

United Nations Educational,
Scientific and Cultural Organization

Extrabudgetary specificities

1. Programming of Extrabudgetary projects
2. Implementation of Extrabudgetary projects
3. Looking forward - One Budgetary Framework


BSP: 34 C/5

Module 7: Extrabudgetary specificities

Rev.1

The sixth module called “Extrabudgetary specificities” will be divided into the following parts:

1. Programming of Extrabudgetary projects.
2. Implementation of Extrabudgetary projects.
3. Looking forward - One Budgetary Framework.



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Programming aspects

- Director-General's **Action Plan** for **improved management** of **Extrabudgetary activities**:
 - Extrabudgetary resources **reinforce** the Regular Programme
 - Extrabudgetary resources are programmed and implemented in full **coherence** and **alignment** with the Regular Programme
 - Effective monitoring and reporting of extrabudgetary resources
- UNESCO's **Results chain** applied for **Regular Programme** and **Extrabudgetary activities** alike.


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1. UNESCO expects to continue receiving a major part of its resources from extrabudgetary contributions. These will reinforce the Regular Programme by broadening, deepening and scaling the Organization's activities, especially at the country level. As outlined in the Director-General's Action Plan for improved management of Extrabudgetary activities, Organization-wide policies for the management of extrabudgetary resources are intended to ensure that these funds are:

- Programmed and implemented in full coherence and alignment with the priorities set by the Governing Bodies for the Regular Programme and Budget.
- Monitored and reported to Governing Bodies and Donors effectively.

2. As seen in module 3 entitled "RBM approach: a programming framework", UNESCO's established results chain which cascades from the Medium-Term Strategy (C/4) over the Programme and Budget (C/5) to the work plans, is applied for regular and extrabudgetary resources alike, thus ensuring a "seamless" linkage between the Regular Programme and Extrabudgetary activities. Consequently Regular Programme activities and Extrabudgetary projects must be aligned and consistent with the Outcomes of the Medium-Term Strategy (C/4), as well as the Results of the Regular Programme and Budget (C/5).



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Programming aspect

- The **Programme and Budget** document (C/5):
 - Presents on-going or firmly pledged Extrabudgetary projects
 - Identifies Main lines of Action for which extrabudgetary resources will be sought
- The “**Additional programme** of targeted/projected extrabudgetary activities ”
- Extended **SSFs** and **RAMs**. SSFs must:
 - Reflect UNESCO’s overall **strategies** and **visions**
 - Identify the **objectives** and **priorities**, for which extrabudgetary resources are needed
 - Take sufficiently into account the “**bottom-up**” approach (via **Field Office** contributions)
- Extrabudgetary resource **mobilization strategy**

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1. The Programme and Budget (C/5) continues to present only on-going or firmly pledged Extrabudgetary activities. ADGs need to identify the Main lines of Action for which will be sought extrabudgetary resources.

2. A consolidated list of projected Extrabudgetary activities, reflecting these unfunded needs, are to be included in the form of an “Additional programme of targeted/projected extrabudgetary activities” which will be finalised during the work plans phase. Nevertheless, a degree of flexibility needs to be preserved to allow a timely UNESCO response, through Extrabudgetary activities, to unforeseen situations and emerging needs of Member States.


3. The “Additional Programme” of projected Extrabudgetary activities feeds the planning process: the Sector Strategic Frameworks (SSFs), and the corresponding Resource Allocation Matrixes (RAMs), covering both Regular Programme and projected Extrabudgetary activities. Upon its approval, the extended SSFs is translated into Extrabudgetary programme/project outlines to be included in the “Additional Programme”. The definition of the SSFs, and the subsequent discussions to establish project/programme outlines, must:

- Reflect UNESCO’s overall strategies and visions;
- Identify the objectives and priorities, for which extrabudgetary resources are needed in direct reinforcement of the Regular Programme;
- Take sufficiently into account the “bottom-up” approach as represented by the contributions from the Field Offices in reflection of the respective National Development Strategies, as well as programming under the “One UN approach at country-level” and UNESCO’s response to such exercises and documents.

Extrabudgetary projects will in particular be targeted at activities at country-level that enhance the Regular Budget activities, thus allowing UNESCO’s action to reach the expected results and have greater impact.

4. UNESCO has a unified resource mobilization strategy and donor approach, based on the “Additional programme of targeted/projected extrabudgetary activities” and on the extrabudgetary resource mobilization strategic plan. This plan is developed and implemented under the overall coordination of DIR/ERC/CFS in consultation with BSP, Programme Sector ADGs, Field Offices and Institutes, and takes into account information on the policies and priorities of the funding sources.

The programming of UNESCO’s projected Extrabudgetary activities, and the associated resource mobilization, will therefore increasingly reflect the policy advice, advocacy, capacity-building and monitoring that UNESCO is providing for the Governments and its partner countries. UNESCO’s enhanced participation in country-level programming exercises and documents such as UNDAFs and PRSs and the preparation of an increasing number of UNESCO Country Programming Documents are important factors in this process.



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Implementation aspects

- A **unified** approach to project **implementation**
- Substantive **monitoring** and narrative **reporting**
- Funding Source/Donors **review meetings**
- Mid-term and final **evaluations**
- **Closure** of Extrabudgetary project
- Broadly agreed **standard models** for the main cooperation instruments (e.g. Reports)

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1. In line with the unified extrabudgetary resource mobilization strategy, and the unified approach to funding sources, UNESCO equally has a unified approach to project implementation, including substantive and financial monitoring and reporting, as well as systematic evaluation of the activities, notably final evaluations of all major (or innovative) Extrabudgetary activities. In addition, regular updates of the “Additional programme of targeted/projected extrabudgetary activities” of the projected Extrabudgetary activities takes place throughout the biennium.


2. Substantive monitoring and narrative reporting regarding Extrabudgetary activities are given high priority, both as a response to the expectations of the Donors and the beneficiaries, but also as UNESCO’s own tool to monitor developments, and take remedial action as necessary. Insufficient disbursements under a given Extrabudgetary activity normally give indications of problems, however quantitative indicators alone do not ensure effective implementation of Extrabudgetary activities. As seen in the module 6 entitled “RBM approach: an implementation framework”, monitoring information, in particular on the attainment of results, needs to be provided at least every six months so as to be consolidated in the results overall progress assessments of the Main lines of Action and when relevant in the EX/4 report. Overall monitoring is undertaken, at least twice a year, by the College of ADGs and by the Comity of Budget and Finance (CBF), and at least once a year by the Directorate.

3. Regular review meetings are carried out with all major Funding Sources/Donors with a strict monitoring of follow-up action to decisions taken during the meetings. During the review meetings UNESCO presents recent trends in overall policies and activities, as well as new project proposals, to sensitize Donors.

4. Furthermore, mid-term and final evaluations are prepared and provided to Donors. Evaluations need to show how the project has enhanced UNESCO’s capability to deliver the Medium-Term Strategy and Regular Programme (C/4 and C/5 documents). Moreover, the evaluation results, and the mutually reinforcing nature of Regular Programme and Extrabudgetary activities, if applicable, are included in the EX/4-C/3 document.

5. The last step of the implementation phase is the closure of the extrabudgetary project. An Extrabudgetary project progressively goes from “Operationally closed” to “Financially closed”. All projects which are “Financially closed” on the last day of the biennium will not be taken into account in the next Programme and Budget document (C/5).

6. Beyond the reinforced strategies approaches and modalities for programming and implementing Extrabudgetary activities, efforts are made, to harmonize and simplify UNESCO’s cooperation with Funding Sources through the application of broadly agreed standard models for the main cooperation instruments. To be noted, a balance will need to be struck between concerns for overall UNESCO coherence in the planning and funding of Extrabudgetary activities, and the requisite autonomy of UNESCO’s Category I Institutes, and a number of programmes with particular governance structures, to pursue their mandates.



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Looking forward- One Budgetary Framework

- **Simplification** and **harmonization** of **cooperation** and recourse to a **diversified** funding base
- **UN Agencies, Funds and Programmes** enhance **cooperation** and **coordination** in their relations with **Funding Sources**
- **One UN** approach at Country-level/**One Budgetary Framework**:
 - **Alignment of action** of participating Agencies and associated funding (all types of resources) under an “One UN Plan”
 - **Joint resource mobilization** for the country-based coherence fund (i.e. to meet funding gap)
 - Possibility to pursue traditional funds-in-trust cooperation
- Update of **Action Plan** for **improved management** of **Extrabudgetary activities** to take into account new:
 - Types of **Funds**
 - Funding **modalities**

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1. The emphasis on country-level delivery and the implications of UN reform in a growing number of countries necessitates a simplification and harmonization of cooperation procedures and a recourse to a diversified funding base, including:

- Emerging funding sources such as South-South and triangular cooperation.

- Innovative funding modalities, such as multi-donor multi-year funding arrangements with little or no earmarking in favour of large UNESCO programmes, debt-for-development swaps, the Sector-Wide Approaches (SWAs) to country programming, Direct Budget Support and Joint Assistance Strategies.

Ultimately, all these modalities are bound to impinge on the prospects and ability of UNESCO to attract extrabudgetary funds for activities outside the common UN country programming framework.

2. As UNESCO tries to harmonize and simplify its cooperation with Funding Sources through the application of broadly agreed standard models, UN Agencies, Funds and Programmes are also trying to enhance cooperation and coordination in their relations with the Funding Sources. This comprises both simple exchange of information and best practices, and alignment of views with regard to the major issues at stake in extrabudgetary resource mobilization.


3. As seen in module 4 entitled “UN framework”, the “One UN Budgetary Framework” aims at aligning the action of the participating UN agencies in a given country, and the associated funding, under an “One UN Plan”, established under the overall leadership of the national authorities. The framework would include both existing regular/core resources of the participating agencies, and on-going extrabudgetary/non-core activities. It would also reflect a commitment to undertake joint resource mobilization, under the overall leadership of the UN Resident Coordinator, to meet the requirements of the remaining parts of the “One UN Plan” (i.e. Funding gap), preferably through resources pooled in a country-based UN coherence fund. To be noted, actual implementation of the approved activities (financed by Regular or Extrabudgetary Resources) would take place under the direct responsibility of the individual UN agency in question. Furthermore, even the “One budgetary framework” would preserve the possibility for UN agencies, and the Funding Sources, to pursue traditional funds-in-trust cooperation beyond the coherence fund, if this were seen to be the preferred modality, and acceptable to the beneficiary country.

4. In the further development and implementation of its Action plan for improved management of Extrabudgetary activities, UNESCO needs to take into account the rapid emergence of new funds and funding modalities, notably country-based multi-donor trust funds, including UN coherence funds. These funds, and their strong country focus under overall leadership of the Resident Coordinator, will obviously have major impact on UNESCO’s own programming, quality control and prioritizing of activities for extrabudgetary funding.

In a nut shell, the strategies and procedures of the major United Nations Agencies, Funds and Programmes for the programming and management of Extrabudgetary activities aim at establishing measures to ensure:

- Greater alignment between the programming of Regular and Extrabudgetary resources, and consistent efforts to present their Governing Bodies with a comprehensive picture of the Agencies’ programmes and consequent funding needs,

- Extent of voluntary Funding Sources’ contributions towards broad thematic, multi-donor trust funds, and targeting mainly pre-defined high priority activities in full consistency with the key mandates of the Organizations.



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Key Points

- Director-General's **Action Plan** for **improved management** of **Extrabudgetary activities**
 - Extrabudgetary activities are programmed and implemented in full **coherence** and **alignment** with the Regular Programme
 - The SSFs and RAMs covers both Regular Programme and projected Extrabudgetary activities. Upon its approval, the extended SSFs is translated into Extrabudgetary programme/project outlines to be included in the “**Additional programme** of targeted/projected extrabudgetary activities” which will be finalised during the work plans phase.
 - Effective **monitoring** (in particular **substantive**) and **reporting** to governing bodies and Donors
 - **Harmonization** and **simplification** of UNESCO's cooperation with Funding Sources
- **Looking forward - One Budgetary Framework**
 - UN System enhances **cooperation** and **coordination** in their relations with the Funding Sources
 - **Alignment** of action of UN system and associated funding under an “**One UN Plan**”
 - **Joint resource mobilization** for country-based coherence fund

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1. Director-General's Action Plan for improved management of Extrabudgetary activities is intended to ensure that:

- Extrabudgetary activities are programmed and implemented in full coherence and alignment with the Regular Programme. Consequently, UNESCO's Results chain is applied for Regular Programme and Extrabudgetary activities alike.
- The SSFs and RAMs covers both Regular Programme and projected Extrabudgetary activities. Upon its approval, the extended SSFs is translated into Extrabudgetary programme/project outlines to be included in the “Additional programme of targeted/projected extrabudgetary activities” which will be finalised during the work plans phase. The “Additional programme of targeted/projected extrabudgetary activities” identifies the objectives and priorities, for which extrabudgetary resources are needed in direct reinforcement of the Regular Programme. It also serves as the basis for the resource mobilization strategic plan,
- Substantive monitoring and narrative reporting regarding Extrabudgetary activities is given high priority, allowing to report effectively to Governing Bodies and Donors (including via regular review meetings),
- Efforts are made, to harmonize and simplify UNESCO's cooperation with Funding Sources through the application of broadly agreed standard models.

2. Major points of the “One Budgetary Framework”:

- UN Agencies, Funds and Programmes are also trying to enhance cooperation and coordination in their relations with the Funding Sources,
- Alignment of action of participating Agencies and associated funding (all types of resources) under an “One UN Plan”,
- Joint resource mobilization for the country-based coherence fund (i.e. to meet funding gap).


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Resources

Cooperation with Extrabudgetary Funding Sources
http://portal.unesco.org/fr/ev.php-URL_ID=11655&URL_DO=DO_TOPIC&URL_SECTION=201.html

<http://ercintranet.unesco.org/nuance/> (Intranet)

Table on Delegated Authority and Accountability
<http://unesdoc.unesco.org/images/0014/001498/149877e.pdf> (Intranet)

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For additional information you may consult the websites indicated.