UNICEF Programme Cooperation Agreements (PCAs) and Small Scale Funding Agreements (SSFAs) with Civil Society Organizations (CSOs)

Summary of Changes effective January 2010

Introduction

Civil society collaboration is critical to achieve results for children. Partnerships and collaborative relationships are a central feature of UNICEF's efforts to realize the rights of children and women through Country Programmes of Cooperation and humanitarian action, based on its Core Commitments to Children in Emergencies. They are anchored in both the legal platform of the Country Programmes approved by the UNICEF Executive Board and agreed with national authorities, as well as the legal mandate that serves as the basis for UNICEF's work in humanitarian crises.

UNICEF currently has the following instruments which operationalize partnership relationships with CSOs:

1) **Memorandum of Understanding (MoU).** Collaborations that are broadly focused on the joint pursuit of identified common goals and are undertaken with each partner's existing resources, without the transfer of resources from one partner to the other, will normally be governed by the MoU.

   Programme Cooperation Agreements: Engagements that focus on the collaborative implementation of a jointly-developed programme or set of humanitarian interventions, within the framework of a UNICEF Country Programme of Cooperation or UNICEF-supported humanitarian response, will be governed by a PCA. In such collaborations, UNICEF will provide support to the civil society partner so that it can participate in the implementation of the programme, through the transfer of supplies and equipment, or cash, to the partner by way of a grant. Having identified a partnership as being suitable for the Programme Cooperation Agreement modality, UNICEF will then identify which of the two available Programme Cooperation Agreements is appropriate for the particular partnership – based on criteria of the nature, duration, and complexity of the partnership and the amount of UNICEF resources being provided to the civil society partner.

2) **Small Scale Funding Agreements:** Engagements that are similar in scope to PCAs but do not have a value that exceeds USD 20,000 in terms of funding and/or the equivalent value of supplies as a single or cumulative set of transfers to an individual CSO in a calendar year. In addition, the total amount of a Country Office's Small Scale Funding Agreements (SSFA) cannot exceed 10 % of the total programme budget within a year.

Summary Types of Tools and Agreements

Type	Main Purpose	Other Features
Memorandum of Understanding (MoU)	Articulate and agree on common goals and interests.	Involves no transfers of cash or supplies.
Programme Cooperation Agreement (PCA) (2 forms of agreement: "light" and "more complex" **-** depending on the scale, nature, assessed level of risk and the complexity of the partnership).	Agreement to work for common goals, with shared risks and responsibilities, resources and benefits. The PCA is based on a Joint Work Plan and budget.	Resources may be transferred to the partner to assist it in carrying out its roles. The partner is uniquely positioned and has specific capacities or advantages to carry out its roles under the PCA.
Small Scale Funding Agreement (SSFA)	Limited support provided to a local/grassroots organization, or other CSOs, not to exceed US$ 20,000.	Flexible, with highly simplified planning format and reporting requirements.

Summary of Changes to UNICEF Guidelines for Programme Cooperation Agreements

Among other modifications, UNICEF is introducing the following key changes to PCAs and SSFAs with civil society partners, both through its guidelines and the legal instruments that govern them:

1. The principles and centrality of partnerships with CSOs are more clearly highlighted in achieving results for children and women; UNICEF will no longer work with civil society on the basis of a proposal for funding that UNICEF reviews and approves. Instead, we will identify parts of the Country Programme that will be implemented collaboratively, select the appropriate partner, and then work together to develop a detailed programme document, work plan and budget. This will create a greater collaboration and produce better results;

2. The capacity development of local institutions is integrated as a high priority strategic focus of cooperation and partnerships, wherever appropriate and agreed. This may involve capacity development objectives, identified by a PCA, whether intended to benefit the cooperating CSO itself, or in favour of other, national or local organizations or groups;

3. The duration of the PCA is no longer limited to two years. Any time period may be agreed within the country programme cycle or emergency funding cycle;

4. In PCAs, a revised approach is taken to funding both (a) indirect programme costs; and (b) direct programme costs for the management and administration of the collaborative programme or activities, or humanitarian response:

   Where UNICEF is transferring funds to a partner to help it undertake its work under a PCA, (i) UNICEF will help to defray the partner's indirect programme costs[1] through a flat rate addition of 7% to the total amount of cash provided by UNICEF; and (ii) the partner will be able to capture its identified direct programme costs attributable to management and administration of the programme[2] *up to a maximum* of 25% of the amount transferred by UNICEF (net of the indirect programme charge), depending on justifiable local costs, as assessed by the UNICEF Country Office and the partner. UNICEF may also agree to exceptions beyond this 25% cap in crisis circumstances where costs (e.g. logistical, security) are extreme;

5. Responsibility for approving PCAs will no longer rest with the Contracts Review Committee. Responsibility for the internal review and recommendation of proposed Programme Cooperation Agreements will lie with a PCA Review Committee in the UNICEF Country/Field Office;

6. Revised formats of PCA have been introduced, with a simplified format for different types of relationships, depending on the nature, duration, and complexity of the partnership and the amount of UNICEF resources being provided to the civil society partner. The PCA has been replaced by two instruments: (a) PCA for complex collaborations (usually indicated by a grant of US$100,000 or more); and (b) a lighter version of the PCA for simpler, shorter collaborations (usually indicated by grants of up to US$100,000);

7. The existing Small Scale Funding Agreements with local and grassroots organizations is now to be used for amounts up to US$20,000 (such Agreements may constitute up to 10% of the total annual UNICEF programme budget) – this is an increase of 100% in the monetary ceiling;

8. Strategies for phasing out of Programme Cooperation Agreements and supporting sustained results are specified and emphasized;

9. A series of checklists for assessing potential UNICEF partners, including those to be reflected in a PCA, have been made available. These are intended to facilitate the vetting procedures required for the approval of grants made by UNICEF under a PCA.

Questions about these agreements should be directed to the New York Headquarters focal points (Robert Jenkins, Associate Director, Policy and Programme Guidance, DPP; Liza Barrie, Chief, Civil Society Partnerships Section, PD; and Sandra Baffoe-Bonnie, Legal Affairs Specialist, Office of the Principal Adviser to the Executive Director, OED) through a centralised helpline: pcaguidance@unicef.org.

[1] "Indirect programme costs" means the partner's costs incurred in support of the collaborative programme that cannot be separately identified and traced unequivocally to the programme.

[2] "Direct programme costs attributable to management and administration of the programme" are the costs to the partner of management and administration that can be identified as arising directly and unequivocally from the programme.