

Guidance Note on Preparation of Project Partnership Agreement for 2020

-Consolidated PPAs-

*“Implementing with Partners is critical to achieving desired outcomes for refugees and persons of concern. Such partnership starts with early engagement in needs assessment, planning and project formulation, **dialogue and negotiations**, and is not limited to mere implementation of a project.”*

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1. Introduction

The Project Partnership Agreement (PPA) is the standard legal instrument for an agreement between UNHCR and a partner in which UNHCR transfers funds to the partner for the delivery of the project. The PPA is a legally binding document, **developed by UNHCR and the partner** that stipulates the terms, conditions, responsibilities, obligations and accountabilities of the participating parties and governs the transfer of financial and other resources by each party into the common project. Moreover, a PPA concludes the agreed understanding of all previous discussions and negotiations with a reference to the project description (Annex A), containing objectives, outputs, performance and impact indicators and implementation arrangements and the budget (Annex B) and staffing list (Annex E).

Consolidated PPA are those partnerships that activities are implemented in more than one UNHCR Sub-office Area of Responsibility and therefore budgeted under more than one cost centre. The negotiation/preparation of this PPAs is more complex than standalone PPAs (activities implemented under one UNHCR Sub-office responsibility) because greater consultations, coordination and consolidation of inputs from both UNHCR and the Partner.

Timely discussion and preparation of the PPA is key to avoid delays on the implementation of activities and avoid recurrent challenges encountered in previous years.

2. Steps on PPA Negotiation

Step 1: Introductory meeting with the Partner

Immediately after the partner has been selected/retained for a partnership, a meeting will take place in Kampala (for those partners without a country office in Kampala, the meeting will take place in the nearest UNHCR office). UNHCR colleagues from relevant sub-offices as well as partner's area managers (if the partner wish to do so) will be joined the meeting via tele/video-conference.

Expected outcomes of this meeting are:

- Go through the required process for concluding the PPA and establish with the partner a time-line for the preparation of the PPA and the deadline for signature.
- Ensure that the partner understand and agrees to abide with the terms governing the PPA.
- Define and articulate the project: beneficiaries, objectives, expected deliverables and associated indicators.
- Discuss and agree on the partner's contribution in cash or in-kind and related complementary project activities.
- Discuss and agree on UNHCR's contribution.

Step 2: Documentation shared with partner

Right after the Introductory meeting, UNHCR Representation Office (Programme Kampala) will disclose to the partner the maximum UNHCR contribution for this UNHCR-funded project as well as any relevant documentation (including PPA annexes templates) to jointly developed this partnership. UNHCR Sector lead will be also sharing any relevant technical documentation (Operational strategies, UNHCR technical guidance, road maps...) that the partner should be aware of when developing and implementing the project.

Step 3: Partnership Negotiation

Negotiation of operational activities and inputs needed in order to achieve the desired results (commonly agreed by UNHCR and the partner) will take place at field level (in coordination with sector leads) while support inputs/costs (the costs for supporting and managing a project) will **NOT** be discussed at field level but prepared by the partner country office and submitted to UNHCR Programme Kampala as part of Annex B (budget). Please refer to Appendix 1 “operational vs Support costs section” for further information.

Partners and Sub-offices need to ensure that critical activities are covered for the entire budget year (1 January to 31 December) unless explicitly authorized by the UNHCR Assistant representative (Programme) through UNHCR head of Sub-office.

Partners and UNHCR at field level are encouraged to document any critical gap not able to be covered with the current envelope, especially those that will not allow to maintain the same level of services than in 2019. While this information will not be part of the PPA, it will support UNHCR and Partners resource mobilization efforts as well as facilitate any PPA amendment, should UNHCR receive additional funds throughout the year.

The ping pong game: The preparation of the PPA must be “jointly developed by UNHCR with partner”, rather than let the partner submit the PPA annexes for UNHCR to review, which has been (and it is still) the case in many operations. This approach is extremely time consuming as the annexes are revised by the partner several times following the different feedback received by UNHCR at different times of the negotiation process. As such, the UNHCR sector lead (Kampala) and the field have work with the partner counterparts to develop the PPA annexes jointly. The same approach will apply to the Risk Based Monitoring Plans.

Of most significance is what we do with the money and the impact created in UNHCR PoCs rather than how the money is spent. It is therefore paramount when negotiating a PPA to understand first the activities planned to achieve the project results (Logical Framework) rather than the money that will be spent (budget), which should be aligned to the activities and not the contrary.

Step 4: Partner submission of the PPA preparation annexes: One submission only

There is one consolidated PPA, rather than separate partnerships for each UNHCR sub office. As a result and noting the oversight role that the partner country office plays in supervising and controlling the project, it is the responsibility of the partner to consolidate all inputs and submit the final PPA annexes to UNHCR Representation Office (Programme Kampala). Such submission should be in line with the discussions and agreement reached at field level. Any deviation of such agreement shall be fully disclosed and explained in the partner’s cover memo/email of their submission.

Step 5: Review of the submission by UNHCR

Once the submission is received by the partner Country Office (partial submission to a sub-offices will NOT be considered as official), Programme Kampala will share the PPA annexes with relevant sector leads and field colleagues to re-validate the submission. Such a review is more of a validation/confirmation that the submission is in line with sectoral strategies, result chain and

prioritized activities and inputs previously discussed and agreed at field level and with UNHCR sector leads.

Sub Offices should ensure that the submission captures well the agreement reached at field level. Noting the number of consultations prior such submission and taking into consideration that country office should not significantly deviate of such field proposal (and when doing so, it will have to be fully explained in their submission), this reviewing process should not be time consuming.

Partner's support costs will be reviewed at this stage by UNHCR. While such costs are foreseeable and necessary for the good management of the project, partners should reduce to the extent possible these support costs (please refer to section 5.3 of UNHCR Partnership Handbook). Such support cost should be commensurate to what the partner submit to other donors.

Once Programme Kampala receives the approval/validation from the sector leads and field colleagues, Programme Kampala will initiate the preparation of the PPA.

Step 6: preparation of the PPA in the system

Once the Budget has been reviewed and cleared, UNHCR will initiate the data entry in UNHCR corporate tool Focus. After entry, the FOCUS budget extract will be shared with the partner and the respective field offices for validation. Programme thereafter will start the preparation of the PPA in MSRP.

Step 7: Signing Of the PPA

UNHCR Programme Kampala will print and signed the PPA and share it with the partner for signature. The PPA shall then be returned to Programme Kampala and will seek the signature of OPM.

Step 8: Released on the 1st Instalment

Within 10 days of the signing of the PPA, UNHCR will release the first instalment.

3. Components of the Project Partnership Agreement

Main components of PA

- The Main body of the Agreement
- Appendix 1- **Definitions**
- Appendix 2- Standard General Provisions**
- Appendix 3 - **Standards for Managing Misconduct**
- Annex A - Project Description**
- Annex B - Project Budget**
- Annex C - Project Instalment Plan**
- Annex D - Project Reporting formats**
- Annex E - Partner Personnel List**
- Annex F - Processing and Protection of Personal Data of PoCs**
- Other agreed annexes as applicable**



Project Partnership Agreements (PPAs) consists of several elements that contain the terms, conditions, responsibilities, obligations and accountabilities of participating parties. Collectively, these elements form a valid agreement.



The new PPA template is introduced to:

- ✓ Better reflect the required Partners compliance with (i) UNHCR’s global SGBV strategy “Action against Sexual and Gender-Based Violence”; (ii) the UN Protocol on Allegations of Sexual Exploitation and Abuse (SEA) involving Implementing Partners (No. 0742, dated 27 April 2018); shared responsibility of UNHCR and Partners on the UN mandatory reporting of SEA allegations, Partners’ obligations to establish standard operating procedures for protection from SEA, ensure their personnel have been trained with regard to prevention of SEA and well as protection of human right of refugees and other persons of concern; to ensure Partners address SEA and any other forms of misconduct and take necessary corrective measure (ref. art. 5-Appendix 2) ;
- ✓ Further clarify the Partners’ obligations on the collection and processing of the Personal Data of persons of concern, including the reporting, access, maintenance of such data (art. 12-Appendix 2);
- ✓ Reflect the increased flexibility for the partners for budgetary transfer levels (ref. art. 6.11);
- ✓ Further simplify the Agreement document itself by having the Standard General Provisions appended to the Agreement instead being the part of the Agreement main body.

With the introduction of the Agreement ‘new’ template, UNHCR has also released the set of all Annexes (templates) o the Partnership Agreement, which have been reviewed and further simplified and aligned with other changes that have been already in place. Consequently, **UNHCR Uganda will no longer used the 2019 PPA Preparation toolkit**. The main changes are specified below:

- **Annex A: Project Description**-the document has been aligned with the year-end harmonized Project Performance Reporting template. The reference to the impact indicators and targets has been removed from the document and instead emphasis is placed on the outputs with performance indicators and targets. Additionally, the Project Workplan has been embedded in the “Measuring Planned Results” section, to show clear connection of the outputs and timeframe for the achievement of those and thus the need for a separate stand-alone Workplan (Annex C1) has been eliminated;
- **Annex B: Budget** - generated from MSRP;
- While only the budget generated from MSRP (UNHCR corporate tool) will be included in the PPA, it is necessary to have a budget template to understand and agree on the inputs needed for this partnership. As a result, UNHCR Uganda has developed a template that follows the same structure of Focus (UNHCR Planning and budgeting corporate tool). This template will facilitate to both, the partner and UNHCR the analysis, coherence and quality check of the budget to be negotiated and agreed.
- **Annex C: Indicative Instalment Plan** - the template for indicative instalment plan recommends instalment planning to be done **at output level, as a minimum requirement**. This template will be provided by UNHCR to the partner once both parties has agreed on the project description and budget.
- **Annex D: Reporting Formats**
 - Project Performance Report (Periodic Progress Report)
 - Project Performance Report (End of Year Harmonised Report)
 - Goods and Property Report
 - Project Financial report
- **Annex E: Partner Personnel List** (in Microsoft excel to facilitate the analysis of the data)

- **Annex F: Processing and Protection of Personal Data of Persons of Concern** –for agreements where personal data collection and processing for persons of concern is part of the project scope, operations will be required to have this Annex, where the details on the handling personal data of persons of concern is to be further detailed.

What annexes are needed and by when?

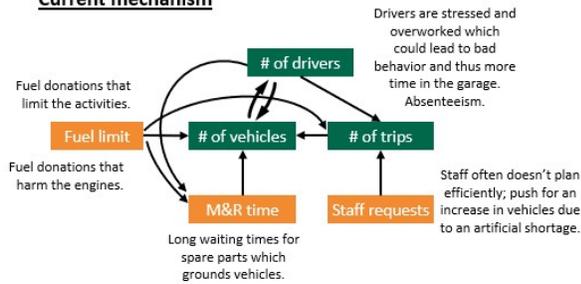
Prior signing the PPA	Within one months of signing the agreement
1- Annex A – Project Description 2- Annex B – Budget (excel template) 3- Annex E- Staffing table 4- Vehicles request Form (New) 5- Bank account Form (for accounts different than the one used in 2019) Once UNHCR and Partner agreed on the above templates, UNHCR will provide to the partner 6- Annex C – Indicative Instalment Plan	7- Annex D - Reporting Formats 8- Annex F - Processing and Protection of Personal Data of Persons of Concern 1- PMC-01: Monitoring Plan Note that for those partnership with substantial # of staff funded by UNHCR, mainly Education and health partners, fully complete staffing list is required prior 31 January. However, they still have to submit Annex E as per instructions in Appendix 2.

4. Fuel and vehicle allocation to Partners for 2020.

UNHCR is currently reviewing the current fuel management system. At this stage it is not known if funds will be provided to partners to procure fuel for vehicles, motorcycles and generators or UNHCR will pay directly for such fuel using the card systems. Nonetheless, funds for partners fuel is already part of the budget ceiling provided to partner and therefore partner should budget for fuel during the PPA negotiations, based on the current budgeting practice (max. of 400 liters per light vehicle).

The FINAL allocation of vehicles to partners will be done at country level for each partnership. This allocation will follow established criteria developed by the Country office. Parameters that will guide the right sizing of fleet include: size of settlement, Number of zones in the settlements, scattering of settlement (distance to settlements, need to travel to reporting office, number of missions, quality/availability of the road, number of staff, number of activities, type of activities, security situation among others).

Current mechanism



Influencing parameters:

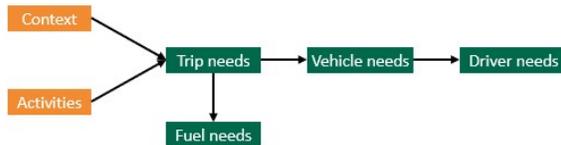
- Budget
- Efficiency of M&R services
- Inability of movement planning of certain staff/partners
- Unfair allocation of vehicles among offices

“If a partner has more vehicles then they will drive more to make an artificial gap to receive even more vehicles, or to protect what they have.”

“If allocation of vehicles were centralized at country level based on senior supply assessment it would be fairer and thus better. The gap would be determined from a neutral point of view and distribution would be neutral.”

“Staff needs to learn how to plan. A lack of vehicles is often a man-made challenge, the vehicles are not lacking, the ability to plan is. People always create an artificial shortage of vehicles.”

Rational mechanism



Parameters that could guide the right sizing of fleet:

- Camp versus settlement approach
- Size of settlement
- Number of zones in the settlements
- Scattering of settlement
 - Distance to settlements
 - Need to travel to reporting office
- Number of missions

- Quality/availability of the road
- Number of staff
- Number of activities
- Type of activities
- Security situation
- Number of partners per settlement
- Possibility to use motorcycles

Once the right sizing for a particular partnership is established, the operation will allocate current Global Fleet Management (GFM) vehicles to each partnership under a Right of Use Agreement. Only when the number of GFM vehicles allocated to a particular partnership is lower than the number of vehicles needed for such intervention (as per the Right sizing assessment) the partner will be authorized to budget for rental of vehicles in the PPA. Similarly, the budget for fuel will be determined by the number of vehicles allocated for this intervention (including any vehicle from the partner allocated to this UNHCR intervention).

Partner are requested to submit the **Partner vehicle request form** along with the Project Description, Budget and Staffing table.

For budgeting purposes, partner and field offices may agree on an estimated # of vehicles needed. However, the allocation of vehicles will be finally assessed after submission of the partner vehicle request form, which will be reviewed by the Country office.

5. UNHCR Contribution to Partner Personnel Costs

Partner personnel are defined as human resources who are hired and/or engaged by a partner to perform activities related to a project funded by UNHCR in accordance with the PPA. Partner personnel include permanent employees, employees hired on a fixed-term basis, consultants, advisers, personnel temporarily assigned, short-term wage labour, seconded personnel, volunteers, interns, refugees, etc., who are on wages, as well as employees of subcontractors and other similar service providers.

Partners are responsible for the salary of partner personnel, as well as employment/termination and any other benefits or compensation accrued to such partner personnel. UNHCR is not responsible for these costs. However, **UNHCR may make a contribution to support the partner with payment of personnel costs in the form of periodic flat rates** (e.g., monthly) per post for the duration of the project implementation.

International Expatriate Personnel of Partner

UNHCR maximum contribution is set at US\$ 8,000 per person per month per Partner International Expatriate personnel for a hundred percent engagement under a UNHCR funded Partnership Agreement. This amount corresponds to the above-mentioned reference point within the ICSC index and represents an increase of 33% from the previous level of US\$ 6,000. **A proportional reduction of the UNHCR contribution must be made if the personnel are not dedicated full-time to the UNHCR-funded project.** Due consideration of the position and functional category and skills should also be given when deciding the contribution level of each position, up to the maximum rate of US\$ 8,000.

An additional contribution of US\$ 500 per person per month, regardless of the UNHCR Rest and Recuperation (R&R) periodic cycle, the job, position, category, functional skills or engagement (full time or partial) of the International Expatriate Personnel, will be provided for Partner Personnel high-security locations, where the R&R policy applies for UN staff. **No additional travel costs related to R&R will be covered by UNHCR within the Partnership Agreements or elsewhere.**

Eligible (Maximum) UNHCR monthly contribution for national personnel

UNHCR Uganda has established a rate for UNHCR's contribution towards a partner's national personnel costs. Partners are therefore requested to adhere to such scale.

Functional Category	Positions	UNHCR Maximum Contribution (UGX)
A	Support (Guards, Helper, casual labour etc.)	1,000,000
B	Junior Assistants (Clerks, Data Entry, Secretaries, etc.) and drivers*	2,000,000
C	Senior Assistants (Senior Finance Assistants, Programme Officers, Nurse, Social Workers, etc.)	4,000,000
D	Senior Officer (Senior Programme Officers, Doctors, Engineers, etc.)	7,000,000
E	Managers (Team Leaders, Senior Managers, Deputy Directors, Directors, Presidents, etc.)	11,000,000

*Drivers, initially considered as category A. In 2019 after consultation with Partners it was agreed that they could get up to 2,000,000.

UNHCR will not fund extra allowances in any form such as uniforms (except for actual professional uniforms worn on duty for nurses, doctors, etc.), incentives, allowances for attending meetings, overtime, housing allowances and other benefits. However, travel costs related to duty assignment and official missions may be budgeted for under the Partnership Agreement, should resources be available (except for travel relating to R&R).

Important: The allowed budgetary flexibility for partner personnel cost is 20% at Output level (ref. Art. 6.11 of PA). This covers changes in number of positions; duration of engagement; number of months. **The increase of the agreed UNHCR contribution levels per position/full-month is not permitted** (e.g. an increase above

\$8,000 maximum contribution for full-time engagement of an expatriate personnel). Partners may incur variations within project period, provided the overall annual expenditure does not exceed 20% at Output level. Partner must retain documentation justifying and tracking changes for verification and audit purposes.

Simplified staffing table requirement for Education and Health partners.

Partners with substantial amount of workforce funded by UNHCR, mainly Education and health partners, where the main operational cost are salaries of teachers and health workers, will initially submit a simplified partner personnel list where names will not be needed for each position. A table highlighting the number of different positions (head teacher, primary teacher...) per settlement will be enough (please refer to Operational staffing summary sheet of the partner personnel list). However prior 31 January 2020, the partner is requested to submit the complete Partner personnel list. Any staff under support cost must include in the staffing list sheet.

Important: POC hired for casual labour (account code 622750) may not be included in the Partner personnel list, however, for reporting/verification purposes, they should be tracked separately.

Account codes to be used during budgeting of Partner personnel Cost:

Partner Personnel	Account Name	Currency
622250	International Expatriate Personnel	USD
622300	Partner National Personnel	UGX
622650	POCs hired for performing professional services	UGX
622750	POC hired for casual labour	UGX

6. Minimum Standard Reporting Schedule for Consolidated PPAs in the Uganda Operation

Due date and reporting period	Report type
- By 10 April for the period ending 31 March	Project Financial Report Performance Report
By 15 July for the period ending 30 June (Mid-Year)	Project Financial Report Performance Report Goods and Property Report Partner Personnel Report
By 10 October for the period ending 30 September	Project Financial Report Performance Report
By 10 December for period ending 30 November	Project Financial Report
By 15 February for the period ending 31 December (final)	Project Financial Report Performance Report Goods and Property Report Partner Personnel Report
As Agreed	Other Reports (as agreed)

7. Reference material: UNHCR Rules and regulations

- 1) Tripartite Project partnership Agreement
- 2) Partnership Handbook: <https://unpartnerportalcsso.zendesk.com/hc/en-us/articles/360026072433-UNHCR-Partnership-Handbook-May-2019>
- 3) UNHCR Guidance on partnerships: <https://unpartnerportalcsso.zendesk.com/hc/en-us/articles/360019902113-Guidance-Notes>
- 4) UNHCR Uganda strategy on Strengthening National Responders Capacity

I. Partnership Handbook

During the 2019, UNHCR Annual Consultation with NGO's in the session dedicated to Enhancing Partnership Integrity was presented the new UNHCR Partnership Handbook, which replaces the previous edition. The Handbook has been updated and further developed in collaboration with a Partner Reference Group made up of representatives from UNHCR partners and staff and through the UNHCR Annual and Regional Consultations with NGOs.

The handbook is intended to provide guidance for Partners on engaging and working with UNHCR. It provides information on the policies, principles and collaborative arrangements for partnering with UNHCR to protect, assist and seek solutions for refugees and other Persons of Concern. The intended users of the handbook are managers and staff of Partner organizations who implement activities and projects in partnership with UNHCR. The content is applicable to all UNHCR Partners, with a focus on partnering with international and national NGOs.

8. Appendix 1:

Budgeting for UNHCR funded Project

Budgets are prepared following the principle of results-based management (RBM), in which resource allocation is directly linked to the outputs and objectives to be achieved. As such, while budgets are formulated at the lowest level following UNHCR's account codes. Each budget line relates directly to an output and objective in the project's log frame (Annex A), which, in turn, correspond to UNHCR's Results Framework.

Each UNHCR project proposal must include a budget which details the cost to be funded by UNHCR. The budget should reflect activities described in the project narrative and **include sufficient detail to provide a transparent overview of how UNHCR funds will be spent.** Budget lines should be itemized wherever possible, including quantity and unit prices of items to be procured.

a) Operational Costs vs Support costs

UNHCR normally contributes funds for some or all the operational costs (direct costs for implementing the activities set out in the Partnership Agreement), and some of the support costs (the costs for supporting and managing a project which should also be described in the Partnership Agreement).

Experience from previous years demonstrate the complexity of accurately understanding the supporting costs that a partner budgeted under a specific UNHCR funded project. Despite the effort made in 2019 PPA preparation the Operation still finds the supporting costs (including staffing and overhead costs) difficult to track.

In order to avoid this situation and to simplify further the budgeting process, each PPA shall have a fixed and standard output where all supporting costs should be budgeted. **The output to be used for such supporting costs is "811AH – General project management service provided", and they shall be budgeted under Kampala Cost centre only (12141), unless it is a stand-alone PPA.** In such a case, it should be budgeted in their respective cost centre.

Support costs includes any inputs not specifically associated with the implementation of the programme and includes:

- In-country management and support staff costs (representation, planning, coordination, logistics, admin, finance);
- office space, equipment, office supplies, maintenance;
- Planning, monitoring, evaluation and communication costs (venue, travels, fuel).
- Partner Integrity Capacity and Support Costs (PICSC)
- Note that staffing can be both supporting and operational costs. As rule of thumb, if the staff have direct contact with refugees by providing assistance and services, these personnel can be budgeted under operational costs. Teachers, health workers ambulance drivers are clear examples of operational inputs. While cleaners, finance office, country director, Area managers and drivers transporting partner's personnel will be considered supporting costs.

b) Budgeting for Supporting cost during partners negotiations

UNHCR and partners should reduce to the extent possible the support costs. However, such costs are foreseeable and necessary for the good management of the project.

IMPORTANT: Please note that any support costs should be budgeted within the budget ceiling provided by UNHCR to the partner. The partner shall estimate what is the percentage of this supporting cost the project may have (inclusive of the Project Integrity Capacity and Support Costs) and proportionally deduct such amounts from the budget ceiling given at each cost centre. This support cost allocation shall be provided to UNHCR preferable prior the operational activities negotiations at field level.

c) Activities vs Inputs

Inputs are very often confused to be synonymous with activities. However, these terms are **not** interchangeable. And when doing so, we will find project partnership documents too complex to understand, ambiguous and difficult to monitor and control (from a financial and performance point of view). Looking at any of the current PPAs in the Uganda operation, it is noticeable that we are using such terms as synonymous.

Inputs, in simple terms, are those things that we use in the project to implement it. For example, in any project, inputs would include things like human resource (personnel), finances in the form of money, machinery such a vehicles, and equipment such as public address systems among others. Inputs ensure that it is possible to deliver the intended results of a project.

Activities on the other hand are actions associated with delivering project goals. They are the actions the prospective partner will implement under the proposed programme to achieve the desired programme output(s). Multiple activities may be required to contribute to the achievement of a programme output. In other words, they are what the personnel/employees do in order to achieve the aims of the project. In a HIV and AIDS project, for example, activities would include things such as conducting community meetings to sensitize the public on prevention measures, installing condom dispensers at hot-spots, collecting periodic data to monitor project progress among others. This must be linked to the results framework at the output level.

To note...

As a general rule, the inputs shall be recorded in the Budget and staffing list, while the Activities should be included in the logical framework. The Instalment plan will determine how much of the inputs will be used on a monthly/quarterly basis while the work plan embedded in the logical framework will inform us when the activities will be implemented.

A proper use of activities and inputs terminology will also allow us to reduce the number of budget lines we will have in the partnership.

d) How many budget lines we need?

Budgets are formulated at the lowest level following UNHCR's account codes. The exact level of detail needed in budgeting for proposed activities should be agreed collaboratively between the Partner and UNHCR,

depending on the operational circumstances, financial risks associated to this partnership, the type/risk associated to such costs (specifically reputational risks) and the level of earmarked funds received for this intervention. Budgets should reflect a careful assessment of needs, available resources, and the appropriate standards required within the local context.

Example of allocation of accounts codes:

1. Simplified approach: for a project including the construction of primary schools, the output (Educational Infrastructure Constructed, improved or maintained) may be budgeted as a single item in which the calculation could be relatively simple, i.e. number of schools' x the cost of the building construction contract (the cost of the school) = the total of the budget line.
2. Detailed approach: Alternatively, the same activity could be budgeted according to the various materials and supplies needed for construction, such as roofing materials, timber, cement, electrical supplies, workshop supplies, etc., represented as separate Accounts.

As a rule, and noting that “complexity thrives corruption”, the Uganda Operation shall simplify to the extent possible the budget by reducing the number of budget lines (for instance staffing will continue to be budgeted under one budget line at output level). However, some proposed budget items may be examined more closely by UNHCR. These include the support costs within a project and partner personnel costs. Significant expenditure for large capital items or infrastructure will also be scrutinized. Furthermore, depending on operational reality, the Operation may want the Project Budget to be prepared with a further breakdown by cost centre and site for internal management and tracking purposes. For example, this additional detail may be very useful for UNHCR if they are required to report on these expenses in donor reports.

e) Partner Integrity Capacity and Support Costs

The launch of UNHCR’s High Commissioner’s Policy (HCP) on UNHCR’s Contribution towards Partner Integrity Capacity and Support Costs was launched in June 2019. This policy supersedes UNHCR/HCP/2014/6/Rev.1 on UNHCR’s Contribution to Project Headquarters Support Costs of International NGO Implementing Partners.

The purpose of this HCP is to redefine UNHCR’s contribution for support cost to Partners with the aim of enhancing its Partners’ integrity, capacity, accountability, oversight and general support for undertaking UNHCR funded projects. Under this policy, the support is broadened to extend it to the National Non-governmental organizations as well.

<p>Main changes:</p> <ul style="list-style-type: none"> • Contribution towards PICSC of eligible International and national non-governmental partners • Flat rate of overall programmatic expenditures under a PA (all expenses under Project Budget/Annex B covering all costs) • Calculation NO LONGER excludes: <ul style="list-style-type: none"> - The cost of Bulk Procurement above \$100K (definition) - Cash/voucher assistance - Microfinance/micro-credit/revolving fund assistance • Disbursement proportionate to each Instalment transfer
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