the partner is concluded by UNHCR headquarters, following a thorough review. **UNHCR headquarters is accountable for reflecting in the UNPP via a risk flag, any subsequent decision to suspend or bar a partner** from UNHCR collaboration either at country, regional and/or global level in the UNPP by adding a risk flag to the partner's profile.

<sup>28</sup> The [partnership terms](#) of the agreement specify the number of days' notice required dependent upon the reason for termination. Obligations following termination or expiry are also listed.

<sup>29</sup> The most recent version is always the one considered currently applicable/binding, except for agreements signed previously with a reference to an earlier version included.

7.5.12 When a partner is suspended or barred, UNHCR cannot sign any new agreement with the partner until the suspension is lifted, following the recommendation by the UNHCR regional bureau director.

**PFA discontinuation and/or no project workplan for the forthcoming year:**

7.5.13 The PFA is typically aligned with the duration for which the partner was selected.<sup>30</sup> A PFA can be amended for its discontinuation and/or a decision can be made not to enter into a new project workplan for the forthcoming year:

- If a partner is underperforming;<sup>31</sup> or
- If there are significant shifts in funding, an emergency declaration, or the need for a strategic reorientation to the operation's multi-year strategy.

7.5.14 In these cases, the IPMC makes a timely recommendation to the UNHCR senior management to amend a PFA with a revised timeline to conclude at the end of the current implementation year, and/or not to create a new project workplan immediately for the forthcoming year.

7.5.15 The UNHCR senior manager has the authority to discontinue a PFA, effectively ending the partnership at the end of the implementation year and/or not to enter into a new project workplan for the forthcoming year. UNHCR must share the decision and associated feedback with the respective partner no later than 15 October for the forthcoming year.

## 8. SHOW RESULTS

### 8.2 SHOW Results phase

8.2.2 During the Show Results phase, the focus is on reviewing, reflecting and reporting annual results, encompassing the overall objectives and requirements. In terms of partnership management, the emphasis is on the processes related to partners' annual reporting, project audit and closure of project workplans.

### 8.3 Partner end-reports

8.3.2 Reporting by partners is required at the end of the project period. The UNHCR operation, in consultation with the partner, sets specific deadlines for each reporting component. However, there are key dates that must be met:

- End-results reporting by 31 January;
- End-narrative reporting by 15 February; and
- The end-project financial report (PFR) by 15 February.

**Why?** The partners' end-reporting provides a detailed overview of the progress in achieving planned activities and results, as well as the quality of their delivery. It allows for reflection on their overall performance and serves as an important documentation of their work.

<sup>30</sup> Therefore, no partnership retention is required.

<sup>31</sup> The UNHCR Programme Handbook for Partners provides parameters for under-performance and gives further guidance surrounding such cases.

**When?** Partners are expected to submit their end-reports according to the specified dates outlined in their project workplan. UNHCR verifies the partners' reported data and information, including **results validation**, narrative reports and **end-project financial verification** by the end of February of the year following implementation.

**Who?** UNHCR operations hold the responsibility of ensuring that the partners submit their end reports in a timely manner.

8.3.3 UNHCR coordinates a physical verification exercise of all UNHCR assets loaned to partners under right of use clauses, on an annual basis or in case of reallocation between partners.<sup>32</sup> Partners are required to facilitate the visit of and to cooperate with UNHCR or other duly authorized persons.

8.3.4 Any interest gained by a partner directly due to a UNHCR-funded agreement can be used by the partner for activities that are consistent with the goals of the partnership and will be documented in accordance with the partner's financial rules. However, if the partner's financial rules necessitate the return of the interest income, it will be repaid to UNHCR and reported via the relevant supporting documentation, when submitting the PFR. This amount is not to be reported as expenses within the PFR.

8.3.5 Non-interest revenue received by the partner directly due to a UNHCR-funded agreement is reported by the partner with the next PFR after the revenue is received via the relevant supporting documentation, when submitting the PFR. This amount is not to be reported as expenses within the PFR. This includes insurance revenue resulting from project-related insurance claims, income generating activities and the reimbursement of value-added tax (VAT). The UNHCR senior manager has the authority to approve if such non-interest revenue will be used by the partner for activities that are consistent with the goals of the partnership, or if the amount will be refunded to UNHCR.

8.3.6 **Project Evaluations:** When a donor requires an evaluation of a specific partnership, the UNHCR operation ensures its planning, management, and delivery. Access to a partner's data and information is provided for evaluations led by the UNHCR headquarters Evaluation Office. Conclusions and lessons learned from evaluations are discussed with partners for improvement.

## 8.4 Risk-based project audit

8.4.2 UNHCR headquarters contracts audit service firms ("project auditors") who perform project audits of UNHCR-funded partners.<sup>33</sup> Project auditors are contracted for a maximum of three to five years under a framework agreement following a procurement process undertaken by UNHCR headquarters. A statement of work will be signed by

<sup>32</sup> UNHCR headquarters may organize and perform remote verifications of vehicles equipped with tracking systems and certain IT equipment, where possible.

<sup>33</sup> The performance of the project auditors, quality of the audit reports and their compliance with the contractual terms will be assessed by UNHCR and the UN Board of Auditors for achieving credible, consistent and high-quality assurance of work done, and may also be assessed by OIOS/IAS. UNHCR headquarters will seek feedback from UNHCR operations and partners on the performance and the quality of the project audit field work and services provided by the assigned project auditor in their respective areas.

UNHCR with the auditors for the specific annual audit work to be performed following a secondary bidding process.

**Why?** Project audits provide reasonable assurance that there are no significant errors or discrepancies in the PFRs and that the funds have been utilized appropriately. A risk-based approach allows UNHCR to optimize its resources and focus on projects with higher risks or areas where additional scrutiny is necessary for effective management and accountability.

**When?** Project audits are typically conducted after the completion of the implementation period and the submission of the end-PFR by the partner. However, in exceptional cases, project audit may occur during the project implementation period or up to six years after the project's closure.

**Who?** UNHCR regional bureaus and headquarters are responsible for overseeing project audits. The UNHCR operation is responsible for coordinating the project audit work, ensuring compliance with established deadlines and deliverables, and ensuring the project audits are conducted with integrity and professionalism.

**Keep in mind:** **Government partners** audited by their national audit authority are not subject to UNHCR's project audit. UNHCR follows the UN's single audit principle, and therefore, it does not conduct project audits on other **UN entities** implementing UNHCR-funded projects.<sup>34</sup> Grant agreements are also exempt from being project audited.

8.4.3 UNHCR determines which project workplans or non-standard agreements implemented by partners should be project audited. Several factors are considered in this process:

- New partners to UNHCR are often selected for audit to ensure proper financial management and accountability from the beginning of their partnership.
- Partners with low assessed risk and unmodified audit opinions from previous audits may be given lower priority for project audits.
- Projects involving high-risk activities or operating in challenging contexts may be prioritized for audits.
- Findings from implementation monitoring and UNHCR's verifications can also influence the decision to conduct a project audit.
- Project workplan budgets are considered as an indicator of the volume of activities.
- Requests for audits may be made based on specific donor requirements or at the request of a representative or director.
- The costs and benefits of conducting an audit are taken into account, ensuring value for money.

8.4.4 In cases where a partner uses one of the audit firms contracted by UNHCR for project auditing as its statutory auditor, UNHCR may agree, with the partner and relevant auditors, to conduct a single project audit of the partner. This is subject to the audit meeting UNHCR's requirements for project audits. Partners are responsible for informing the UNHCR operation, who then informs UNHCR bureau and headquarters when this situation applies.

8.4.5 As part of the global statement of work, project auditors are mandated to conduct or

<sup>34</sup> UN organizations are subject exclusively to the provisions on external and internal audit stipulated in the United Nations Financial Regulations and Rules as well as in their respective financial policies and procedures.

update the ICQ of the partner where relevant.<sup>35</sup>

- 8.4.6 UNHCR submits the partner's end-PFRs to the project auditors as soon as possible, and before 16 March of the year following project implementation year.
- 8.4.7 The project auditors are required to conduct the audit following the most updated [International Standards on Quality Management \(ISQM\)](#) for firms that perform audits and reviews of financial statements, and other assurance and related service engagements.
- 8.4.8 The UNHCR operation coordinates, as needed, with project auditors and partners to ensure that the timing of the project audit does not disrupt partners and remains in compliance with set deadlines. UNHCR facilitates project audit meetings that include partners (entry briefing and closure meeting).
- 8.4.9 The project auditor must provide draft audit reports, including a draft of the management letter and ICQ (where relevant), to partners and UNHCR via PROMS, allowing up to seven days for comments, before finalization.
- 8.4.10 The final audit certificate, consisting of an audit report with a clear opinion<sup>36</sup> on the audited PFR, a management letter, and an ICQ (where relevant), is provided to the partner and UNHCR via PROMS by the project auditor before the end of April. For partners assessed as low-risk with an unmodified audit opinion from a previous UN audit process, the ICQ will not be reassessed for a period of five years starting from the date of the ICQ. In case of a modified opinion (qualified, adverse, disclaimer), the ICQ will be required. Moreover, the partner or UNHCR operation may request that an ICQ be conducted for risk-related reasons, such as the need for an independent assessment of improvements implemented by the partner. The audit certificate follows generally accepted auditing standards and formats.<sup>37</sup> In the event of an exceptional extension of project implementation and/or liquidation approved by UNHCR, the operation and the project auditor negotiate a revised deadline for submission of the relevant audit certificate.
- 8.4.11 If the project auditor identifies significant project audit observations, including possible misconduct such as fraud and corruption by the partners, the UNHCR senior manager immediately refers them to the IGO, UNHCR headquarters and the UNHCR regional bureau as appropriate.
- 8.4.12 UNHCR operations and partners are required to take appropriate action to address any **project audit recommendations**. The UNHCR operation provides any audit recommendations for the partner's follow-up in the matrix via PROMS. Timely submission of the project audit reports to the UN Board of Auditors (UN BoA) by UNHCR is essential for the UN BoA to form an opinion and draw conclusions on UNHCR's financial statements.

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<sup>35</sup> If scheduled for an audit, the ICQ will not be reassessed for a period of 3 years starting from the date of the recent ICQ.

<sup>36</sup> In compliance with the [international standards](#) on auditing, auditors will issue one of the following audit opinions: unmodified opinion, qualified opinion, adverse opinion, or a disclaimer of opinion.

<sup>37</sup> Generally Accepted Auditing Standards or GAAS are sets of standards against which the quality of audits is performed and may be judged. Several institutions have developed such sets of principles, which vary by country and/or territory.

8.4.13 **For project audits with an unmodified or unqualified audit opinion** UNHCR's review and approval of the actions taken by the partner and operations to close the project audit recommendation must be conducted by the relevant UNHCR bureau or UNHCR headquarters. **For project audits with modified audit opinions (qualified, adverse or disclaimer)**, UNHCR headquarters must approve.

## 8.5 Project closure

8.5.2 The closure of project workplans is completed by the UNHCR operation via PROMS,<sup>38</sup> to ensure the proper financial closure of the project, including the return of any unused funds and the reconciliation of financial transactions.

**Why?** For timely closure of UNHCR accounts and the preparation of the financial statements.

**When?** Project closure takes place after the end of contract liquidation, completion of any applicable project audits, and the return of all unspent funds by partners to UNHCR.

**Who?** UNHCR operation is responsible for overseeing the project closure process.

8.5.3 Partners are requested via PROMS to return any unspent balances and revenue received directly as a result of UNHCR's funded agreement (i.e. insurance proceeds, income-generating activities and VAT reimbursements), **no later than 31 March** of the year following project implementation, unless exceptional extensions have been approved.

## 9. HISTORY

9.2 This guidance note supersedes the previous v1.0 published in 2024.

<sup>38</sup> The [UNHCR Programme Handbook for Partners](#) provides guidance including requirements to close a project workplan.