

**REVIEW OF DONOR REPORTING REQUIREMENTS  
ACROSS THE UNITED NATIONS SYSTEM**

*Prepared by*

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**Joint Inspection Unit**

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## EXECUTIVE SUMMARY

### Review of donor reporting requirements across the United Nations system JIU/REP/2017/7

The rise in non-core or voluntary contributions and earmarking in the United Nations system over the past two decades has been dramatic, while core contributions have been stagnant or have declined in real terms.

The proportion of voluntary contributions was about 85 per cent in 2015 (exclusive of peacekeeping operations), with specified contributions reaching 64 per cent of the total. United Nations funds and programmes rely solely on voluntary sources. Similarly, some secretariat bodies and other entities such as the Office for the Coordination of Humanitarian Affairs and the Office of the United Nations High Commissioner for Refugees rely on voluntary sources for more than 90 per cent of their funding.

When transferring funds to the United Nations system, donors desire greater transparency and accountability and information on how these resources are used, as well as on measures being taken to ensure their effective and efficient use. Most donors demand detailed individual donor reports, both financial and programmatic, on the activities undertaken utilizing their earmarked contributions, which are often tied to specific projects or programmes. This donor-specific reporting is outside, and in addition to, the organization's corporate reporting to its governing bodies. Donors stipulate specific reporting requirements that, in most cases, vary significantly among them in terms of format, detail and periodicity.

The increase in specified contributions and earmarking has resulted in a major rise in the number of specific reports required by donors. The number of such reports required annually often runs into the hundreds and even thousands for many organizations. Considerable time and staff resources are expended by organizations to produce such large numbers of reports. In addition to these customized programmatic and financial reports, organizations are obliged to provide information and supporting documentation, often going beyond the agreed formats and frequency, and to respond to ad hoc or informal reporting or information requests not provided for in the agreements.

The present Joint Inspection Unit (JIU) report identifies ways to improve donor reporting, better address donor needs and requirements, and enhance the standing of the United Nations system as a responsive and valuable partner for donors. It explores possibilities for standardization and streamlining, including developing a common reporting format/template.

The report contains seven formal recommendations, of which two are addressed to the governing bodies and five to the executive heads. It also includes 15 informal or "soft" recommendations as additional suggestions to both the organizations and the donors for effecting improvements.

#### Observations and findings

In addition to reporting to Governments, many organizations provide a large number of reports to a variety of donors, including non-governmental donors, such as the European Commission, multilateral development banks, global vertical funds (e.g. the Global Fund and the Green Climate Fund), United Nations inter-agency pooled funds (e.g. the United Nations Multi-Partner Trust Fund and the Central Emergency Response Fund), and private donors (such as foundations).

These individual donor reports are produced in multiple, often significantly differing, formats in response to specific needs of the respective donors, who have their own requirements and conditions with regard to frequency, format, level of detail and financial or budget structure.

Providing such a multitude of individual reports and maintaining all the necessary underlying systems for these reports leads to additional transaction costs compared with regular reporting to the governing bodies.

In addressing the challenges resulting from donor reporting, the present report recommends that organizations should engage with donors in a dialogue at the strategic level in line with the Secretary-General's proposal for a "funding compact". In the spirit of partnership, views of both organizations and donors should be taken into account, notably donors' expectations for greater effectiveness, transparency and accountability regarding system-wide results. One of the critical elements of the dialogue should be the adoption of donor report templates and accommodation of the common information needs and requirements of donors and the regulatory frameworks and capacities of the organizations. Pooled funds or other innovative funding sources should continue to be explored. Ideally, agreement with all donors would be most advantageous. However, success even with some key donors has the potential to significantly reduce the reporting burden. The United Nations System Chief Executives Board for Coordination should provide the platform for the development of such a unified position in the United Nations system (**recommendation 1**).

Donor reporting requirements are determined by the provisions in the respective contribution agreement and related documents. Negotiations, therefore, play a key role in clarifying donor reporting requirements and ensuring that donor needs are spelled out in the agreements. Organizations and donors should discuss, at the outset, and agree on needs and requirements, their feasibility and the attendant resource implications. Similarly, there should be an agreement on ad hoc information and reporting requests such as project site visits, donor meetings and briefings. Organizations should ensure that the relevant offices, notably finance and legal, are consulted in a timely manner, so that the reporting requirements agreed upon are compliant with rules, regulations and policies. Clarity on reporting requirements will help avoid protracted discussions, ambiguity and grievances at a later stage (**recommendation 2**).

A number of organizations do not have a central repository for all contribution agreements signed with donors. This may be the case in particular for decentralized organizations. The situation is exacerbated by the fact that fundraising and reporting activities are increasingly taking place at the regional and country levels. Executive heads should encourage better access to, dissemination and exchange of information concerning donor reporting among the member States, and they should ensure that every organization maintains a corporate repository for all contribution agreements and donor reports (**recommendation 3**).

Appropriate guidance and training on donor reporting will foster compliance with the organization's rules and provisions and assure uniformity of reporting conditions accepted across the organization and, hence, consistency in reporting (**recommendation 4**).

Donor reporting on small contributions is proportionately costlier. Defining a minimum threshold for contributions below which only standard reporting would be provided, together with methodologies for calculating reporting costs, would support the principle of full cost recovery and foster consistency within an organization. Having an adequate level of resources for individual reports will help assure the quality and timeliness of donor reporting (**recommendation 5**).

Several organizations have developed standard report templates for government and non-governmental donors or a donor-specific “standard” template that is negotiated between the organization and a donor. Some efforts have been made towards harmonizing and standardizing donor reporting among multiple organizations and donors, including common standard reporting of pooled funds, reporting on thematic or loosely earmarked multi-donor funded projects/programmes, and the United Nations template for inter-agency funding. A recent effort exploring the possibility of a common report template across the United Nations system, intended for use by all or many donors, has led to the development of the “8+3” common report template in the context of the Grand Bargain on humanitarian financing.

Notwithstanding the variations of reporting practices across donors, there is significant commonality in the information requested by them. Attempts should be made, based on the work done, to develop a “minimum core” report format that is agreeable to all organizations and covers their key common information/reporting needs, and flexible enough that it can be adapted to the varying requirements of donors and entities (**recommendation 6**).

Managing project-based and hard-earmarked funding requires policies and systems that support such operations, including donor reporting. To this end, and with a view to improving the quality and timeliness of donor reporting, organizations should ensure that their policies for the management of voluntary contributions are adequate, that they possess robust project management systems, and that their enterprise resource planning system and other management information systems possess the necessary functionalities for such work. The risks related to donor reporting need to be mitigated, and quality assurance processes for donor reports should be strengthened.

Organizations should ensure, during the due diligence and clearance process of accepting contributions and signing donor agreements, that the contributions and project results framework are aligned to their corporate strategic and results framework.

Organizations should treat donor reporting as an effective tool for resource mobilization and should put in place measures for strengthening partnerships so that reporting is perceived as a continuous process of building lasting relationships with partners.

Robust and adequate oversight functions and reports have the potential to enhance donor confidence and reduce assurance needs that donors seek from organizations through project-specific, detailed and comprehensive reports (**recommendation 7**).

## **Recommendations**

### **Recommendation 1**

**The governing bodies of the United Nations system organizations should encourage the Secretary-General and executive heads of other organizations, in the framework of the United Nations System Chief Executives Board for Coordination, to develop a common position and pursue a high-level strategic dialogue with donors, in order to address the challenges posed by the current funding models and practices and the impact of strict earmarking of voluntary contributions and reporting to donors.**

### **Recommendation 2**

**The executive heads of the United Nations system organizations that have not yet done so should put in place measures for ensuring that partnership agreements, concluded at the corporate level with the donors and at the corporate and field levels for individual programmes and projects, spell out the needs and requirements of the**

**donors and the mutual commitments of the organizations and the donors, with respect to the details of reporting on the use of funds provided.**

### **Recommendation 3**

**The executive heads of the United Nations system organizations should encourage better access to, and dissemination and exchange of, information concerning donor reporting among the member States and should ensure that every organization maintains a corporate repository for all contribution agreements and donor reports.**

### **Recommendation 4**

**The executive heads of the United Nations system organizations that have not yet done so should regularly update guidance on donor reporting and put in place measures for the professional skills development and training needed to improve reporting to donors, for personnel at headquarters and in the field.**

### **Recommendation 5**

**The executive heads of the United Nations system organizations that have not yet done so should work systematically with donors to include in donor agreements the costs associated with preparing donor reports.**

### **Recommendation 6**

**The Secretary-General and executive heads of other United Nations system organizations should, preferably within the framework of the United Nations System Chief Executives Board for Coordination, develop and adopt a common report template accommodating the information needs and requirements of donors and the regulatory frameworks and capacities of the organizations, as a basis for negotiations with donors.**

### **Recommendation 7**

**The governing bodies of the United Nations system organizations should request the executive heads to task, and adequately support, the internal audit and evaluation offices of their respective organizations with ensuring that the relevant oversight reports provide the required levels of assurance that would help minimize reporting to individual donors on the use of their earmarked contributions.**



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## ABBREVIATIONS

CEB	United Nations System Chief Executives Board for Coordination
CERF	Central Emergency Response Fund
FAO	Food and Agriculture Organization of the United Nations
IAEA	International Atomic Energy Agency
IATI	International Aid Transparency Initiative
ICAO	International Civil Aviation Organization
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
IOM	International Organization for Migration
ITC	International Trade Centre
ITU	International Telecommunication Union
JIU	Joint Inspection Unit
OCHA	Office for the Coordination of Humanitarian Affairs
OECD	Organization for Economic Cooperation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights
PAHO	Pan American Health Organization
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNRWA	United Nations Relief and Works Agency
UNU	United Nations University
UNWTO	World Tourism Organization
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

## I. INTRODUCTION

1. As part of its programme of work for 2017, the Joint Inspection Unit (JIU) conducted a review of donor reporting requirements across the United Nations system organizations. The topic was suggested by UN-Women and received a high rating from the other participating organizations of JIU.
2. The rise in voluntary contributions, most of which have been specified (or earmarked)<sup>1</sup> contributions over the past two decades, has been dramatic, while core contributions have been stagnant or declining in real terms. The proportion of voluntary contributions to United Nations system organizations amounted to about 70 per cent of all contributions in 2015 (and about 85 per cent exclusive of resources allocated to peacekeeping operations).<sup>2</sup> United Nations funds and programmes rely solely on voluntary sources. Similarly, some secretariat bodies and other entities such as the Office for the Coordination of Humanitarian Affairs (OCHA) and the Office of the United Nations High Commissioner for Refugees (UNHCR) rely on voluntary sources for more than 90 per cent of their funding.
3. When transferring funds to the United Nations system, donors are increasingly calling on organizations to strengthen their capacity and performance with regard to reporting the results to the governing bodies and sharing with them the evidence compiled by their management, internal oversight offices and other accountability and oversight mechanisms. Donors desire greater transparency and accountability and information on how these resources are used and on measures being taken to ensure effective and efficient use of their contributions. They demand more detailed financial and programmatic reporting, in addition to regular assessments of organizations. Often, these reporting requirements vary significantly regarding format, detail and periodicity.
4. The issue of donors undertaking separate external assessments of United Nations entities was discussed in detail in the JIU review<sup>3</sup> of donor-led assessments of the United Nations system organizations during the period 2016–2017. The current study seeks to review how the organizations are addressing the needs, requirements, and challenges in producing reports required by donors.

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<sup>1</sup> Different terms are used. The United Nations uses the terms assessed contributions, voluntary contributions not specified, and voluntary contributions specified. The first category reflects contributions received as an assessment, a contributory unit or other payment scheme mandated in a convention or other basic instrument of an organization. The second category reflects contributions received by the organization in support of its mandate or programme for which no specific use is required by the donor; no individual reports are made on the use of such contributions. The third category reflects all revenues received by an organization for which the nature and use of the funds are specified; generally, each contribution will have an individual reporting requirement (A/71/583, p. 9). Other terms are also used. For instance, the Organization for Economic Cooperation and Development (OECD) uses the term “core resources” to refer to resources that governing boards of multilateral organizations have the unqualified right to allocate as they see fit within the organization’s charter (see OECD, “Making earmarked funding more effective: Current practices and a way forward”, Paris 2014, p. 7). Voluntary contributions often carry conditions or restrictions and may be earmarked by donors for specific themes, sectors, programmes/projects, regions or countries. Hard earmarking implies that all aspects of the funding are defined by the donor; soft earmarking implies that some are defined but others are left open to the recipient. See also Romesh Muttukumar, “Towards enhancing core (unrestricted) funding to the United Nations Development system in the post-2015 period: A report prepared for the United Nations Department of Economic and Social Affairs for the 2016 Quadrennial Comprehensive Policy Review”, 25 January 2016, annex I.

<sup>2</sup> See A/71/583, table 2. See also para. 21 and table 1 below.

<sup>3</sup> A/72/298–JIU/REP/2017/2.

5. The number of individual donor reports prepared and submitted annually varies from one organization to another and depends on a variety of factors, including the volume of earmarked contributions received by the organization, the number and duration of projects, the funding models used (including pooled funding mechanisms, jointly funded programmes and projects, multi-year funding and the bunching of several projects under one programme for funding) and the agreed frequency and periodicity. The numbers of reports produced by organizations often run into the hundreds and even thousands.
6. Many United Nations system organizations are of the view that such voluminous donor reporting requirements pose challenges that demand significant amounts of their management and operational time and other resources, including human and financial resources.

#### A. Objectives and scope of the review

7. The objectives of the present review have been to: (a) map and assess the types and defining characteristics of donor reports (both financial and programmatic/narrative/technical/substantive reporting); (b) examine the rationale for requiring such reports; (c) identify the regulatory framework, organizational policies and agreements on the basis of which donors seek additional reporting; (d) ascertain the degree to which donor requirements could be satisfied by existing standard reporting and oversight processes; (e) examine the issue of transaction costs for the United Nations system organizations for reporting to donors; (f) examine ways of further enhancing transparency and accountability; (g) explore how donor reports could be more effectively planned, coordinated and budgeted to achieve the objectives of all stakeholders; and (h) explore possibilities for standardization and streamlining, improved coherence and development of a common report template. The review does not examine in depth the specific practices of individual donors and/or United Nations system organizations; it looks at donor reporting and related issues holistically.
8. For the purposes of this review, a **“donor report” is defined as an exercise conducted by a United Nations system organization in response to a requirement from a donor, which includes the systematic collection, review and analysis of information on its performance in respect of a specific programme or project funded by that donor or a group of donors, and involves the production and submission of formal reports by that organization. Informal notes, messages and memorandums are not considered reports.**
9. The report does not consider the governance, oversight and assurance frameworks set up by donors for pooled/joint funding arrangements such as multi-partner trust funds or humanitarian pooled funds, including the Central Emergency Response Fund (CERF) and country-based pooled funds, as these have their separate governance and oversight structures.
10. The review takes into account the fact that United Nations system organizations differ in their mandates, business models, funding structures, proportionate amounts of non-core resources, and ways in which they interface with donors. **The review focused on the United Nations system organizations that have the highest number of donor reports and on the 16 major donors to the United Nations system, including the European Commission.**<sup>4</sup>
11. In reviewing the various approaches, arrangements and practices adopted by organizations in dealing with donor reports, the Inspectors sought to identify areas of common

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<sup>4</sup> JIU sought to interview representatives from the top 15 member State donors in terms of funding to the United Nations system in 2013, based on data from the OECD Development Assistance Committee creditor reporting system (namely the Governments of the United Kingdom of Great Britain and Northern Ireland, the United States of America, Germany, France, Japan, Sweden, Canada, Italy, the Netherlands, Norway, Australia, Spain, Denmark, Switzerland and Belgium), plus the European Commission.

challenges and concerns and have made recommendations as appropriate. Not all recommendations may apply equally to all organizations that participated in the review.

## **B. Methodology**

12. The review was undertaken from February to November 2017 on a United Nations system-wide basis, inclusive of the United Nations, its funds and programmes, specialized agencies and the International Atomic Energy Agency, at a global, regional and national level.

13. The methodology, comprising desk review, detailed questionnaires and system-wide interviews of staff at different levels, was used to facilitate information gathering and analysis of the subject matter. Data collection included information received in meetings conducted at headquarters offices of organizations and in field visits to select country offices (in Kenya and Somalia). Teleconferences were held when on-site visits were not possible. In total, more than 350 persons were interviewed. Detailed questionnaires were sent to 28 participating organizations, and responses were received from 27 of them. A separate questionnaire was sent to elicit the views of the 16 largest contributors to the United Nations system. Responses to the questionnaire were received from seven government donors as well as from the European Commission.

14. The data collection phase included information received in meetings with the World Bank, the Global Alliance for Vaccines and Immunization (GAVI) and the Global Fund. In addition, interviews were held with the European Commission, OECD and representatives of 10 member State donors.

15. The review examined evidence in relevant reports of the Board of Auditors and internal and external oversight bodies of other United Nations system organizations.

16. Under an internal peer review procedure, comments were solicited from all JIU Inspectors before the report was finalized. The draft report was circulated to United Nations system organizations and other stakeholders for the correction of factual errors and for comments on the findings, conclusions and recommendations. To facilitate the handling of the report, the implementation of its recommendations and monitoring thereof, annex V to the present report contains a table indicating whether the report is submitted for action or for information to the governing bodies and executive heads of the organizations.

17. The report contains seven formal recommendations, of which two are addressed to the governing bodies and five to the executive heads. The formal recommendations are complemented by 15 informal or “soft” recommendations in the form of additional suggestions to both the organizations and the donors for effecting improvements; the informal recommendations appear in bold throughout the text.

18. The Inspectors wish to express their appreciation to all who assisted them in the preparation of the present report and, in particular, to those who participated in the interviews and questionnaires and so willingly shared their knowledge and expertise.

## II. DIMENSIONS OF THE PROBLEM

19. As set out by the Charter of the United Nations and the statutes of the United Nations system organizations, reporting to member States and donors is principally done through the organizations' governing bodies. This includes reporting on regular or core contributions and non-core contributions.

20. The increase in voluntary contributions and earmarking has contributed to substantive changes in the funding structure of organizations and the ways organizations report back on the funds received. It has resulted in a significant rise in individual donor reports, which are submitted directly to the donors on activities funded by them.

### A. Multiplicity of individual donor reports

21. In the United Nations system, voluntary contributions in 2015 amounted to \$29.9 billion (of which \$25.4 billion were specified) out of a total of \$47.9 billion, which corresponds to about 62 per cent of the total revenue (53 per cent for voluntary contributions specified). The proportion of the voluntary contributions exclusive of assessed resources allocated to peacekeeping operations was higher, standing at about 76 per cent in 2015, with the specified contributions reaching 64 per cent of the total revenue. Eleven United Nations entities, including OCHA, the United Nations Office on Drugs and Crime (UNODC) and UNHCR rely on voluntary sources for more than 90 per cent of their funding needs, some of which, such as the United Nations funds and programmes, rely solely on voluntary contributions.

22. Table 1 provides further details on the financial situation of the United Nations system in the period from 2012 to 2015.

**Table 1. Financial situation of the United Nations system (exclusive of assessed resources allocated to peacekeeping operations)** (in United States dollars)

Item/Year	2015	%	2014	%	2013	%	2012	%
Assessed contributions	6 015 947	15	5 944 199	15	5 996 601	16	5 724 454	17
Voluntary contributions, not specified	4 556 613	12	4 880 480	12	5 046 282	14	5 411 193	16
Voluntary contributions, specified	25 403 126	64	26 493 283	66	23 759 968	64	20 906 334	61
Revenue from other activities	3 500 303	9	3 019 780	7	2 571 266	7	2 389 881	7
<b>Total</b>	<b>39 475 991</b>		<b>40 337 744</b>		<b>37 374 117</b>		<b>34 431 862</b>	

Source: A/71/583, table 2 and A/69/305, table 2.

23. Contributions to United Nations system organizations from non-member State donors, such as the European Commission, the World Bank and other multilateral institutions, global vertical funds, and United Nations inter-agency contributions, including those from United Nations pooled funds, foundations and corporations, have become significant. They come with specific reporting formats and requirements. In 2015, the United Nations system entities received more than \$8 billion specified contributions from non-member State donors: the European Commission (\$1.72 billion), United Nations inter-agency pooled funds (\$2.01 billion), the World Bank and other international financial institutions (\$0.25 billion), and global vertical funds, foundations, corporations and civil society (\$4.09 billion).<sup>5</sup>

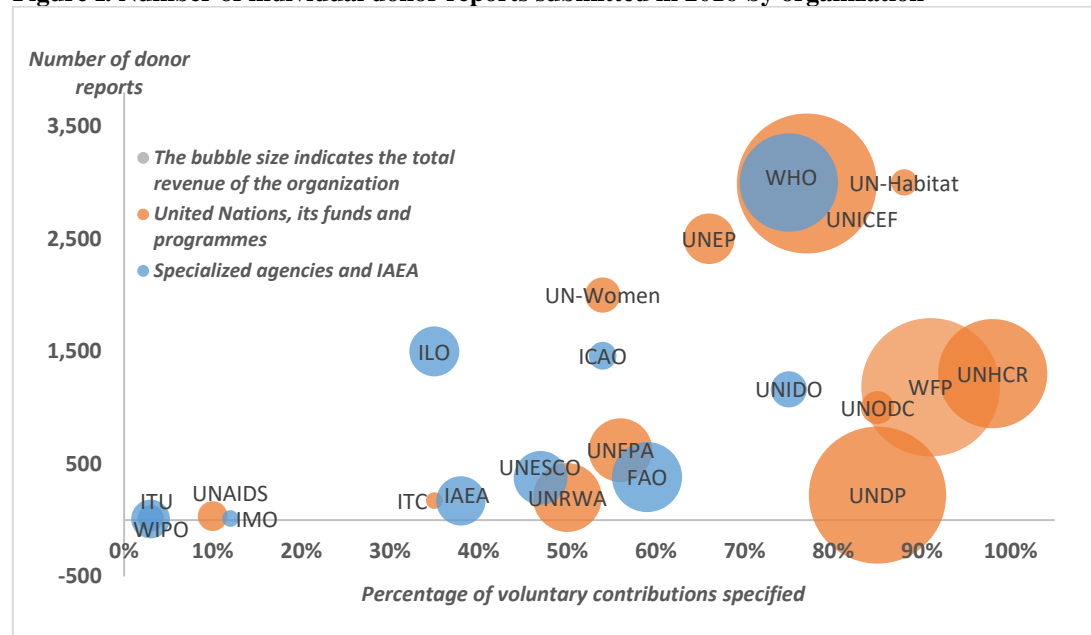
24. As shown in Figure I, the majority of the organizations provide significant numbers of individual donor reports<sup>6</sup> annually. Three of them provided about 3,000 reports, and seven submitted 1,000 to 3,000 donor reports in 2016, including final reports, annual, semi-annual

<sup>5</sup> See A/71/583, table 2B.

<sup>6</sup> For the definition of a donor report, see para. 8 above.

and quarterly reports. Reports are prepared and submitted by headquarters or by country offices, depending on the type of funding, funding arrangements and business practices of the organization. Some organizations had difficulty in providing an exact estimate. There is a correlation between the number of reports and the proportion of voluntary contributions specified, with specialized agencies having on average a lower number than United Nations funds and programmes. There is also a correlation with the total revenue; that is, higher numbers of reports are seen with increasing revenue. UN-Habitat appears to be an outlier, with a rather high number of reports in comparison to its total funding. Annexes I and II provide further details by organization.

**Figure I. Number of individual donor reports submitted in 2016 by organization**



Source: Responses to the JIU questionnaire and A/71/583, table 2.

25. The situation is exacerbated by organizations having to submit their reports in multiple, often significantly differing, templates responding to specific needs of the donors. Most donors have their own requirements with regard to frequency, format, level of detail and financial or budget structure. Even for the same donor, reporting requirements can vary significantly, since different donor agencies use their own report templates. This applies to both financial and programmatic reports. Many organizations furnish different types of reports to more than 10 or 15 government donors. Funds may be received from different departments of the same donor (its development cooperation agency, ministry of health or foreign office), each with varying templates and reporting requirements.

26. Furthermore, non-government donors such as the European Commission and multilateral development banks have their own reporting modalities (in respect of EC, requirements differ depending on the funding source within EC or the EU Delegation in-country). The same applies to global vertical funds - GAVI, the Global Fund, the Green Climate Fund (GCF) and the Global Environment Facility (GEF), and United Nations inter-agency pooled funds such as multi-partner trust funds (MPTF) and CERF. Some entities receive funding from private donors such as foundations, which have their own specific reporting requirements. Thus, organizations have to accommodate a wide range of different types of donor reports and requirements.

27. Reporting requirements, which are usually contained in the donor agreements, include their content, format, timing, frequency and periodicity, including interim reports; a customized breakdown of expenditures or budget lines; or reporting in a currency different from that the

organization uses. Donors have been moving away from input, activity, and expenditure reporting to results, outcome and impact-based reporting, with some insisting on both formats.

28. The focus of most donors is on the organization's performance in the implementation of programmes and the management of operations and on whether staff and other inputs (for which they incur costs) are used effectively and efficiently.<sup>7</sup> Extra monitoring and reporting are *de rigueur* for projects that have large budgets or that are perceived to take place in high-risk contexts.<sup>8</sup> Value for money and performance-based reporting have become important. Some donors have even increased their scrutiny regarding the use of core contributions.

29. In addition to the formal financial and programmatic reports, many donors request detailed supporting documentation. The demand for "soft", informal or ad hoc reporting, often beyond the scope of the donor agreement, has increased as well. Many donors perform other assurance or accountability activities (such as donor-led assessments and field visits).

30. The capacity of organizations to provide detailed reporting and other monitoring activities often does not match the donors' requirements, nor are organizations, especially field offices, necessarily staffed with individuals qualified to write such reports. Furthermore, organizations, as well as donor agencies, are increasingly decentralizing funding activities, which may give rise to inefficiencies, including duplication and a lack of uniformity.<sup>9</sup>

31. In most cases, the organizations' management systems, policies, processes and procedures have to be adapted to effectively support activities funded by strictly earmarked and project-based contributions and the concomitant individual reporting. These include the management of voluntary contributions, suitable cost recovery policies, robust project management methodology, including project design, performance indicators, results-based management (RBM) and monitoring and tracking, management information and enterprise resource planning (ERP).

32. Furthermore, organizations have to address risks that come with a high dependence on voluntary funding. These have to be mitigated in the organizations' enterprise risk management (ERM) systems. Reliance on voluntary contributions demands effective donor relations and the capacity to satisfy donors' information, transparency and accountability needs. Organizations should possess adequate skills and competencies for communication, outreach and new means of reporting - the use of dashboards and partner portals and compliance with standards such as the International Aid Transparency Initiative(IATI).

33. According to available information, most organizations have adapted their systems and improved their way of managing voluntary contributions, notably reporting to donors; organizations that traditionally rely on voluntary funding (the United Nations Population Fund (UNFPA), the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP)) have done better than others (see chapter IV).

## **B. Increasing expectations and requirements of donors**

34. Running systems to support a project-based, earmarked contribution model is cost-intensive. Providing a multitude of individual reports, tailored to donor-specific needs, templates and contents, and maintaining the necessary underlying systems, comes with extra

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<sup>7</sup> See JIU/REP/2014/1, para. 120.

<sup>8</sup> See John Caccavale, Katherine Haver and Abby Stoddard, "Humanitarian outcomes: donor reporting requirements research", 22 February 2016.

<sup>9</sup> See JIU/REP/2007/1, p. v.



transaction costs and is costlier than if structures only provided their corporate performance and annual reports to governing bodies of the organizations.

35. Besides individual reports, donors receive regular reports on corporate performance in the governing bodies. In addition, some receive reports on trust funds and thematic, multi-donor or pooled funds, at both headquarters and field levels. They also receive information reported through IATI. All these result in what some characterize as “over-reporting” or “reporting fatigue”.

36. Interviewees from organizations pointed to the need to review the multiplicity of reports and to reduce their number and templates, in order to better address donors’ needs and lower transaction costs. Some donors recognized the additional administrative burden created by their needs for individual specific reporting and suggested that, in the end, donors should cover those costs one way or another, as part of their voluntary or core contributions.

37. Enhancing transparency, trust and confidence would improve relations with donors. It would also help to simplify reporting. Compliance with the International Aid Transparency Initiative (IATI) can play a role in this regard.<sup>10</sup> Many organizations make their oversight reports available to the donors; they have noticed fewer information requests from the donors since they started this practice.<sup>11</sup>

38. A number of organizations look upon high-quality reporting as a major resource mobilization tool — that is, as an opportunity to showcase their strengths and capabilities, to be seen as responsive to funding partners, and to demonstrate their awareness of the pressures on the donors to respond to their domestic constituencies.

39. Most organizations are of the view that donors tend to “micro-manage” by tightly controlling funding. According to them, United Nations entities are often treated as implementing agencies, similar to a non-governmental organization (NGO), rather than as a multilateral intergovernmental entity that holds technical expertise and symbolizes values, cooperation and partnership. Donors’ actions result in “bilateralization” of the multilateral funding architecture, as observed in multilateral aid reviews conducted by the OECD Development Assistance Committee.

40. At times, a lack of consistency in donor behaviour complicates matters. The same donor may conduct itself differently as a member of the governance structure and as a contributor. It may strongly advocate soft earmarking, pooled funding and common reporting in the governing body but take a different position in bilateral negotiations with the organization, insisting on detailed reporting on its individual contribution. As a member of a governing body, it may call for reform and efficiency, while individually practising hard earmarking, seemingly unmindful of the implications regarding administrative burden and transaction costs.

41. Donors are often represented on the oversight bodies (for example, the Board of Auditors) and are members of the Multilateral Organization Performance Assessment Network and of multilaterals providing funding to the United Nations system (the European Commission and the World Bank). In other words, they are already exercising oversight, albeit partially, over the functioning of the organizations in these capacities.

42. Inconsistency and fragmentation exist among organizations as well. Competition among and within organizations for funding from donors plays a significant role in fashioning relationships between them. Programme managers within the same organization often undercut one another in seeking funding and agree to reporting requests that they recognize would impose significant costs and might be difficult to fulfil. Organizations similarly compete with

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<sup>10</sup> See A/72/61–E/2017/4, p. 25.

<sup>11</sup> See JIU/REP/2014/1, para. 102.

one another, make concessions in order to secure funding, interpreting their mandates loosely, and accept reporting obligations that have additional cost implications. These tendencies become more pronounced in the field, where country and regional offices of entities are often asked to submit proposals to utilize funding that is available. Some programme managers and country offices are eager to secure funding by submitting projects in response to calls for proposals that are equally open to NGOs, consultants and other development actors. They may be perceived by donors as acting like implementers, chasing money over mission. Applying for funding under such modalities and subjecting themselves to the applicable conditions, organizations cannot later claim privileged arrangements, citing their status as United Nations entities. The functional autonomy and operational freedom among departments/divisions within organizations tend to accentuate this trend.

43. A previous JIU report<sup>12</sup> noted that, while donors accept annual reports of organizations for their core contributions, they cannot waive reporting requirements for specified contributions. From their perspective, earmarking is essential to ensure the proper utilization of funds with the requisite transparency, accountability and alignment with their national priorities. For many, reports presented to the organizations' governing bodies (annual reports, annual financial statements and reports of oversight bodies) are not sufficient for the purposes related to earmarked contributions, nor do they give them the visibility and attribution or the level of detail related to those contributions required by their national authorities. The report templates used by the organizations do not capture the details to the desired level. Donors believe that reports of oversight bodies do not provide sufficient assurances on the use of those earmarked contributions. The absence of references to challenges in the implementation of projects and use of funds has been raised as an issue of concern.

44. For organizations, earmarking by donors tends to impose additional administrative burden and transaction costs and makes it onerous to comply with the conditions stipulated. In addition to the reporting requirements agreed on, frequent requests are made for ad hoc reports and supplementary documentation. Pooled funding and common reporting can reduce the burden on organizations. Likewise, standardization of donor agreement formats and report templates and their greater use can alleviate the current burden.

45. Transparency initiatives (such as IATI, the Grand Bargain and GHD) were expected to further streamline donor reporting and to achieve increased harmonization at the United Nations system level. United Nations entities had expected that these initiatives would make the reporting burden less onerous; instead, in many cases, they kept adding new layers of reporting and have not replaced or supplanted any of the ones already in place.

46. Some donors felt that excessive reporting requirements represented additional costs and should be minimized by coordinating with other donors. A previous JIU report proposed that the executive heads of the United Nations system organizations should organize dialogues with their respective donors to agree upon mutually acceptable requirements to simplify the reporting for the organizations by reducing the burden and associated costs, while satisfying the information needs of the donors.<sup>13</sup>

47. Some organizations have launched thematic and/or pooled funding initiatives. The clustering of trust funds and use of thematic trust funds can lead to reduced transaction costs and less individual project-level reporting obligations.<sup>14</sup> Pooled funding requires only one common report to all funders instead of individual reports. Examples are the UN-Women

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<sup>12</sup> JIU/REP/2014/1, chap. IV.

<sup>13</sup> JIU/REP/2014/1, recommendation 1.

<sup>14</sup> See JIU/REP/2010/7, para. 25.

flagship initiatives and Programme Cooperation Agreements signed by the International Labour Organization (ILO) and the United Nations Environment Programme (UNEP) with donors. These allow reporting at a higher level instead of at the individual project level.<sup>15</sup> However, these initiatives do not appear to be appealing to donors, as shown by the low volume of funds provided. While some donors support the modality because of the lower administration costs, most do not find them sufficiently attractive.<sup>16</sup> An exception is the funding to global vertical funds. This, however, does not relieve organizations from their reporting burden, as they have to provide detailed reports to the vertical fund administrators.

### C. Proposal for a “funding compact”

48. The Secretary-General’s report titled “Repositioning the United Nations development system to deliver on the 2030 Agenda — Ensuring a Better Future for All”<sup>17</sup> encapsulates problems faced by the organizations. It shows how earmarked funding weakens coordination and system-wide accountability, and it identifies existing fragmentation and volatility “as the norm”. Fragmented funding divides the system, providing incentive for competition and not for the collaboration needed to produce an integrated response. According to the report, high levels of earmarked funding constrain the system’s ability to deliver in a coherent fashion and to effectively support policy integration. ...Such funding undermines accountability for system-wide results.<sup>18</sup> The report calls for exploring ways to provide direct funding for joint activities and programmes, as well as funding approaches that encourage integration and coherence.<sup>19</sup>

49. The Secretary-General’s report proposes a “funding compact” to deliver one agenda together, by mobilizing more predictable and fewer earmarked resources, in return for greater effectiveness, transparency and accountability on system-wide results. At the centre of the efforts would be the need to rebuild confidence and support for the core budgets of the United Nations development entities, while identifying mechanisms — pooled funds or other innovative funding sources — that could help ensure that the non-core component is less tightly earmarked and that it contributes to country-led Sustainable Development Goals results.<sup>20</sup>

50. The imperative of initiating a strategic dialogue between donors and the United Nations system organizations was underscored in the JIU report on donor-led assessments.<sup>21</sup> The report suggested that a high-level dialogue with donors would lead to a more collaborative relationship and a better understanding among donors of the organizations’ mandates and the challenges they face. However, it cautioned that, in developing a common position for collaboration, the United Nations should be mindful of the need to avoid this being perceived as a donor-driven process that might impact adversely on the organizations’ ability to deliver on the Sustainable Development Goals and to safeguard and uphold the credibility of the organization among all its stakeholders, including donors and other member States.<sup>22</sup>

51. Several organizations have established financing dialogues, including in the context of operational activities for development. They seek to provide greater clarity on expected outcomes and impact outlined in the strategic plans of organizations and the resources available

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<sup>15</sup> To date, UNEP has signed programme cooperation agreements with China, Norway and Sweden.

<sup>16</sup> See JIU/REP/2010/7, para. 25.

<sup>17</sup> A/72/124.

<sup>18</sup> *Ibid.*, para. 111.

<sup>19</sup> *Ibid.*, para. 112.

<sup>20</sup> *Ibid.*, para. 116.

<sup>21</sup> JIU/REP/2017/2.

<sup>22</sup> *Ibid.*, para. 231.

to finance them. The dialogue process has the potential to strengthen funding practices and align them with functions through deliberations in the governing bodies.<sup>23</sup>

52. As noted by a number of organizations, there is significant room for improvement in the quality of such a dialogue. Donors lack a comprehensive overview of the total earmarked resources channelled through the multilateral aid system and of their overall impact. For most donors, the dialogue with multilateral organizations on earmarked resources takes place mainly at the operational level, with little scope for strategic engagement. As such, the dialogue focuses for the most part on operational details, “making these organizations implementing agents rather than institutional partners”.<sup>24</sup> Furthermore, “without systematic feedback from and to upper management, earmarked funding decisions — particularly at the country level — often do not take account of reforms agreed to at the senior level.”<sup>25</sup>

53. In the view of the Inspectors, organizations should engage with donors in a dialogue at a strategic level in line with the Secretary-General’s proposal for a “funding compact”. A common position among the United Nations system organizations is indispensable for the dialogue. In the spirit of partnership, views of both organizations and donors should be taken into account, notably donors’ expectations for greater effectiveness, transparency and accountability regarding system-wide results, and organizations’ regulatory frameworks and capacities. A critical element of the dialogue should be new funding arrangements and the impact of earmarked voluntary contributions on reporting. Ideally, agreement with all donors on a “funding compact” would be most advantageous. However, success even with some key donors has the potential to significantly reduce the reporting burden.<sup>26</sup>

54. Information about donor reports in support of the implementation of the organization’s strategic and results framework should be made available to the governing bodies. Donor reporting on earmarked contributions should complement the regular reporting and communications, in line with the organizations’ charters and statutes. Regular reports provided to governing bodies appropriately addressing the information needs and requirements of donors and other member States, will help in this regard.

55. The following recommendation is expected to enhance accountability with regard to donor reporting and to reduce transaction costs.

#### **Recommendation 1**

**The governing bodies of the United Nations system organizations should encourage the Secretary-General and executive heads of other organizations, in the framework of the United Nations System Chief Executives Board for Coordination, to develop a common position and pursue a high-level strategic dialogue with donors, in order to address the challenges posed by the current funding models and practices and the impact of strict earmarking of voluntary contributions and reporting to donors.**

<sup>23</sup> A/72/61-E/2017/4, para. 86.

<sup>24</sup> OECD, *Multilateral Aid 2015: Better Partnerships for a Post-2015 World* (2015), p. 105.

<sup>25</sup> *Ibid.*

<sup>26</sup> See also Chapter IV below, including the “Grand Bargain”.

### III. NEGOTIATING DONOR AGREEMENTS AND REPORTING REQUIREMENTS

56. Donor reporting requirements are determined by the provisions in the respective contribution agreement and related documents. Specifying details of the reporting modalities in the donor agreements is important for organizations to recognize their reporting obligations and ensure that donor information needs are met. Depending on the funding relationship and the terms of the partnership, different types of agreements are negotiated and entered into. These range from a framework agreement covering a multi-year period and multiple programmes to a project-specific agreement, or a thematic funding agreement covering a certain area of activity, often with specific conditions, such as a designated geographical region or subregion or an individual programme country or group of programme countries. Agreements are signed at different levels, at headquarters and regional/country offices, following internal consultation and clearance processes. Draft agreements, in particular non-standard ones, are reviewed by different offices and functions, including offices responsible for donor relations, partnerships or resource mobilization, legal matters, finance, executive offices and heads of field offices (in respect of amounts falling within the latter's delegated authority).

#### A. Ascertaining and negotiating reporting requirements

57. A number of organizations indicated that, in some instances, the relevant offices, notably finance and legal offices, were not consulted or were consulted only late in the process on draft donor agreements. This resulted in the acceptance of reporting requirements that could not be complied with or that created significant additional transaction costs.

58. For instance, financial reporting according to a donor's budget format or against donor's cost categories was accepted, which the organization's financial management or enterprise resource planning system could not support, and which would require manual interventions or would lead to the purchase of other information technology solutions. Similarly, if reporting has to be on the basis of the donor's log frame and indicators, the organization's data collection systems may not be capable of tracking and providing such data with the required level of detail or granularity. Such conditions may pose risks to the organization, in addition to increased administrative costs. That may result in reporting requirements that are not consistent with the organization's disclosure policies (information on investigations, for example), confidentiality requirements, antiterrorism or sanctions clauses, and the single audit principle. This can be avoided if finance, legal and other relevant offices of the organization are consulted during the negotiation and clearance process. Interviewees stressed the importance of enunciating at the outset expectations and requirements of the donor and reporting obligations of the organization. The clearance process must ensure consistency across the organization.

**59. The executive heads of the United Nations system organizations should ensure that the relevant offices, notably finance and legal, are consulted in a timely manner while negotiating partnership agreements, especially non-standard ones, so that the reporting requirements agreed upon are compliant with the policies, regulations and rules.**

60. Given the intra-organization competition, cases were reported where programme managers interpreted rules flexibly and agreed to more stringent reporting. Delays in consultation and clearance can occur when donor agreements and negotiations take place at the country and regional office levels. Often the main reasons for delays and problems in negotiating donor agreements and reporting requirements are the different incentives and motivations of the offices involved. Donor relations and resource mobilization offices, programme managers and senior management are keen to secure funding and tend to underestimate the reporting requirements. Other reasons are lack of awareness on the part of staff of the cost implications that come with earmarked funds and inadequate knowledge about the processes and procedures for accepting voluntary contributions.

61. Most interviewees stressed the importance of consultations with donors taking place at the outset, in order to enunciate expectations and requirements of the donors and reporting obligations of the organizations. Defining clearly the reporting requirements, including the necessary level of detail, documentation or evidence, helps prevent situations where a donor, at the reporting stage or at the time of closure, does not accept certain cost items or considers expenditures ineligible, as experienced by many organizations with some donors.

**62. Suggestions made by the organizations for improving the negotiation process included: (a) greater awareness and use at the field level of standard agreement formats and approval procedures; (b) improvement in resource mobilization and negotiation skills; (c) increased accountability for failure to adhere to approved reporting requirements without proper consultation and clearance; (d) consistent application of the cost recovery policy on charging for direct costs of managing and implementing programmes/projects funded from non-core resources; and (e) increased awareness and recognition among donors of the administrative costs of enhanced reporting and a willingness to accept harmonized or standardized reporting.**

63. A good practice cited by organizations was encouraging donors to negotiate framework agreements that stipulate at the outset all the reporting requirements and to ensure that these are in line with the regulations and rules of the organization. The negotiation process can be substantially facilitated when multi-year framework agreements are in place. Framework agreements should ideally have a contribution annex that can be signed at the country level, if not modified, to expedite the process, as it would lay out all the requirements.

64. As stated earlier, some interviewees noted that a number of donors imposed their results and performance frameworks on the organizations instead of using the entity's corporate results framework. One of the risks in doing so is that funds that are not fully or clearly aligned to the organization's corporate strategic and results frameworks are accepted and reported on. To mitigate this risk, **it is recommended that, during the due diligence and clearance process of accepting contributions and signing donor agreements, organizations should ensure that the contributions and project results framework are aligned to their corporate strategic and results framework.**

65. Issues to be agreed on also include the costs related to donor reporting and the use of standard donor report templates, including a possible "threshold" for donor-specific reporting for proportionately small contributions (see section D). As stressed by many interviewees, effective reporting can be secured where there is clarity in the partnership or project agreement, with expectations and obligations as well as limitations spelled out by both parties, sound project design, a logical framework, provision for adequate tracking and monitoring, indicators, and arrangements in place for quality assurance.

66. Due diligence in negotiations, therefore, plays a key role in facilitating and streamlining donor reporting requirements and assuring that donor requirements and needs are met. Organizations and donors should discuss and agree on needs and requirements, their feasibility and the attendant resource implications, as well as on oversight. It would be advisable to similarly agree on procedures for handling ad hoc information and reporting requests (such as project site visits, donor meetings and briefings). The reporting requirements should be clearly defined to avoid protracted discussions, ambiguity and grievances at a later stage.

67. Some organizations, such as ILO, the International Telecommunication Union (ITU) and UNICEF, have built into their project management systems procedures that assure that project or funding proposals, donor agreements, project documents and draft and final donor reports are uploaded into the system. This supports accountability and compliance with rules, regulations and policies. A repository is also useful as a reference point when (re)negotiating agreements with existing or new donors (see chapter V).

68. The following recommendation is expected to enhance accountability and transparency.

**Recommendation 2**

**The executive heads of the United Nations system organizations that have not yet done so should put in place measures for ensuring that partnership agreements, concluded at the corporate level with the donors and at the corporate and field levels for individual programmes and projects, spell out the needs and requirements of the donors and the mutual commitments of the organizations and the donors, with respect to the details of reporting on the use of funds provided.**

69. A number of organizations do not have a central repository for all contribution agreements signed with donors. This may be the case in particular for decentralized organizations, that is, those with a sizeable field/regional presence. The situation is aggravated by the fact that fundraising and reporting activities are increasingly taking place at the regional and country levels. While legal and finance offices are consulted as part of the internal clearance process, this is not always the case for standard agreements or small contributions. Similarly, several organizations do not have a central repository for individual donor reports, for the same reasons.

70. The following recommendation is expected to enhance accountability and transparency.

**Recommendation 3**

**The executive heads of the United Nations system organizations should encourage better access to, and dissemination and exchange of, information concerning donor reporting among the member States and should ensure that every organization maintains a corporate repository for all contribution agreements and donor reports.**

**B. Guidance and training on donor reporting**

71. Many interviewees noted that providing guidance and training to programme managers and staff engaged in donor reporting activities, such as finance and operational support staff, would help improve the quality of reporting and reduce transaction costs. Programme managers are the main drivers in donor negotiations. They are responsible for the quality and timeliness of the reports. Their focus is often on programmatic and technical issues and not on reporting per se. Guidance and training would help with the design of better project documents.

72. Organizations such as the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Joint United Nations Programme on HIV/AIDS (UNAIDS), UNDP, UNICEF, WFP and the World Health Organization (WHO) have prepared guides or manuals on the acceptance and management of voluntary contributions, which outline the applicable policies, procedures and processes and the respective responsibilities of various offices involved in the negotiations. They include formats for project documents, log frames, donor agreements and report templates.

73. Guidance and training on donor reporting should foster compliance with the organization's rules and provisions on donor reporting and assure consistency of reporting conditions accepted across the organization. It helps to adapt to evolving reporting requirements and to address challenges posed by the turnover and rotation of personnel — both within organizations and among donor agencies.

74. The guidance should cover standard contribution agreement formats, financial and programmatic report templates, results-based project design, common reporting needs, results,

outcome and impact reporting, value for money, information on beneficiaries, performance reporting and transparency initiatives. It should provide suggestions on avoiding common mistakes and addressing common concerns (such as timeliness, results-based management reporting, level of detail/granularity, comprehensiveness and the alignment of programmatic with financial reports). It may include donor-specific requirements and checklists. During the interviews, it was suggested that the United Nations System Staff College in Turin could help by developing and running appropriate training modules.

75. The following recommendation is expected to enhance accountability and donor reporting.

**Recommendation 4**

**The executive heads of the United Nations system organizations that have not yet done so should regularly update guidance on donor reporting and put in place measures for the professional skills development and training needed to improve reporting to donors, for personnel at headquarters and in the field.**

**C. Costs of donor reporting**

76. A major concern expressed by organizations regarding individual donor reports was the resources needed for producing those reports and the related transaction costs. The majority indicated that donor reporting was a considerable administrative burden.

77. Organizations admitted having difficulty in providing estimates for the costs of donor reporting and the related administrative burden. Most do not track the costs separately or quantify them. In some cases, donors agreed to have certain costs related to reporting charged directly (for example, relevant tasks of the programme manager) and donor agreements incorporate the costs for individual reporting beyond the standard programme support cost rate. The challenges of estimating or measuring the administrative burden and transaction costs related to reporting stem also from the absence of methodologies for computing them.

78. The inability to estimate the reporting costs impedes organizations from ensuring that all additional reporting costs are included as direct programme costs in line with their established cost recovery policies. Without a realistic estimate, organizations cannot have an informed discussion or dialogue with donors on the reporting costs. **Organizations should, therefore, estimate reporting costs and develop methodologies for calculating them.**

79. Organizations should apply a full cost recovery for donor reporting and make efforts to ensure that all direct costs are built into projects and charged directly. Start-up costs and reporting requirements that exceed agency standards should be covered in the funding for those programmes and projects.<sup>27</sup> The approved corporate policy on cost recovery should be consistently applied across the organization.

80. There should be a clear understanding at the outset that any extra reporting will have to be paid for by the donor. This should include procedures for ad hoc or informal reporting, which is difficult to plan and quantify and usually ends up being subsidized by the organization. Organizations such as the Mine Action Service have been encouraging donors to provide funding to cover backstopping functions for programmes funded by them, including preparation of donor reports. Some donors, in principle, favoured such measures if they would help improve the quality and timeliness of reporting and meet their requirements.

<sup>27</sup> DP/FPA-ICEF-UNW/2016/CRP.1, p. 11.



81. Reporting requirements are not usually adapted to the volume of funding, the duration of programmes or the risks and cost-benefit considerations. Only a few organizations such as the Economic Commission for Latin America and the Caribbean and the Economic and Social Commission for Asia and the Pacific dedicate staff time and resources to reporting on the specificities of the programme. In contrast, the reporting requirements established by OCHA are not based on funding or duration. Such considerations should be factored in for a risk-based allocation of reporting costs.

#### **D. A threshold for contributions?**

82. Owing to multiple factors (including the historical evolution of funding in a particular organization, the mix of core and non-core contributions and the background and experience of staff), many organizations provide individual reports for relatively small contributions, without regard for the time, effort or financial resources required for their preparation. Several organizations suggested postulating a minimum or threshold for contributions below which only standard reporting (as submitted to governing bodies) would be provided. Any additional reporting above the standard report would only be provided as agreed with the donor and with the proviso that the latter would cover additional reporting costs. The rationale for a threshold is that donor reporting on small contributions is proportionately costlier. Some organizations such as UNFPA have in place small contribution agreements with reduced reporting requirements. To calculate the specific threshold, various elements may be considered, such as the average contribution size, the threshold for small grant agreements if used by an organization, the importance of the donor (whether they have a history as a long-standing donor and whether they are a key donor or a prospective donor), the importance of the programme funded for the organization or donor, co-funding of the project by other donor(s), supplementary funding from the regular budget, and the duration of the project.

83. A few organizations have small grant agreements, which are used if the contribution is below a certain amount (say, for example, less than \$100,000) and come with less stringent reporting requirements, if so agreed with the donor. For small contributions, a donor may not require a certified financial statement and the return of unspent funds, for instance. This would help organizations to provide estimates of costs in the negotiation process. Having an adequate level of resources for individual reports would help assure the quality and timeliness of reports.

**84. Care should be taken to ensure that having a threshold does not have an adverse effect on small contributions and contributors, thereby undermining the principle of multilateralism and the universal character of the United Nations system, as it may be perceived as favouring larger contributions and, implicitly, particular donors or a group of donors.**

**85. Organizations should develop a small contribution agreement format. They may also determine, as appropriate and based on a risk assessment, a minimum threshold below which donors will not receive any specific reports separate from the corporate report submitted to the governing body.**

86. The following recommendation is expected to enhance accountability and donor reporting.

#### **Recommendation 5**

**The executive heads of the United Nations system organizations that have not yet done so should work systematically with donors to include in donor agreements the costs associated with preparing donor reports**

### E. Standard donor agreements

87. Donor or contribution agreements are legal instruments that set out the terms and conditions for using funds entrusted by donors to the organization for supporting its programmes, including the report template, requirements and timelines. They are binding and must not contain provisions that are in breach of the organization's financial regulations, rules, policies or procedures. Most organizations have standard donor agreements in place. A few organizations have standard formats for donors — standard agreements with donor governments and programme countries and standard agreements with the private sector and non-governmental donors. Any proposed deviation from standard agreements must be cleared before signature. Most entities place strong emphasis on the use of the standard agreement formats as a starting point for negotiations.

88. Several organizations have negotiated framework agreements with a number of donors. They provide preset, multi-year cooperation arrangements, including report templates and requirements. They are used when signing individual contribution agreements or as a reference when agreeing to a contribution through an exchange of letters. Similarly, several organizations have negotiated donor-specific agreements and reporting requirements with a number of donors. Many interviewees indicated that, while the report templates and requirements vary significantly among donors, there are recurrent issues, provisions and clauses that come up during negotiations. It would help to systematically review them and incorporate standard provisions in the agreement formats to avoid having to discuss them multiple times with different donors and to assure consistency across the organization. The Inspectors consider as a good practice the adoption of standard donor agreements for different types of contributions and groups of donors (government, multilateral, vertical pooled funds and private), setting out clearly the reporting format and modalities. Organizations should provide guidance on major clauses that are typically contested.

89. Adopting standard donor agreements is likely to facilitate negotiations with existing and new donors. It will enable organizations to indicate to donors the reporting requirements and needs that are beyond the standard ones and have a more informed discussion on non-standard clauses and the related cost implications. Standard agreements will help ensure better compliance with rules and regulations and foster consistency within the organization. They help to reduce transaction costs, as the standard conditions and clauses are clearly set forth, and the clearance process may be limited to reviewing specific issues. Having the standard reporting requirements clarified will help to adapt and better configure the organization's systems and processes (ERP, project management and monitoring), so that the reporting requirements can be more effectively accommodated and supported.

**90. Organizations that have not yet done so should develop and adopt standard donor agreements for the different types of contributions and groups of donors, clearly setting out the reporting format and modalities, together with guidance on the major clauses that are commonly subject to negotiation with donors. The guidance and standard agreements should be periodically updated in the light of evolving donor needs and practices, as well as good practices of the United Nations system.**

#### IV. STREAMLINING AND STANDARDIZING DONOR REPORTING

91. Most organizations supported the idea of a common template for donor reporting, especially financial reporting. Many donors also welcomed efforts towards such standardization. Both organizations and donors regarded that as an effective means to better utilize reporting and allow for comparison among organizations. A common template should accommodate most of the donor requirements. At the same time, it should be flexible enough to be adapted by different entities and to the varying requirements of individual donors.

##### A. Efforts towards streamlining

92. Streamlining, harmonization or standardization can take place at different levels at the corporate level (with all or a group of donors) or a common report template across different United Nations organizations (accepted by all or a group of donors). Several organizations have developed common report templates for government donors and for non-governmental donors, or a donor-specific template that is negotiated between the organization and one donor. A number of efforts have been made towards streamlining and standardizing donor reporting.

93. UNAIDS has standardized reporting based on its Unified Budget, Results and Accountability Framework. Templates exist for non-core funds, which are used unless otherwise required by the donor. It has negotiated with the majority of its donors to align their requirements to the annual performance monitoring report submitted to the Programme Coordinating Board instead of individual reports. Some donors still have difficulties in accepting one report instead of reports for each project, because of their internal requirements.

94. Other examples organizations negotiating common reporting with several donors on co-financed programmes are UN-Women flagship initiatives and ILO and UNEP Programme Cooperation Agreements, which allow reporting at a higher programme level instead of reporting at the project level and require providing only one common report to all contributors. WFP multilateral funding provides another example, whereby WFP determines the country programme or the activity in which the contribution will be used and how it will be used, and the donor accepts reports submitted to the Board as sufficient to meet its requirements.<sup>28</sup>

95. Donors have accepted common reports in cases of United Nations pooled funding arrangements (humanitarian funds (CERF and country-based pooled funds), MPTFs and vertical funds (the Global Fund, GEF and GCF)). There are some initiatives involving common report templates in the United Nations pooled funds. For example, the MPTF Office uses standardized formats for both narrative and financial reporting. Financial reporting by UNFPA on joint programmes is standardized by participating United Nations organizations.

96. The United Nations Development Group (UNDG) formats for inter-agency contributions were launched in 2010. UNDG has developed a standard operational template and guidance for the United Nations Development Assistance Framework<sup>29</sup> (UNDAF) progress report at the country level. UNDG sees the template for UNDAF reporting as part of the United Nations reform efforts aimed at greater system-wide coherence and simplification. At the level of the High-level Committee on Management established by the United Nations System Chief

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<sup>28</sup> See World Food Programme, “WFP’s Use of Multilateral Funding 2016 Report”.

<sup>29</sup> The United Nations Development Assistance Framework is a strategic, medium-term results framework that describes the collective vision and response of the United Nations system to national development priorities and results on the basis of normative programming principles.

Executives Board for Coordination (CEB), attempts to streamline and harmonize financial reporting have been made by adopting common cost categories.<sup>30</sup>

97. These examples of streamlining were agreed with donors in specific circumstances. In the case of negotiated common reporting on co-financed programmes, the donors subscribing to those arrangements made compromises on the level and stringency of earmarking and reporting conditions. In the case of pooled funding mechanisms, such agreements are accompanied by their specific governance and administrative arrangements, which donors are often part of. Joint programming is governed by a specific set of rules. The UNDG format has limited applicability, and, more importantly, it does not require any donor buy-in or consent. The common cost categories agreed on among the United Nations entities have been accepted by donors for reporting on United Nations inter-agency pooled funds, though it is not clear if donors have endorsed these categories and templates for other donor-financed programmes.

### **B. The “8+3” common report template**

98. The most notable effort exploring a possible common report template across the United Nations system for use by donors has been developing the “10+3” common report template, refined to the “8+3” common template,<sup>31</sup> in the wake of the Grand Bargain following the 2016 World Humanitarian Summit.<sup>32</sup> Based on an analysis<sup>33</sup> of the templates of 19 government donors on humanitarian funding, a template was developed consisting of 10 core and 3 additional questions covering about 77 per cent of the information commonly requested. Such a baseline commonality suggests that a common template would be feasible.<sup>34</sup> The “8+3” common template is currently being piloted in three countries (Myanmar, Iraq and Somalia) and, depending on the outcome, its use would be suggested to organizations and donors.

99. The above-mentioned analysis included six case studies of country-level reporting from two different Level 3 emergency contexts — the emergency in Lebanon (with reporting involving the Danish Refugee Council, the Norwegian Refugee Council, UNICEF and UNHCR) and the Typhoon Haiyan response in the Philippines (with reporting involving the International Organization for Migration (IOM) and WHO) — for reporting in both disaster relief and complex emergency contexts. In view of its scope, the study and its outcomes have their limitations for providing a basis for common donor reporting across the United Nations system related to normative and development work. Furthermore, the study focused only on

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<sup>30</sup> See CEB/2013/HLCM/FB/15 with further references. The High-level Committee on Management Strategic Plan includes an item for “Measuring and Communicating Results”. The aim of this activity is to improve consistency in financial results reporting to member States. This activity is also mandated in para. 159 of General Assembly resolution 67/226 on the quadrennial comprehensive policy review, which “requests the Secretary-General to present to the executive boards of the funds and programmes, by the beginning of 2014, a proposal on the common definition of operating costs and a common and standardized system of cost control, paying due attention to their different business models, with a view to their taking a decision on this issue”.

<sup>31</sup> A copy of the “10+3” template is available in annex IV. A copy of the “8+3” common template and further information is available on the Inter-Agency Standing Committee website.

<sup>32</sup> See Erica Gaston, “Harmonizing Donor Reporting”, Global Public Policy Institute, February 2017.

<sup>33</sup> *Ibid.*

<sup>34</sup> *Ibid.*, pp. 25–27. According to the analysis of donor templates, 12 questions appeared in 59 per cent or more of the donor templates analysed (including questions on the evaluation of overall results, the number and disaggregation of beneficiaries, lessons learned and risk management), and 2 appeared in 53 per cent; 11 questions appeared in between 25 per cent and 50 per cent of donor templates (including questions on value for money, impact on the environment, and visibility); and 6 questions were represented in 25 per cent or fewer donor templates (including questions on aid effectiveness, anti-corruption and antiterrorism).

programmatic reporting and not financial reporting. It included donor reporting by NGOs,<sup>35</sup> so not all the findings reflect issues directly encountered by the United Nations system.

100. The case studies revealed that, for example, the UNHCR office in Lebanon submitted 77 final and interim individual reports from 2015 to mid-2016. The UNICEF office in Lebanon submitted 63 final and interim individual reports in 2015. The WHO office in the Philippines submitted 14 final reports for post-Haiyan aid from November 2013 to March 2015, as well as numerous ad hoc update reports and programmatic and financial interim reports.

101. Harmonizing the questions asked or categories of information requested would reduce the complexity and multiplicity of the reports, without necessarily reducing the information requested (streamlining the number and scope of information requests may also yield time savings). An immediate step would be to harmonize final (and interim) report templates, which have significant commonalities among them.<sup>36</sup> The study recognizes that, while many donors are open to the idea of a common template, and there is a common baseline for doing so, significant institutional hurdles may still exist for adopting a common template system-wide. Some donors have not been able to achieve understanding even within their own governments.

102. The “8+3” template is viewed as a starting point. Further discussion, analysis and tools are needed to put a common report structure into practice. For example, elements or priorities that have only been recently incorporated into donor templates, such as consideration for those with disabilities or for “value for money”, are emerging trends in donor aid and accountability and should be emphasized more in future templates. Other elements such as anti-terror and anti-corruption questions, which some donors consider to be extremely important, are not included.

103. Additional elements and steps are needed to harmonize formal report templates, notably developing a common financial template, harmonizing programmatic and financial reporting between United Nations templates and the common bilateral donor template, and fleshing out additional or opaque donor reporting requirements, such as ad hoc or informal reporting, to ensure that the programmatic template is complete.

### **C. Towards a United Nations system common donor report template**

104. The discussions on the “8+3” template for humanitarian activities show the complexity involved and some of the key issues and concerns in achieving improved harmonization and developing a common report template. Notwithstanding the variations and different templates and reporting practices, there is a significant overlap in the information requested by donors. According to many interviewees, donors mostly request similar information but in varying formats and with varying types of disaggregation. Hence, there is a window of opportunity for standardization following an 80/20 or 70/30 formula, or a “modular” approach where the template consists of two parts: a common or mandatory part and a flexible part that allows to adjust sections to the specific needs and requirements of individual donors. To this end, attempts could be made to have a “minimum core” report template that is agreeable to most organizations and that covers about 70 to 80 per cent of the information needs of donors.

105. This may be easier for financial reporting than for programmatic reports. All organizations have adopted International Public Sector Accounting Standards (IPSAS) and have agreed at a system-wide level on common cost categories; this may spur further standardization. For programmatic reporting, mandates and operations of organizations differ significantly, and the templates accordingly, for development, humanitarian or normative work. Still, parameters such as the Sustainable Development Goals or IATI for development activities

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<sup>35</sup> Including Mercy Corps International, Oxfam International, Caritas Internationalis and the ABAAD Resource Center for Gender and Equality.

<sup>36</sup> Erica Gaston, “Harmonizing Donor Reporting”, Global Public Policy Institute, February 2017, p. 21.

and GHD and the Grand Bargain for humanitarian action may provide a basis for more streamlining. The common donor report and donor-specific templates could serve as a starting point for developing a template based on a core minimum part and additional optional sections.

106. Many donors have decentralized structures and reporting details are agreed at the field level. Some donors include details in the project documents (reporting against specific performance indicators, for example), which are not contained in the donor agreements. Some interviewees suggested that the standard contribution format and the common donor report template should be endorsed by the General Assembly of the United Nations and the governing bodies of other United Nations system organizations.

107. A common template would allow for comparison and coherence of information throughout the system. Developing a common template can help in negotiations with donors, notably on possible cost-sharing for additional requirements. A number of organizations have developed common templates for donor reports, including financial, programmatic, interim and final reports (see annex II). Some have developed a standard project document format incorporating recurrent donor concerns, notably reporting on results, against performance indicators, and on cross-cutting issues such as gender, human rights and the environment.

108. Several organizations have developed guidance, including background information, pertinent rules, regulations and policies, checklists, and the use of report templates. The guidance also gives information on the supporting documentation commonly requested by donors, sample project budgets, aligning the project document to the corporate strategic and results framework, and other practical tips and advice. Good examples are the guides in place at UNAIDS and UNESCO on the management of extrabudgetary funds and activities.

109. Developing and using common donor report templates provides advantages similar to those that come with standard donor agreement formats. They foster compliance and consistency within the organization and ensure a coherent approach with the donors. They help reduce transaction costs, as internal systems (including ERP, project management, project documents and log frames) can better adapt to the common template. A common United Nations system donor reporting template could also serve as a benchmark and facilitate negotiations with donors. For donors, it would allow for better comparison among the different organizations.

110. Major donors have their own report templates against which they ask organizations to report. Due to the donors' domestic requirements, those templates are negotiable or discretionary only to a very limited degree, if at all. This applies equally to vertical pooled funds, multilateral donors such as the European Commission and the World Bank, and some private donors (in respect of the European Commission, requirements differ depending on the funding source within the Commission or the European Union Delegation in-country). Many organizations have developed donor-specific report templates, often negotiated with more than a dozen donors.

111. The following recommendation is expected to enhance the accountability and harmonization of donor reporting.

#### **Recommendation 6**

**The Secretary-General and executive heads of other United Nations system organizations should, preferably within the framework of the United Nations System Chief Executives Board for Coordination, develop and adopt a common report template accommodating the information needs and requirements of donors and the regulatory frameworks and capacities of the organizations, as a basis for negotiations with donors.**

## V. ADAPTING MANAGEMENT SYSTEMS TO BETTER SUPPORT DONOR REPORTING

112. The management of project-based and earmarked funding requires policies and systems adapted to support such operations, including their suitability for individual donor reporting. Organizations' systems are equipped to varying degrees to deal with this reality. The acceptance of voluntary contributions is governed by rules, regulations, policies and administrative issuances. The financial rules and regulations set out the general conditions. Details of the processes and procedures, acceptable conditions and requirements are contained in various policies (on resource mobilization, the delegation of authority, cost recovery and project management). Relevant provisions relating to anti-fraud and corruption, procurement and implementing partners are to be complied with as well. In view of the constantly growing proportion of voluntary contributions and the various legal, compliance, reputational and other risks, **organizations should ensure that relevant policies are put in place and periodically reviewed and updated to address the evolving requirements of donors.**

### A. Need for robust project management methodologies and systems

113. Reporting can be only as good as the donor agreement and the project document. If the quality of the project document, the related log frame and the indicators is insufficient, this is likely to lead to issues at the reporting stage. Reporting on specific details or key indicators is possible only if the underlying data have been properly collected, tracked and monitored. Key donors have increased needs for reporting on results, outcomes and impact, including details of beneficiaries reached by the programme/project. Some of them continue to request detailed information on inputs, expenditures and activities. To accommodate these requirements, organizations need to have adequate project management methodologies and systems.

114. **Organizations should review their project management systems and methodologies in line with industry best practices, so as to improve them and to ensure that they support individual donor reporting. Attention should be paid to accommodating donors' requirements for reporting on results, outcomes and impact. High-quality project documents, including a budget as agreed with the respective donor, will help reduce challenges of aligning the programmatic report with the financial report.**

115. Organizations highlighted that donors appreciate being closely involved in project design and implementation. Some have established joint steering/advisory committees, comprising representatives of donors, the organization and other stakeholders; this is considered a good practice, engendering collaboration, transparency and accountability in a spirit of partnership.

### B. Update enterprise resource planning and management information systems

116. Enterprise resource planning (ERP) systems are essential to support reporting. They facilitate financial reporting and have become useful for programmatic reporting on results and against key performance indicators, by helping to track, monitor and analyse the programme, project and baseline data. Data for dashboards, portals, and websites are captured and extracted from ERP systems. The latter help in providing real-time data to management and programme managers, and to donors through dashboards, portals and websites.

117. Challenges were reported by organizations concerning the financial management of earmarked funds received from donors. Some ERP systems used by the organizations do not possess the adequate functionalities to manage funds received from different sources against specific projects, budgets, project cycles, currencies and accounting methodologies. This results in significant manual interventions, reconciliations and additional risks, imposing excessive burdens on the financial services, which are often understaffed. Only about a third of the participating organizations indicated that their ERP systems had appropriate functionalities to

support donor reporting effectively.<sup>37</sup> Not all ERP systems have the functionalities to capture the level of granularity demanded by the donors at the input, activity and expenditure levels. Others cannot accommodate the budget structure, cost categories, currencies or reporting cycles of donors. This necessitates manual interventions, in some cases on a large scale, which come with high transaction costs and organizational risks.

118. Some organizations have managed to adapt their systems better than others. For example, the system used by the World Intellectual Property Organization (WIPO) allows each donor contribution to be recorded separately and has the functionalities to adapt the system to donor-specific budget structures, project documents and work plans, at the required level of detail. UNDP has adapted its system to support EC budget categories and formats. The system used by IOM is another example of a system that supports a project-based operational model. The International Atomic Energy Agency (IAEA) took into account the historical reporting requirements during the design and implementation of its ERP system. The existing system is flexible enough to allow for reconfiguration or the production of a new report, should such a need arise. In the United Nations, Umoja Extension 2 is expected to improve programmatic and donor reporting. Standardized financial donor reports are currently being developed.

**119. The executive heads of the United Nations system organizations should regularly upgrade their ERP and other management information systems to be able to support the different donor-specific reporting formats, requirements and timelines, including by expanding their functionalities, and to support the provision of information in line with agreed transparency initiatives.**

### C. Other issues

120. The inability to provide timely and high-quality donor reporting poses a risk to the organization, as it can jeopardize the organization's reputation, donor confidence and funding prospects. In view of the large proportion of earmarked funding and the need to report thereon in line with donor needs and requirements, risks related to donor reporting should be addressed in the context of the organization's corporate enterprise risk management strategy.

121. Quality assurance processes for donor reports should be strengthened. While most organizations have clearance processes in place, they may not always be complied with. Good practices observed are project management systems, such as those being implemented at ILO and ITU, that ensure that all reports have to be uploaded into the system, including the draft reports, which are released only after clearance by project managers, the finance department and other responsible officials. Furthermore, the systems have functionalities to send automatic reminder alerts to the responsible officials, thus fostering adherence to reporting timelines.

122. Reporting may be delayed because the projects are not closed after the implementation has ceased and the project work has been finalized. Closing inactive projects and providing a final donor report will reduce the number of inactive projects that might otherwise still require annual updates to donors. In terms of the number and volume of reports, organizations suggested a review of all projects, particularly small ones, to consolidate the overall project and trust fund portfolio, which will help to reduce the number of donor reports.

**123. Furthermore, the United Nations system organizations should speed up their measures for enhancing transparency and accountability with respect to the normative work undertaken by them (such as setting norms and standards, servicing treaty bodies, providing upstream policy advice and similar activities) by working with donors to address the assessment criteria relevant to their work in this area and sharing their experiences, preferably within the framework of CEB.**

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<sup>37</sup> The data is based on the information provided by organizations in their questionnaire responses.



## VI. DONOR REPORTING AND RESOURCE MOBILIZATION

124. Resource mobilization is related mainly to voluntary contributions; therefore, it has evolved more in the United Nations funds and programmes and operational entities that rely primarily on voluntary contributions.<sup>38</sup> It could be perceived as involving three integrated processes: organizational management and development, communicating and prospecting, and relationship building. From this perspective, donor reporting is a key vehicle to meet donors' requirements for greater transparency, accountability, effectiveness and efficiency concerning the use of their contributions.

### A. Assure quality and timeliness of donor reports

125. Donors increasingly stress value for money, performance aspects and cost-efficiency of implementation, and they request reporting against predefined performance indicators. They wish to have a "full line of sight" for tracking, monitoring and receiving reports on their contributions. They demand visibility and attribution and at times request information on co-funding arrangements for the programmes/projects funded by them from other donors or sources, including the organization's core or regular budget.

126. Organizations acknowledged the need to improve the quality and timely submission of donor reports, which is often a capacity or resource issue. Many interviewees noted that new demands on reporting should not be made without providing requisite additional resources.

127. Donors compare the United Nations system against other entities, such as vertical pooled funds or multilateral development banks, which have a highly developed and proactive approach to transparency and are strong in communicating their activities and achievements. This raises expectations on the donors' side.

128. Many organizations recognize that reporting presents an opportunity to increase donors' confidence, so as to strengthen the partnership and pursue their resource mobilization targets.

129. Some organizations have shifted their approach from merely reporting to including communication aspects in their donor reporting practices. For example, ILO has established a communication strategy for projects with a budget of more than \$5 million that promotes dialogue throughout the implementation of the programme.

130. Donors respond positively to being referenced as the funding partner in online updates (such as social media, organizations' webpages and mainstream media). This has become an expectation of most donors, though not necessarily something in which the United Nations has significant capacity or experience.

131. Some organizations have made efforts to use donor reports as communication tools for better engaging with donors. For example, at the World Tourism Organization (UNWTO), projects often have public programmatic reports. "Donor relations reports" are used to ensure that discussions with donors are held against the background of existing institutional relations. The United Nations Industrial Development Organization (UNIDO) has provided donors an opportunity to address aspects of cooperation in conjunction with project-specific reviews.

132. Some organizations have conducted donor feedback surveys. For example, the Brussels office of the Food and Agriculture Organization of the United Nations (FAO) conducted a review of the quality of donor reports to the European Commission and the extent to which they matched the Commission's requirements and needs, which was considered helpful. A similar exercise was conducted by WFP, including "soft" or informal ad hoc reporting. The World Bank has engaged with its top donors when developing its trust fund and partner portal.

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<sup>38</sup> JIU/REP/2014/1, p. 6.

Attaching feedback surveys to donor reports is a standard practice for the World Bank and the Inter-American Development Bank.

**133. Organizations should regularly (every three years or so) conduct internal and external reviews, including donor feedback surveys, to identify donor needs and expectations for reporting and understand how reports submitted to donors are used and perceived by them, in order to improve the quality and timeliness of reports in the light of donors' feedback.**

**134. The executive heads of the United Nations system organizations should treat reporting to donors as an effective tool for resource mobilization and should put in place measures for strengthening partnerships, so that reporting is perceived as a continuous process of building lasting relationships with partners.**

### **B. Informal and ad hoc reporting**

135. A trend has been observed of donors demanding “soft”, informal or ad hoc reporting, often beyond the scope of the donor agreement, and additional supporting documentation (time sheets, procurement-related documents, records and payslips) and other assurance or accountability mechanisms (donor verifications, monitoring and field visits). The types of ad hoc information requested depend on the country context or individual staff. Informal reporting may be in the form of a telephone call asking for more information or additional reports not contained in the agreements. Agencies explained that they cannot provide certain support information as it may not be in line with the single audit principle and/or the agency's financial rules and regulations, especially confidentiality. It is important that agencies should adhere to the same rules, in order to avoid a situation in which donors play agencies off one another.

136. Facilitating site visits can put a strain on staff time, particularly in high-profile emergencies. IOM estimated that, in the year to year-and-a-half following Typhoon Haiyan, they had organized at least 15 to 20 site visits. The UNHCR office in Lebanon has seen increasing numbers of site visits — from 50 in 2013 to 121 in 2014, 150 in 2015, and 108 from January to mid-July 2016. Staff said that donor visits can typically absorb a week of their time, at both the reporting officer and field officer levels.<sup>39</sup>

137. Large donors such as the European Commission Directorate-General for European Civil Protection and Humanitarian Aid Operations, the European Commission Directorate-General for International Cooperation and Development or the United Kingdom Department for International Development had a reputation for engaging in considerable back and forth and expressing additional needs once interim or final reports had been submitted (both by headquarters and field-level offices), in order to meet their internal assurance needs. Supporting documentation requirements have also increased in volume. Actual report writing may take less time than collecting the mass of supporting documentation and complying with requirements (from submitting medical records for health services provided to filling out daily time sheets for drivers and managers).<sup>40</sup>

**138. Organizations may use informal or ad hoc reporting as part of their overall donor reporting, donor relations and communications activities. At the same time, they should flag to donors the cost implications and resource requirements for the “soft” reporting and include procedures for them in the donor negotiations and the donor agreements (see chap. III).**

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<sup>39</sup> See Erica Gaston, “Harmonizing Donor Reporting”, Global Public Policy Institute, February 2017.

<sup>40</sup> Ibid.

## VII. ENHANCING TRANSPARENCY

139. The various measures adopted by organizations in recent years to enhance transparency include adopting IPSAS and ERP systems and effecting improvements in performance and results-based reporting.

140. Organizations have made significant progress in recent years in enhancing transparency and accountability and in the way that they use resources. The majority of organizations surveyed by JIU for the present report are either members of IATI or comply with the standards established by the Initiative. These include UNDP, UNEP, UNFPA, UNICEF, the United Nations Office for Project Services (UNOPS), UN-Women, UNAIDS, UNESCO, ILO, OCHA, WFP, FAO, UNIDO and WHO.<sup>41</sup> Humanitarian organizations support the commitments of the Grand Bargain,<sup>42</sup> through which donors, United Nations agencies and NGOs commit to developing simplified and harmonized reporting processes and templates (see chap. IV).

141. Donors expressed strong support for transparency initiatives and encouraged agencies to further integrate these into their reporting frameworks. Some donors make the publication of data that are compliant with IATI a condition for providing funding, in an effort to increase the traceability of their contributions and to reduce the need for separate manual reporting efforts.

142. Many donors believe that some organizations should further increase their efforts towards enhanced transparency, including by stepping up their efforts to comply with IATI. Some noted that the data and evidence provided by organizations at times lacked robustness and that the reports submitted were not sufficiently results based. Some donors also realize that the Initiative should be adapted to the needs of different organizations, particularly humanitarian stakeholders. Furthermore, duplication should be avoided among the different transparency initiatives.

143. Many organizations acknowledged the need to demonstrate greater accountability and transparency in the use of earmarked contributions and the results achieved. They realize that the implementation of transparency initiatives has become an expectation, if not a precondition, on the part of donors. Transparency requires an open discussion about management practices, capacities and limitations, including shortcomings and failures in delivery. Both donors and organizations need to arrive at a mutually-agreed understanding on these elements.

**144. The United Nations system organizations should continue to embrace initiatives such as IATI, the Grand Bargain and Good Humanitarian Donorship, in order to enhance transparency and promote data standardization and reporting. When reviewing/updating transparency standards, consideration should be given to extending them to include issues most commonly underlined by donors, with a view to lessening the need for individual donor reports.**

145. Dashboards and portals are increasingly used by organizations as a complement to donor reporting. Eighty per cent of organizations surveyed have been using dashboards and portals for donor reporting.<sup>43</sup> Considerable effort has been made to improve portals and dashboards to meet donors' needs, often in close consultation with them.

146. Dashboards and portals provide easy access to financial data, programme expenditures (by country, region, project and donor), donor contributions and implementation status, as in the case of WHO, UNDP, UNICEF and the World Bank. The portals are continuously enhanced in compliance with the IATI standards.

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<sup>41</sup> See [www.aidtransparency.net/about](http://www.aidtransparency.net/about).

<sup>42</sup> Grand Bargain Commitment Number 9: harmonize and simplify reporting requirements.

<sup>43</sup> The data are based on the information provided by organizations in their questionnaire responses.

147. The World Bank's project portals and dashboards are quite advanced. Its web portal allows for displaying the project status and uploading interim and final financial and programme reports. Project-level closing reports are available in the portal, though the trustee-level reports are not. The portal has been created in consultation with and with feedback from the 10 major donors of the Bank's trust funds.

148. Dashboards, web portals and other means of communication do not replace, but rather complement, traditional donor reporting. They imply costs for the organizations, as they have to acquire the necessary skill sets and expertise. Nevertheless, organizations recognize that these are valuable tools that help them to meet donor needs and requirements.

**149. The executive heads of the United Nations system organizations should encourage the use of dashboards and web portals, in order to increase transparency and be seen as responsive to donor needs and requirements.**

## VIII. POTENTIAL CONTRIBUTION OF THE OVERSIGHT FUNCTION

150. Reports by internal and external auditors and evaluation reports are important sources of information and evidence for donors, complementing the project- or programme-specific reports. More importantly, robust and adequate oversight reports made available to donors have the potential to enhance donor confidence and reduce assurance needs that donors seek from organizations through project-specific, detailed and comprehensive reports.

151. Different views were expressed by donors as to the adequateness and robustness of oversight reports. Some donors expressed their concern that external auditors of the United Nations system organizations do not systematically examine whether their contributions are used in accordance with the requirements established in the relevant agreements and as such do not provide explicit assurance in that regard. Organizations indicated that, according to their mandates, audit charters, and financial rules and regulations, as established by their governing bodies, such donor-specific assurance work is not part of the external auditors' scope. External auditors provide general assurance to donors in line with their mandate, including by reviewing organizations' general compliance with donor agreements, which may comprise spot checks to assess that donor funds are being used in accordance with the terms and conditions agreed between the donor and the United Nations entity. Donors have the right to request, at their own cost, a project audit conducted by the external auditors of the respective entity.

152. Many donors are increasingly emphasizing assurance and internal controls in general, but also specific conditions and assurance needs on anti-corruption, anti-fraud or antiterrorist and sanctions clauses, with regard to the funds that they provide to the United Nations organizations.

153. Discussions around the single audit principle further illustrate the divergences between the expectations and assurance needs of donors and the organizations' oversight offices. Concerns were expressed by organizations about the impact on the single audit principle of the way in which earmarked contributions and the implementation of related programmes/projects are dealt with by oversight bodies. Some organizations felt that conditions set by donors occasionally run contrary to the single audit principle that the United Nations system is expected to adhere to.

154. In its report on donor-led assessments,<sup>44</sup> JIU recommended that, in the context of CEB, the Secretary-General and the executive heads of the United Nations system organizations should launch further discussions on the single audit principle and its operationalization, with a view to reflecting current practices and funding realities. Based on the outcome of the discussions, **the CEB High-level Committee on Management should, in close consultation with all stakeholders involved, prepare a standard donor agreement format that would incorporate provisions respecting the single audit principle.**<sup>45</sup> The report also advocated improved consultation and exchange of information among donors and the organizations' oversight offices. This would enable the oversight offices to take appropriate account in their risk assessments of the risks and priorities expressed by donors. Such an approach would provide an opportunity to further integrate specific legal and regulatory requirements into audit and control processes in the United Nations system.

155. The importance of consultation among all stakeholders was stressed by many organizations and acknowledged by a number of donors. Some oversight offices, for example at the United Nations and WFP, have established informal consultative processes to better understand donors' expectations, which they appropriately take into account, in accordance

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<sup>44</sup> JIU/REP/2017/2, chap. VI.

<sup>45</sup> Ibid.

with audit charters and with respect for the independence of the oversight function. Many donors reiterated the importance of public disclosure of oversight reports.

156. Organizations should regularly consult the donors on their needs and requirements and assess the extent to which the oversight offices can fulfil them. This would help to raise awareness among donors about the additional resources required to strengthen the capacity of oversight offices, and to foster recognition of this as a shared responsibility.<sup>46</sup> Donors are encouraged not to create parallel processes that undermine the single audit principle.

157. Such interaction would also allow for discussing and agreeing with donors on their risk appetite and possible risk-sharing arrangements, including coverage of additional assurance or oversight costs for donor-funded programmes/projects in difficult operational environments.

158. Some oversight offices suggested inclusion in the audit work plans of elements indicating how the organization is compliant with the implementation of partnership agreements with the donors. They also suggested including in the audit reports donor-specific information and reorienting the presentation of findings and recommendations. This would not imply any derogation from the audit charter. Donors may also request, through the organizations' governing bodies and in accordance with the audit charters and the financial rules and regulations, special audits by the external auditor of the use of earmarked contributions.

159. Many donors view evaluations as a key pillar upon which they can assess performance and the effective and efficient use of the funds provided to organizations. This becomes important as donors place increased emphasis on value for money, performance-based funding and results-based reporting. A number of donors indicated that high-quality and timely evaluations of programmes/projects would potentially reduce the need for project-specific reports.

**160. Informal ongoing consultations between the oversight offices of the organizations and donors, with the participation of the organizations' executive or front office, should be pursued to identify how internal audits and evaluations can be better utilized, with due regard for the mandate, independence and charters of the oversight offices. The Inspectors encourage executive heads of the United Nations system organizations to pay greater attention to the recommendations of oversight bodies with regard to donor reporting, especially the need to deal effectively with risks associated with emerging trends, developments and practices in the area.**

161. The following recommendation is expected to enhance accountability and transparency.

**Recommendation 7**

**The governing bodies of the United Nations system organizations should request the executive heads to task, and adequately support, the internal audit and evaluation offices of their respective organizations with ensuring that the relevant oversight reports provide the required levels of assurance that would help minimize reporting to individual donors on the use of their earmarked contributions.**

<sup>46</sup> Ibid., chap. V, and recommendations 4 and 5.

## Annex I: Financial situation of the United Nations 2014 and 2015

## Total revenue by organization (2014–2015)

(in thousands of United States dollars)

Organization	Fiscal year 2014					Fiscal year 2015				
	Revenue Categories					Revenue Categories				
	Assessed contributions	Voluntary contributions, not specified	Voluntary contributions, specified	Revenue from other activities	Totals	Assessed contributions	Voluntary contributions, not specified	Voluntary contributions, specified	Revenue from other activities	Totals
United Nations	2 611 733	–	2 320 568	105 842	5 038 143	2 771 359	–	2 093 878	682 560	5 547 798
United Nations peacekeeping	7 799 929	–	144 673	54 848	7 999 450	8 503 612	–	195 385	71 850	8 770 847
FAO	511 974	–	805 308	46 392	1 363 674	496 623	–	743 648	10 288	1 250 559
IAEA	411 333	–	205 328	8 473	625 134	377 495	–	235 748	4 662	617 904
ICAO	78 023	–	130 729	17 976	226 729	67 646	–	106 290	22 635	196 572
IFAD	–	344 270	102 125	–	446 395	–	221 676	93 422	–	315 098
ILO	400 630	–	277 731	21 200	699 561	400 630	–	225 041	13 300	638 971
IMO	46 764	–	7 381	20 087	74 231	44 625	–	8 452	18 963	72 041
IOM	46 232	3 643	1 296 159	141 029	1 487 063	43 148	6 731	1 396 869	156 663	1 603 412
ITC	40 511	15 048	52 895	1 120	109 574	37 156	6 785	25 023	1 663	70 627
ITU	128 455	–	11 894	42 127	182 477	127 595	59	5 612	42 623	175 891
PAHO	105 620	–	876 244	743 790	1 725 654	105 620	–	650 999	613 857	1 370 476
UN-Habitat	12 489	7 083	169 589	4 051	193 212	16 935	2 171	156 363	1 990	177 459
UNAIDS	–	230 348	40 431	6 867	277 646	–	196 250	23 291	6 365	225 907
UNDP	–	834 990	3 809 455	356 470	5 000 915	–	745 714	3 726 180	348 265	4 820 160
UNEP	187 997	–	507 732	6 369	702 099	222 817	–	432 297	871	655 985
UNESCO	367 213	–	365 096	50 109	782 419	341 375	–	351 554	49 529	742 457
UNFPA	–	477 390	529 353	61 476	1 068 218	–	398 197	581 260	57 280	1 036 737
UNHCR	41 024	548 663	2 445 486	20 735	3 055 908	48 644	735 693	2 778 624	19 380	3 582 340
UNICEF	–	1 231 782	3 843 431	94 075	5 169 287	–	1 067 461	3 835 891	106 206	5 009 557
UNIDO	87 728	–	182 495	41	270 264	77 899	–	250 305	5 619	333 823
UNITAR	–	112	19 455	9 225	28 792	–	1 162	24 244	16	25 421
UNODC	31 016	7 177	282 826	7 620	328 639	29 003	4 306	234 388	7 460	275 156
UNOPS	–	–	3 816	670 003	673 819	–	396	–	682 880	683 276
UNRWA	–	446 463	874 724	20 993	1 342 181	–	577 592	611 449	23 689	1 212 730
UNU	–	–	58 001	6 355	64 356	–	–	60 828	2 439	63 267
UN-Women	7 652	163 664	159 160	2 413	332 888	7 505	136 054	170 926	4 503	318 988
UNWTO	15 766	–	2 467	4 112	22 346	14 648	–	2 930	6 148	23 725
UPU	36 057	–	13 761	15 590	65 408	35 911	–	20 902	13 129	69 942
WFP	–	437 898	4 943 205	69 267	5 450 370	–	339 148	4 468 563	103 162	4 910 874
WHO	492 912	131 949	1 970 231	34 301	2 629 392	467 499	111 730	1 856 626	39 287	2 475 141
WIPO	18 134	–	9 013	347 908	375 055	17 962	–	10 348	357 101	385 411
WMO	66 109	–	11 048	4 350	81 508	65 843	5 488	5 087	3 086	79 504
WTO	198 827	–	21 473	24 566	244 866	198 009	–	20 703	22 834	241 547
<b>Total</b>	<b>13 744 128</b>	<b>4 880 480</b>	<b>26 493 283</b>	<b>3 019 780</b>	<b>48 137 673</b>	<b>14 519 559</b>	<b>4 556 613</b>	<b>25 403 126</b>	<b>3 500 303</b>	<b>47 979 603</b>

Source: A/71/583, table 2.

- Notes: (a) Assessed contributions: contributions received as an assessment, a contributory unit or other mandatory funding method;  
(b) Voluntary contributions, not specified: contributions received by the organization that have not been designated for a particular purpose by the donor;  
(c) Voluntary contributions, specified: contributions received by the organization that are designated for a particular purpose;  
(d) Revenue from other activities: other activities can include interest income, project fees and exchange gains and losses;  
(e) UNEP assessed contributions comprise regular budget allocation and assessed contributions of multilateral environment agreements and conventions.

**Annex II: Number of individual donor reports submitted in 2016**

Organization	Annual/Semi-Annual/Quarterly (update) reports	Final reports	Total
<b>United Nations</b>			
UNAIDS	15	17	32
UNCTAD*		17	17
ITC*	158	17	175
UNDP*	108	114	222
UNEP			2 500
UNFPA	358	219	577
UN-Habitat			3 000
UNHCR	545	618	1 301
UNICEF***	758	2 234	2 992
UNODC			1 000
UNOPS			
UNRWA			333
<b>UN-Women</b>			2 000
WFP**	1 080	101	1 181
FAO	95	288	383
IAEA*	42	129	171
ICAO*	1 077	384	1461
ILO			1 500
IMO			15
ITU*			17
UNESCO	214	161	375
UNIDO*	239	924	1 163
UNWTO			
UPU			
WHO	2 301	699	3 000
WIPO	4	7	11
WMO			

Source: JIU questionnaire responses.

Abbreviations: UNCTAD, United Nations Conference on Trade and Development.

Notes:

For the definition of a donor report, please see paragraph 8 of the report.

\*The number of donor reports provided by UNCTAD, UNDP, UNIDO, ITC, IAEA, ICAO and ITU only includes reports submitted at the headquarters level.

\*\*The number of donor reports provided by WFP only includes reports submitted at the country level.

\*\*\*The number of donor reports submitted by UNICEF reflects the number submitted in 2015.

\*\*\*\*The number of reports mainly concerns reports submitted to major donors, including 19 such donors. However, UN-Women, FAO, IAEA, UNIDO, WHO, ITC, UNEP and UNFPA have clearly indicated that the number includes reports to other donors.



**Annex III: Standard donor report templates by organization (selection)<sup>1</sup>**

Organization	Standard donor report templates	Description
United Nations	Standard financial reports	The United Nations Secretariat has developed standard financial donor reports and is in the process of developing a project solution that will address programmatic donor reporting. Standard templates are used for donors who accept the United Nations standard donor reports; otherwise, the reporting requirements are decided individually and in an ad hoc manner for each donor agreement. For financial reporting, the United Nations Secretariat has developed standard donor financial reports in Umoja, but these reports can only be used for negotiating new donor agreements, as existing ones were based on reporting requirements supported by the old Integrated Management Information System. Some entities use their own templates (e.g. ESCAP).
UNAIDS	The annual financial report to the Programme Coordinating Board	The UNAIDS Unified Budget, Results and Accountability Framework reporting is standardized, and templates and standards exist for non-core funds. These templates and standards are used unless otherwise required by the donor. UNAIDS is negotiating with individual donors on the acceptance of standardized reports against expenditure categories agreed within the United Nations. UNAIDS has successfully negotiated with the majority of its donors for them to align their annual reporting requirements to the annual performance monitoring report submitted to the Programme Coordinating Board in lieu of individual reports. Because of internal requirements, however, some donors face challenges in accepting a single report instead of reports on each project activity.
UNCTAD	Report template (financial and programmatic)	UNCTAD has a standard template for reporting to donors, which is used whenever feasible. Donors receive financial and progress reports on each of the projects financed with its contributions, based on a report template (financial and programmatic). In the context of results-based management, there is a new template that UNCTAD encourages divisions to use, but acceptance of this template is at the discretion of the donor.
ITC	Telecommunications Development Bureau (BDT) project progress report templates	In general, BDT project progress report templates are used. Many donors have their own templates. Usually, donors ask for reports on progress against log frame results and for financial reports. In final reports, donors may place importance on specific issues such as gender or the environment. It is difficult for technical units to have standard templates. Ultimately, senior management makes a business decision about whether ITC/project managers can adhere to donor reporting requirements (e.g. monthly reports). Requirements differ from country to country.
UNDP	Report templates for annual/multi-year standard agreements	For standard contributions agreements, UNDP provides the donor with reports in accordance with UNDP accounting and reporting procedures. For agreements of one year or less, different reports are submitted by different departments. For agreements of more than one year, additional clauses are added. In special circumstances, UNDP may provide more frequent reporting at the donor's expense. The nature and frequency of this reporting is detailed in an annex to the relevant agreement. For financial reporting, most donors accept the UNDP certified financial reports.
UNEP	Standard financial reports	Please see information for United Nations above.
UNFPA	Standard certified financial statements to donors	The development of a standardized report format is currently under discussion in UNFPA. The report template to use to report back on progress, challenges and results achieved is at the discretion of budget holders. Annual and final certified financial statements to donors are standardized and accepted by most donors.
UN-Habitat	Standard financial reports	UN-Habitat is trying to streamline its reporting and is in the process of automating standard reports using agreed templates that can be presented to the majority of donors, with options to edit the reports to add extra information for specific donors. Currently, the report is produced from the organization's Project Accrual and Accountability System (PAAS) and includes financial information from Umoja and qualitative information from PAAS. For substantive reporting, UN-Habitat is in the process of developing a format that can be accepted by most donors, with a view to automating this report.
UNHCR	The UNHCR Global Report	Fifty per cent of contributors accept the UNHCR Global Report. However, most donors require extra information or reports in addition to the Global Report. The Global Report includes both narrative and financial information. In addition, Global Focus provides detailed narrative and financial information by country. Furthermore, UNHCR has templates for specific donors.

<sup>1</sup> Vertical pooled funding mechanisms, such as the Green Climate Fund, the Global Environment Facility, multi-partner trust funds, other pooled funds such as CERF, multilateral and financing institutions such as the World Bank, the European Union and private donors such as foundations have their own generic reporting rules and specific report templates.

Organization	Standard donor report templates	Description
UNICEF	Standard financial reports	UNICEF strongly encourages public sector donors to accept UNICEF standard financial reports. In cases where donors insist on non-standard financial reports, these may require manual effort to produce and are much more burdensome. Regarding financial/programmatic reports, the level of detail stipulated in the contribution agreement can vary considerably between donors. The vast majority of donors accept financial reports in the UNICEF standard format and do not have a prescribed format for the programmatic reports.
UNODC	Standard financial reports	Please see information for United Nations above. According to UNODC, the general trend is towards an increasing demand for donor-specific financial reporting and cases of reporting on a donor-specific template.
UNOPS	Standard financial progress and final certified report  Standard narrative reports	UNOPS is conscious of donors' different requirements and wants to serve their needs. As a project-financed organization, UNOPS negotiates agreements on a donor-by-donor basis. It aims to negotiate global umbrella and framework agreements with a number of partners. As a second level of reporting, it aims to agree on set donor project templates to be used for individual projects. The main challenge in relation to developing a common template is addressing multiple partner requirements and approaches to reporting. For non-United Nations project agreements, it provides quarterly progress reports and interim financial statements, an annual certified financial statement, a final certified financial statement and a final narrative report.
UNRWA	Standard financial reports Standard project report template for progress and final reports	UNRWA encourages donors to accept its standard financial report and progress/final report formats. While the majority of donors agree to accept these standard report templates, several donors have non-standard reporting requirements. UNRWA works with donors who request non-standard reporting on an individual and ad hoc basis. When making a decision to provide non-standard reporting, UNRWA takes into account both the nature of the contribution and the associated transaction cost.
UN-Women	Standard programmatic report template  Standard financial report template	UN-Women has standard programmatic and financial report templates that were developed following the UNDG reporting guidelines. There are several donors who have non-standard financial reporting requirements; however, the aim is to use the UN-Women standard financial report template to the extent possible.
WFP	Standard project report	WFP has developed and uses standard project reports. These reports are the principle means through which WFP informs donors about how resources for given projects were obtained, utilized and accounted for during the preceding year. The reports are available to all donors and Executive Board members. The programmatic part of the reports is available to the general public on the WFP website.
FAO	The standard progress and terminal report template	FAO uses a standard progress and terminal report template to report on projects funded by voluntary contributions, when accepted by donors. Most of the traditional donors accept standard reports. Specific donor report templates are used if so requested by donors. FAO promotes the use of standard reporting formats as much as possible, and these are generally accepted by partners. Resource partners' reporting formats are used on an exceptional basis.
IAEA	Standard financial reports	IAEA uses standard financial reports. IAEA does not have standard programmatic reports. In general, programmatic reporting is covered through annual reports that summarize programmatic activities at the major programme or organization level. Requests for ad hoc reports on the implementation of a particular project, such as progress reports, action programmatic reports and project completion reports, are left at the discretion of the implementing major programme.
ICAO	Standard reporting format templates for voluntary earmarked contributions	Donor templates for voluntary earmarked contributions follow the requirements/reporting categories outlined by donors. ICAO has a standard reporting format that is used to provide financial information to donors.
ILO	Standard templates for programmatic and financial reporting	ILO has a standard template for progress reports and final reports. These templates may be tailored to meet donor requirements, for example, a section on visibility and subcontracts. ILO also uses standardized formats for financial reporting. The templates have been generally well accepted by donors, though, exceptionally, some ask for donor-specific formats.
IMO	Report templates with standard reporting provisions	Qualitative donor reporting is decided individually for each agreement. Financial reporting is prepared using report templates with standard reporting provisions. The provision in the donor agreements is to report using the IMO standard format, which is done in most cases, with the exception of some donors.
ITU	BDT project progress report	In general, BDT project progress report templates are used. Specially-designed ITU templates, based on results-based management principles, are used for the project progress reports, project assessment reports and project closure reports. In some cases, the report template of a specific donor is used.

<b>Organization</b>	<b>Standard donor report templates</b>	<b>Description</b>
<b>UNESCO</b>	Standard programmatic and financial report templates	UNESCO has developed standard programmatic and financial report templates. Some donors request reporting in donor-specific formats or templates.
<b>UNIDO</b>	Standard templates for donor reporting	UNIDO uses standard templates for donor reporting, and these are usually considered to meet the requirements of most governmental donors. Some donors require specific templates; however, these do not significantly deviate from the format used by UNIDO.
<b>UNWTO</b>	Standard financial reports  No templates for programmatic reporting	There are no rules or models for programmatic reporting, which is decided on in an ad hoc manner. Agreements not following UNWTO rules include specific reporting requirements as well as the templates and rules to be followed. Any other programmatic reporting is proposed by the implementation team when negotiating an agreement. For financial reporting, in the majority of cases, UNWTO standard financial reports are used.
<b>UPU</b>	No standard templates	For government voluntary contributions there are no standard reporting provisions. UPU provides both financial and programmatic reporting on an ad hoc basis.
<b>WHO</b>	Report templates for financial and technical reports	Report templates for financial and technical reports have been developed to guide technical units. Some donors request reporting in donor-specific formats or templates.
<b>WIPO</b>	Standard financial and programmatic report	WIPO has standard programmatic and financial report templates. Some donors request reporting in donor-specific formats or templates.
<b>WMO</b>	Standard template for financial reports	WMO has a standard donor report, which is accepted by most donors. Some donors request different formats.

### Annex IV: “10+3” common template<sup>1</sup>

1. Overall performance: provide a brief summary of the overall performance, the degree to which the project’s goals have been realized and any key achievements.
2. Amendments or changes: were there any significant changes to your project implementation plan, activities or outcomes from the original proposal? If so, please describe any initiatives that arose, changes in the overall situation or other factors. In cases where the changes in activities or outcomes were due to changes in the humanitarian emergency or environment, also include a brief description of how this affects the estimated needs of the targeted beneficiaries and how the project was adapted to match.
3. Measuring results: choose either programmatic or log frame form, but not both.
  - a. Programmatic form: describe the outcomes achieved, and assess their progress against the targets set out in the original proposal, referencing the indicators or sources of measurement established in the proposal. Provide an explanation in cases where key targets or milestones were not met, or where the results diverged from what was expected.
  - b. Log frame form: The recommended level of results is outcomes and outputs only, filling in the columns from “Indicators” through “Explanation of variance”.
4. Beneficiaries: describe the final beneficiaries or affected persons, disaggregating by gender and age (infants less than 5 years of age, children less than 18 years of age, adults between 19 and 49 years of age, and elderly over 50 years of age). In particular, describe the project’s impact on the different needs of women, men, boys and girls.
5. Participation of the population: describe how beneficiaries (both male and female) were involved in the project, including decision-making related to the design and implementation. How was feedback collected and incorporated?
6. Risk management: describe how risks to project/programme implementation were managed and mitigated, including any security, financial, personnel management or other relevant risks.
7. Coordination: describe any efforts to coordinate with the host Government, other relevant organizations and the broader humanitarian system, including the cluster system.
8. Monitoring and evaluation: describe the monitoring and evaluation activities carried out during the reporting period.
9. Transition, sustainability and resilience: address the issues of transition; linking relief, rehabilitation and development; exit strategy; and the resilience of the population.
10. Lessons learned: what were the main lessons learned during the project? Which aspects were the strongest or weakest, or which project elements or strategies most contributed to the success or failure of the project? How will these lessons be applied in future projects?

#### Optional add-ons. Choose up to three:

- Management and implementation challenges: discuss the methods and standards for managing and implementing the project. Describe any major challenges that arose and how they were addressed.
- Transfer of resources: describe how resources or goods purchased within the scope of the project will be transferred following its completion.
- Vulnerable individuals: describe how the needs of vulnerable communities and individuals were met or taken into account.
- Implementing partners: list any implementing partners for this project and assess their role and contribution.
- Visibility: describe how the support for this project was made public. Explain cases where any visibility or acknowledgement plans outlined in the proposal were not conducted, and alternative steps taken to comply with visibility obligations.
- Value for money/cost effectiveness: assess the value for money or cost effectiveness of the action. Describe any efficiencies or cost savings achieved in the implementation of the project.
- Environment: give a brief account of how environmental issues were addressed and the project’s impact on the environment.

Level of Results	Indicators	Targets	Progress / Achievement to date	Baseline	Source of verification	Explanation of variance
Outcome(s) or results						
Output(s)						

<sup>1</sup> Erica Gaston, “Harmonizing Donor Reporting”, February 2017, pp. 25–27. The “10+3” template has been further refined to the “8+3” common template. It is currently being piloted in three countries — Myanmar, Iraq and Somalia. A copy of the “8+3” common template and further information is available on the International Accounting Standards Board website.

**Annex V: Overview of actions to be taken by participating organizations on the recommendations of the Joint Inspection Unit  
JIU/REP/2017/7**

Report	Intended impact	United Nations, its funds and programmes														Specialized agencies and IAEA														
		CEB	United Nations*	UNAIDS	UNCTAD	ITC	UNDP	UNEP	UNFPA	UN-Habitat	UNHCR	UNICEF	UNODC	UNOPS	UNRWA	UN-Women	WFP	FAO	IAEA	ICAO	ILO	IMO	ITU	UNESCO	UNIDO	UNWTO	UPU	WHO	WIPO	WMO
Report	For action	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	For information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recommendation 1	a		L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	
Recommendation 2	a		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	
Recommendation 3	a		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	
Recommendation 4	a		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	
Recommendation 5	a		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	
Recommendation 6	d		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	
Recommendation 7	a		L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	

**Legend:** L: Recommendation for decision by legislative organ E: Recommendation for action by executive head

: Recommendation does not require action by this organization

**Intended impact:** a: enhanced transparency and accountability b: dissemination of good/best practices c: enhanced coordination and cooperation d: strengthened coherence and harmonization e: enhanced control and compliance f: enhanced effectiveness g: significant financial savings h: enhanced efficiency i: other

\* As listed in ST/SGB/2015/3.