

## A2. Select Implementing Partner



### *Definition and Accountabilities of an Implementing Partner*

1. According to Article 17 of UNDP's financial regulations, an implementing partner is "the entity to which the Administrator has entrusted the implementation of UNDP assistance specified in a signed document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in such document."
2. By signing a project document, an implementing partner enters into an agreement with UNDP to manage the project and achieve the defined results.
3. The accountability of an implementing partner is to:
  - a. Manage the project to deliver the planned outputs and manage risk in accordance with the agreed project document;
  - b. Report fairly and accurately on project progress and risk against agreed workplans and results frameworks, in accordance with the reporting schedule and formats included in the project agreement; and
  - c. Maintain documentation and evidence that describes the proper and prudent use of project resources in conformity with the project agreement, and applicable regulations and procedures. This documentation will be available on request to project quality assurers and designated auditors.

### *Categories of Implementing Partners and Principles for Selection*

4. UNDP selects one implementing partner for each project in consultation with the government coordinating agency. This is also the case for project portfolios; one implementing partner is selected for each project within the portfolio, while more than one implementing partner can be part of a portfolio (directly and nationally implemented projects may be part of the same portfolio). In multi-country and South-South projects, one implementing partner can be selected per country. UNDP may select an implementing partner from five different types of partner organizations. If a funding partner requires a specific implementing partner to be selected as a pre-condition of the funding and states this in writing, then this partner may be selected as long as adequate capacity is in place and the national government agrees. There five possible categories of implementing partners include:
  - a. **Government entities** (national implementation/NIM) such as a ministry, a department within a ministry, or a governmental institution of a semi-autonomous nature such as the central bank, a regional or local authority, or a municipality. State-owned enterprises are not eligible to serve as implementing partners. This implementation modality is appropriate when:
    - There is a government entity directly concerned with the project's activities and results;
    - There is a government entity whose intended role is to sustain project results; and

- The relevant government entity is committed to carrying out the project and has adequate capacity as determined by a capacity assessment.
- b. **UNDP** (direct implementation/DIM). This is appropriate when:
- The host government requests UNDP to implement the project;
  - Project implementation requires speedy delivery and decision-making, such as in crisis situations;
  - Relevant national partners do not necessarily have the required capacity, and this cannot be accommodated sufficiently in the short or medium term through capacity development support during project implementation;
  - Project implementation would add an administrative/operational burden to the government;
  - Project implementation involves two or more government entities; and/or
  - The project is part of a UNDP regional programme or global project, or UNDP serves as the managing agent for a country-based pooled fund.
  - Where UNDP is MA for a CBPF, project implementation is DIM and NGOs are considered to be responsible parties to UNDP (see [Select Responsible Party](#)).

UNDP's capacity to implement projects and related risks must be assessed as part of formulating and appraising new programmes (see [Appraise and Approve](#)). Risk mitigation measures and capacity plans must be developed as part of this assessment. All costs associated with implementing projects must be borne by the project budget.

- c. **United Nations agencies**. This is appropriate when:
- An agency has technical expertise that is critical to project success;
  - The relevant national agency is unwilling or unable to undertake project implementation; and/or
  - A global or regional project has no institutional counterpart at the global or regional level.

If the selected UN agency has signed a Standard Basic Executing Agency (implementing partner) Agreement (SBEAA) with UNDP, it signs the project document as implementing partner. If the selected UN agency does not have a SBEAA, then it must sign a project cooperation agreement (PCA) with UNDP in order to establish the implementing partner arrangement. The project document is attached to the agreement.

- d. **Civil society, including non-governmental organizations**, national or international, and academic institutions (private/non-governmental). This is appropriate when:
- The project deals with a subject where a civil society or non-governmental organization may have experience, expertise and comparative advantages, such as microcredit, disaster relief and rehabilitation, advocacy, HIV/AIDS, rural/remote service provision, and working with poor and disadvantaged groups;
  - The project requires extensive use of participatory methodologies and/or facilitation of dialogue among communities, government and civil society;
  - Government agencies are unable or unwilling to carry out project activities;

- The organization has adequate capacity and is committed to carrying out the project; and/or
- If the organization works in a remote or conflict-prone area where few other partners can operate.

When a civil society or non-governmental organization is selected as an implementing partner for a UNDP project, the arrangement is formalized through signing a [PCA](#) with UNDP.

If a civil society or non-governmental organization is best placed to be the implementing partner, there must be an evaluation of prospective partners including an assessment of capacities to deliver.

- e. **Non-UN intergovernmental organizations.** An intergovernmental entity is eligible for approval when it is established by treaty by states and meets other conditions or requirements specified in the [criteria](#) for designation of intergovernmental organizations. These organizations are appropriate implementing partners when:
- The organization is directly concerned with the project's activities and results;
  - The organization intends to sustain project results;
  - The organization has specialized experience and expertise in the substantive area of the project; and/or
  - The organization has adequate capacity and is committed to carrying out the project as determined by a capacity assessment.

If the selected intergovernmental organization has signed a SBEAA with UNDP, it signs the project document as implementing partner. If the selected IGO does not have a SBEAA, then it must sign a [PCA](#) with UNDP to establish the implementing partner arrangement. The project document is attached to the agreement.

5. These categories are all applicable for joint programmes with other UN agencies, as defined by the UNSDG. UNDP's component in a joint programme may only have one implementing partner.

### ***Criteria for Selecting an Implementing Partner***

6. The implementing partner for a project is selected based on careful consideration of a set of programmatic criteria. The partner must:
- a. Be accountable for delivering on the expected outputs in the time required, manage risks and sustain results after the project ends;
  - b. Ensure national ownership and broad stakeholder engagement;
  - c. Ensure sustainability of project results;
  - d. Provide sensitivity and neutrality in project implementation as required;
  - e. Carry out the key technical, financial and administrative capacities required for the project; and
  - f. Deliver good value for money and accountability for resources.

If multiple institutions meet the above criteria, and it is not clear which is best placed to implement the project, then the selection of the implementing partner is made through assessing multiple potential partners. The selected partner must express willingness to serve as the implementing

partner for the project as a precondition for selection. The concerned government must also agree to use the selected implementing partner for the project. See [Appraise and Approve](#).

### **Assessment of Project Implementation Capacity**

7. The Partner Capacity Assessment Tool (PCAT) is a mandatory tool that includes a partner pre-requisite checklist and capacity assessment scoping to assist project developers to determine which capacity assessments (if any) need to be completed before the project is finalized and approved. The HACT micro-assessment is mandatory for responsible parties if the amount expected to be transferred exceeds \$150,000 per year at the Business Unit level (not per individual project). The HACT threshold considers all projects being implemented by the partner in the UNDP programme (i.e., Cooperation Framework/CPD), not individual projects. The partner capacity assessment tool, including the HACT assessment, helps to identify capacity gaps or problems and to determine ways and means of addressing them. The assessments also inform decisions on the use of national implementation and the need for UNDP to implement the project due to capacity concerns. The costs of completing the assessments must be included in the project budget and charged to the project when incurred.
8. When finalizing arrangements with a national implementing partner, it is necessary to determine which modality will be utilized for cash transfers to the partner. The partner's risk rating derived from the assessment is used to determine the modality (direct cash transfer, direct payment or reimbursement) that can be used to transfer funds to the partner. See the [HACT](#), [Direct Cash Transfers and Reimbursements](#) and [Direct Payment](#) entries under the [Financial Resources Management](#) section of the Programme and Operations Policies and Procedures. If the implementing partner needs to use UNDP's services to help implement the project, this should be planned during the project's design and costs adequately recovered. See [Select Responsible Parties and Grantees](#). If the implementing partner needs to use UNDP's services to help implement the project, this should be planned during the project's design and costs adequately recovered. See [Select Responsible Party and Grantee](#).

### **Approval of the Implementing Partner**

9. Final approval of an implementing partner is provided through the signature of a project document by UNDP and the government development coordination authority, or other evidence of government agreement such as inclusion in the Cooperation Framework joint results group work plans, an exchange of letters, communication on a 'no objection' basis and/or other relevant implementing partner agreements, as required. See [Appraise and Approve](#) for details.

### **Agreements to Engage Implementing Partners for UNDP Projects**

Implementing Partner Category	Documents Required	Signatures
Government entity	Project document	Government development coordination authority, <sup>1</sup> implementing partner and UNDP sign the project document

<sup>1</sup> Other evidence of government agreement may be accepted in lieu of a signature, unless the programme country government requires a signature.

UNDP (DIM)	Project document	Government development coordination authority <sup>1</sup> and UNDP sign the project document
Other UN agency	1) If a SBEAA is in place, project document  <OR>  2) If no SBEAA is in place, a project cooperation agreement with project document attached	1) If a SBEAA is signed between UNDP and the UN agency, then the government development coordination authority <sup>1</sup> , UNDP and UN agency sign the project document  2) The UN agency and UNDP sign the PCA; the government development coordination authority and UNDP sign the project document
Intergovernmental organization	1) If a SBEAA is in place, project document  <OR>  2) If no SBEAA is in place, a project cooperation agreement with project document attached	1) If a SBEAA is signed between UNDP and the organization, then the government development coordination authority <sup>1</sup> , UNDP and intergovernmental organization sign the project document  2) The organization and UNDP sign the project cooperation agreement; the government development coordination authority <sup>1</sup> and UNDP sign the project document
Civil society/non-governmental organization	A <a href="#">PCA</a> with project document attached	The organization and UNDP sign the project cooperation agreement; the prodoc (signed by the government development coordination authority <sup>1</sup> and UNDP) is attached to the PCA