UNHCR The UN Refugee Agency | Innovation

UNHCR Innovation Incubator Programme 101

Everything you need to know about the programmatic **management of the financial support provided through the UNHCR Innovation Incubator.**

Funding Modality and Operational Arrangements

The Innovation Incubator is open to colleagues across UNHCR Country Operations, Multi-Country Offices, Regional Bureaux, and Headquarters entities. Financial resources awarded through it are provided through UNHCR Innovation's cost centre/PTEO and, as a general principle, do not require recipient operations to allocate Operational Level (OL) space to support implementation activities.

Accordingly, transfers of OL are not normally required. However, in exceptional circumstances and where operationally justified, an OL transfer may be considered through mutual agreement between the spending authorities of UNHCR Innovation and the respective operation.

Any such arrangement should clearly define the respective roles, responsibilities, and accountability mechanisms of the parties involved, including reporting requirements, resource management responsibilities, and oversight arrangements. UNHCR Innovation retains overall accountability and responsibility for the management and oversight of Innovation Incubator-supported activities, irrespective of any OL transfer or implementation arrangement.

Liechenstein. Artem and Kateryna (Refugee from Ukraine) playing chess in Balzers. © UNHCR/Simon Boschi

Cover page: Cox's Bazar. Women practice at a solar photovoltaic training site, where they learn how to install and maintain solar energy systems used throughout the camp. © UNHCR/Santi Palacios

Implementation Modalities

South Sudan. Mangisto Abdurahman, at the Ajoung Thok Vocational Training Centre, where he is learning welding. © UNHCR/Reason Moses Runyanga

Subject to agreement between UNHCR Innovation and the endorsed project team, activities may be implemented through one of the following modalities:

1. **Partnership agreements (PPAs)** will normally be managed by the relevant operation in accordance with applicable UNHCR policies, procedures, and system requirements, with expenditures charged directly to UNHCR Innovation cost centres where operationally feasible. In exceptional circumstances, and where mutually agreed, a PPA may be signed by the Innovation Section. However, irrespective of the administrative or system arrangements for processing the agreement, the responsibility for project implementation, day-to-day management, monitoring, and oversight of the partnership shall remain with the respective operation.
2. **Direct Implementation**, including the procurement of goods and services by UNHCR; or
3. **Blended/Hybrid Approaches**, combining elements of both partnership and direct implementation modalities.

Innovation Incubator resources are generally intended to support the design, development, testing, and scaling of innovative solutions rather than staffing costs. However, where adequately justified and directly linked to the delivery of project objectives, funding may support temporary workforce arrangements (e.g. affiliate workforce or Junior Professional Officers). In exceptional cases, support for existing staff costs may also be considered.

Any proposed staffing costs will be assessed on a case-by-case basis and must be supported by a clear business rationale. Such costs should represent a limited proportion of the overall budget and be demonstrably dedicated to the development, testing, implementation, or evaluation of the innovation project.

Budget Allocation and Multi-Year Implementation

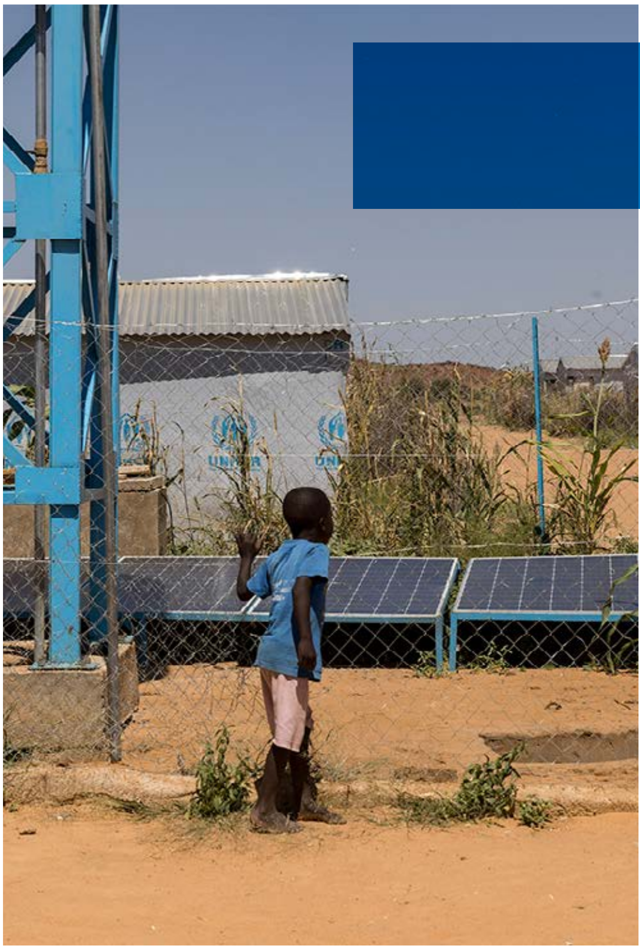
Innovation Incubator projects may be implemented **over a period of up to 18 months** and may therefore span more than one calendar year. Budget allocations are agreed annually between the endorsed project team and UNHCR Innovation based on the approved workplan, implementation timeline, and projected resource requirements.

For multi-year projects, annual budget allocations will be communicated and managed in accordance with UNHCR financial planning and budgetary processes. All commitments related to activities planned for implementation within a given calendar year, including, but not limited to, purchase orders, contractual arrangements, and partnership commitments must be established in accordance with UNHCR's corporate year-end deadlines for that implementation year.

In addition, UNHCR Innovation's Programme Management Unit (PMU), in coordination with project focal points, may establish supplementary deadlines to facilitate effective project and financial management processes, including advance planning, early budget allocation, procurement actions, or other administrative requirements necessary to ensure timely implementation and compliance.

Implementation Modalities and Responsibilities

For any pilot supported through the Innovation incubator irrespective of implementation modality, operations must ensure adequate technical capacity, and project management oversight remain available throughout implementation. Teams will be responsible for maintaining both implementation and financial monitoring and project requirements and meeting reporting requirements shared by the Innovation Section. Operations must also follow all relevant UNHCR policies, procedures, and partnership frameworks as applicable.



Chad. A solar-powered borehole and reservoir built by UNHCR and partners in Farchana Extension to provide water to newly-arrived refugee families. © UNHCR/Andrew McConnell

Venezuela. A UNHCR representative showing a solar lamp delivered to partners in La Guaira). © UNHCR/ Rafael Mattar

Direct Implementation

For activities implemented directly by UNHCR, all expenditures must be charged to the relevant Innovation PTEO codes as communicated by the UNHCR Innovation team. Project teams are responsible for ensuring that requisitions, purchase orders, and other commitments are raised in accordance with applicable UNHCR procedures and established corporate deadlines.

Any requisitions that are not converted into valid commitments within the prescribed timelines must be cancelled. As Innovation Incubator resources are allocated and managed on an annual basis, unutilized funds may not be available in subsequent years. Project teams are responsible for maintaining adequate oversight of expenditures, commitments, and obligations and must promptly alert UNHCR Innovation and the Programme Management Unit (PMU) of any anticipated implementation, budgetary, or utilization challenges, including projected under- or overspending.

Partnership Implementation

Where projects are implemented through Project Partnership Agreements (PPAs), endorsement of an Innovation Incubator proposal does not constitute endorsement of a specific implementing partner or service provider. The identification, selection, and contracting of partners or vendors remain the responsibility of the relevant operation or HQ entity and must be conducted in accordance with UNHCR partnership, procurement, and due diligence requirements.

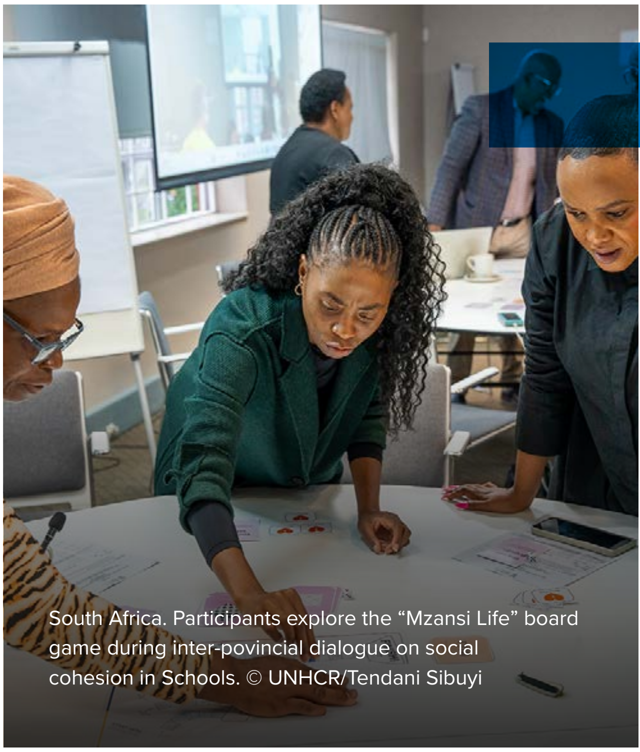
Any partner or vendor involved during the project design or application stage must still undergo the applicable selection process to ensure compliance, transparency, and value for money. Project teams should work closely with Programme, Supply, Legal, and other relevant functions, as applicable, throughout the process.

Deadlines and Resource Management

Jodarn. UNHCR Distributes Diapers in Mafraq City. © UNHCR/Shawkat Alharfoush

Innovation Incubator resources are financed through donor contributions and are subject to strict budgetary and reporting requirements. Consequently, **all commitments and obligations must be established within the deadlines communicated for the relevant budget year.** Exceptions will only be considered under extraordinary circumstances and based on demonstrated operational necessity.

Requests for extensions to project implementation periods must be submitted in writing by the project focal point and will be reviewed on a case-by-case basis. UNHCR Innovation reserves the right to reallocate uncommitted or underutilized funds to other priorities where implementation timelines or fund utilization requirements are not met.



South Africa. Participants explore the “Mzansi Life” board game during inter-povincial dialogue on social cohesion in Schools. © UNHCR/Tendani Sibuyi

Technical Support and Guidance

UNHCR Innovation’s Programme Management Unit (PMU) provides ongoing technical and procedural support throughout project implementation. This **includes regular support sessions, guidance on programme and financial management processes, and ad hoc assistance through email, Teams, and other communication channels.** Project teams are encouraged to engage early and proactively with PMU to address implementation, compliance, budgeting, procurement, partnership, monitoring, and reporting matters.

Financial Monitoring

Ethiopia. UNHCR opens a new warehouse in Mekelle, capital of the Tigray Region. © UNHCR/Olga Sarrado Mur

As part of project implementation, financial monitoring will be integrated with regular programme and technical reviews to ensure effective stewardship of resources and timely delivery of planned results. During the work planning phase, key project review milestones will be identified and incorporated into the implementation schedule. Following project approval, UNHCR Innovation will coordinate formal review checkpoints aligned with these milestones.

These reviews will provide an opportunity to assess expenditure levels against approved budgets, review implementation progress, update spending forecasts, identify financial variances and associated risks, and determine any adjustments required to support delivery of agreed outputs and outcomes. While project-specific review points will be determined by the stage and requirements of the innovation journey, two mandatory financial monitoring exercises will be conducted annually to support UNHCR's corporate planning and resource management processes:

- **Mid-Year Review (July):** Assessment of financial performance, progress of implementation, and revised expenditure forecasts for the remainder of the year.
- **Year-End Closure Review (November):** Review of budget utilization, projected year-end expenditure, outstanding commitments, and any actions required to support year-end financial closure.

Project Technical Focal Points and Programme Focal Points are expected to participate in these reviews and provide relevant implementation and financial information. Reviews will be informed by data available in UNHCR corporate systems and supplemented, where necessary, by supporting documentation maintained in the relevant Microsoft Teams channels.

Key findings, decisions, agreed actions, and follow-up measures arising from each review will be documented and stored in Microsoft Teams channel to ensure transparency, accountability, and an auditable record of project financial management.

These periodic financial monitoring reviews are intended to strengthen budget management, support timely resource planning and reallocation decisions, enable early identification and mitigation of financial or implementation risks, and ensure that project delivery remains aligned with approved objectives, timelines, and available resources.

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