

Annex G - Financial and Management Feasibility of the Project

Note: This is intended to support the development of the project. It is an iterative process and this document will be updated based on need.

Objective of the Financial Feasibility: To ensure effective and efficient project management through sound budgeting, implementation and service delivery and cash flow planning within the applicable UNFRR and established budget, project management and finance policies for the implementation of the project workplan.

- Provide assurance that the project or programme budget incorporates ALL costs associated with the project.
- Provide assurance that the project or programme budget adheres to relevant rules and policies
- Provide assurance that the project or programme budget supports the achievement of the project's goals and objectives
- Ensure that project budget is presented according to the approved template
- Ensure that the project budget is realistic

Reviewer Responsibilities

- Advises on the management issues and the implementation framework relating to service provision.
- Acknowledges the status of preparation of the project document and advises the way forward to final budget as appropriate
- Acknowledges the type of project or programme document
 - if document is subject to exception (fund raising, joint programme, emergency, SWE and NOR etc.) to advise the way forward.
 - if document is still under development, to advise on the list of costs to be covered to final budget as appropriate.
- Ensure objective and constructive input and comment to the project budget ACCORDING TO THE CHECKLIST hereunder
- Ensure timely review of projects and programmes budget
- Ensure list of costs are covered and if otherwise, advises on exceptions that are to be approved by Director, Management and Operations Division.

Reviewer KPIs

- To be confirmed (review within 3 days) to be ready for PAG

Financial and Management Feasibility Checklist

The checklist serves as a basis of discussion with the project managers to ensure proper budget and cash planning throughout the process

Note A: Further adjustment may be made prior to the finalization of the donor agreement and project document.

Note B: Refer to project implementation and budget plan template for detailed discussion with the PMs (*these tools will be in habnet and PAAS as follows: "project budget implementation" as a downloadable doc and project budget format in umoja template to facilitate high level version at step 3 and final version at step 6 and future budget revisions in PAAS.*)

1 Draft donor agreement (Contribution Agreement, Income Grant)

Purpose: Review of areas that will impact the clauses of the Contribution Agreement like; project duration, contribution amount, installment plan/cash flow, budget allocation by uses, General Management Support (GMS); standard legal clauses.

1.1 Progress and agreement amounts

What is the stage of the donor agreement?

- not prepared yet
- rough draft
- advanced draft

Contribution amount and currency: _____

Single / Multi Year: _____

Installment payments:

- Full amount in advance
- First payment in advance, subsequent payments on delivery of outputs
 - 1st: _____
 - 2nd: _____
 - 3rd: _____
 - 4th: _____
- All installments in advance, final payment on delivery of outputs
- All payments on delivery of outputs
- Other: _____

1.2 Budget

Budget type in the agreement:

- presented only by activities
- presented by typical UN budget classes
- other
- Standard GMS: _____
- Other GMS: _____

1.3 Legal Clauses

- Standard legal clauses:
 - Audit: subject only to UN internal and external audit
 - Dispute clauses: UNCITRAL or amicably
 - Liability: UNH should not accept liability for other parties
 - Privileges and immunities
 - Logo and copyrights: Use of UN-Habitat logo only with written permission
 - Interest earned: should not be separately accounted for or returned to the donors
 - Time-bound
 - Evaluation
- Do you have any Special clauses? If so, please describe here
 - Pre-investment recovery: _____
 - Other GMS: _____
 - Closing Balances: _____
 - Closing Costs: _____
 - Other: _____

Recommendation on Donor Agreement: _____

2 Draft/Initial Project Budget for project/programme document

Purpose: Review of budget allocation by classes vs. proposed use in donor agreement (to establish delivery modality within the system and any specific requirements for WBSE)

2.1: Budget breakdown by classes

Note: Use standard budget template as reference AVAILABLE IN PAAS

- Have you addressed project personnel costs?
 - Staff contract
 - UNON IC/Consultants
 - UNOPS ICA/LICA
 - Other: (UNDP Service Contract, UNV)

- Travel
- Contracts
 - Procurement SC (vs AOC)
- Operations/Other
 - Workshops
 - Consumables/Office supplies
 - Publication/Printing
 - Communication
 - Other/Sundries
- Supplies, Commercial, materials
- Equipment, vehicles, materials
- Transfer/Grant to IP
 - AOC (vs sub-contracts)
- Grants Out (Community Agreements)
- Evaluation
- General Management Support (GMS)
- Project Start up and Closure costs
- Direct administrative costs (transactional costs)

Recommendation on Budget Break down per classes: _____

2.2: Establish WBSE in case of donor reporting on activities or for sub-allotments

Recommendation on WBSE: _____

2.3: Estimation of cash requirement (Suggested Budget Implementation Plan format)

2.3.1 - Identify budget items requiring cash advances for determining Released Budget RB on cash installment schedule:

- Staff initial assignment cost
- Staff salary
- UNOPS ICA
- AOCs
- CIAs

2.3.2 - Provide for cash reserves

- Staff separation cost
- Other Project closure cost

2.4: Budget requirement by year (Un-Released Budget URB) based on step 1 and 2 (Budget Template available)

2.5: Estimate Cash flow

- Breakdown on priority of cash against funding installments
- Pre-finance required
 - o Establish pre-finance and repayment schedule

Recommendation on Cash Flow: _____

3 Management Issues

Purpose: To address any special management issues

- Procurement
 - Is the procurement value more than 30% of the project budget?
 - Are there any complex procurement issues?
- HR
 - Any special cases?
 - Have you prepared the HR plan/model?
- Legal
 - Any special issues?
- Risk Management
 - What is the stage of the risk assessment?
 - not prepared yet _____
 - rough draft _____
 - advanced draft _____
- Mapping of roles in Umoja, PAAS, UNON Portal, other digital workflows?
- Any other foreseen managerial issue?

Recommendation on Managerial Issues: _____

OVERALL RECOMMENDATION PRE-PAG:

Project Designer/Manager signature _____

Date: _____

Evaluator signature _____

Date: _____

Copy to: PAG Technical Review