VII. Monitoring and reporting

Project monitoring and reporting are essential components of project management. The project coordinator and the project coordinator’s supervisor are the principal beneficiaries of the monitoring information and should use it to ensure that projects are implemented as efficiently and effectively as possible.

A. Project monitoring

There is a growing emphasis on demonstrating performance rather than simply producing outputs, which changes the emphasis in monitoring and reporting requirements. Monitoring is the continuous process of assessing the status of project implementation in relation to the approved work plan and budget. Monitoring helps to improve performance and achieve results. The overall purpose of monitoring is to ensure effectively managed results and outputs through measurement and assessment of performance. If a project is poorly designed or based on faulty assumptions, however, even the best monitoring is unlikely to ensure its success. Particularly important is the design of a realistic chain of results, outcomes, outputs and activities.

Monitoring is the responsibility of the project coordinator and may be carried out informally (through weekly meetings) or formally (through written reports). Regular monitoring enables the project coordinator to identify actual or potential problems as early as possible in order to facilitate timely adjustments in project implementation.

Project coordinators should track the outputs and measure their contributions to results by assessing changes from baseline conditions. Project coordinators need to keep an eye on key results because they can indicate whether a strategy is relevant and efficient or not. Relevance in a results-based context refers to whether or not a UNEP project intervention contributes to the achievement of key results and objectives.

Good monitoring consists of the following:

(a) **Focus on results and follow-ups**: It looks for “what is going well” and “what is not progressing” in terms of progress toward the intended results;

(b) **Regular communication by the project coordinator or manager**: The project coordinator or manager should be dedicated to assessing progress, looking at the big picture and analyzing problem areas. They should ensure continuous documentation of the achievements and challenges as they occur and avoid having to try to remember the events some time later;

(c) **Regular analysis of reports**: The project coordinator or manager should review project-related reports, including financial reports, by the implementing partners to serve as a basis for their analysis;

(d) **Use of participatory monitoring mechanisms to ensure commitment, ownership, follow-up, and feedback on performance**: These include outcome groups, stakeholder meetings, steering committees, and focus group interviews;

(e) **Ways to objectively assess progress and performance based on clear criteria and indicators stated in the logical framework matrix of the project document**: The project team should agree on a performance measurement system by developing indicators and baselines;

(f) **Active generation of lessons learned, ensuring learning through monitoring tools, adapting strategies accordingly and avoiding repeating mistakes from the past.**

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B. Project reporting

Project reporting is the formal presentation of monitoring information. The main reasons for reporting are the following:

(a) *To formally inform management*: Reporting ensures that management, particularly the project coordinator’s supervisor or project manager, is formally appraised of the progress made in project implementation and the supervisor or project manager is aware at an early stage of actual and potential problems and any remedial action taken;

(b) *To validate requests for further funding*: Reporting ensures that the BFMS is kept informed of all aspects of project implementation. BFMS, together with project coordinators or managers, can then ensure that disbursed funds have been properly used before authorizing any further release of funds;

(c) *To serve as an audit and evaluation trail*: Reporting maintains a record of all actions taken during project implementation. It therefore constitutes a vital resource for auditors and evaluators in assessing whether a project has been implemented in accordance with the rules and regulations and as efficiently and effectively as possible;

(d) *To serve as a reference for future projects*: Reporting serves as a vital resource for ensuring that lessons learned (project successes, failures, best practices) through project implementation are available for consideration when formulating and implementing future projects;

(e) *To report to the donors on the project’s progress*: Often, reporting is requested by donors as they have shared interests with UNEP in the success of projects. Donors sometimes fund projects contingent upon satisfactory progress. They increasingly ask for progress and final reports at the results and objectives level rather than at the level of output or activity delivery.

C. Reporting responsibility

The project coordinators, under the overall responsibility of their respective division directors, must ensure that all project reports are submitted on time. Projects can only be closed once all the reporting requirements have been met. Reporting on projects is part of the coordinator’s tasks included in the performance appraisal system work plans, and forms part of the staff performance appraisals.

Project coordinators who have been reassigned within the organization, have to formally hand over their project responsibilities to the project manager taking over from them. Division directors have the responsibility to ensure that proper handing-over of projects takes place.

Submission of all outstanding reports for projects under their responsibility is part of the signing-off requirements that have to be fulfilled before staff who are leaving the organization can be given formal clearance from the Human Resource Management Service (see annex XVI on signing-off requirements related to projects).

D. Reporting requirements

Reports need to be sent to the BFMS, PCMU and Evaluation and Oversight Unit, under cover of a memorandum signed by the responsible division director. Reporting requirements differ depending on whether a project is external (table 1) or internal (table 2). The following tables contain summaries of the reporting requirements.

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36 See also section IX on evaluation.
Table 1: Reporting requirements for external projects

<table>
<thead>
<tr>
<th>Report type</th>
<th>Prepared by</th>
<th>Responsibility</th>
<th>Preparation frequency/period</th>
<th>Submission</th>
<th>Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity report</td>
<td>Cooperating agencies/Supporting organizations</td>
<td>(UNEP) Project manager</td>
<td>Annually for Jan–June/ Due by 31 July (or as per reporting cycle agreed with the donor)</td>
<td>To Project manager cc: BFMS &amp; PCMU</td>
<td>Annex X</td>
</tr>
<tr>
<td>Progress report</td>
<td>Project coordinator/Cooperating agencies/Supporting organizations</td>
<td>(UNEP) Project coordinator’s supervisor/Project manager</td>
<td>Annually for Jan–Dec/ Due by 31 Jan. (or as per reporting cycle agreed with the donor)</td>
<td>To division director cc: PCMU &amp; BFMS</td>
<td>Annex XI</td>
</tr>
<tr>
<td>Final report</td>
<td>Project coordinator/Cooperating agencies/Supporting organizations</td>
<td>(UNEP) Project coordinator’s supervisor/Project manager</td>
<td>End of the project/ Due within 60 days of completion</td>
<td>To division director cc: PCMU &amp; BFMS</td>
<td>Annex XII</td>
</tr>
<tr>
<td>Self-evaluation fact sheet (EFS)</td>
<td>Project managers</td>
<td>(UNEP) Project manager</td>
<td>Annually on each current or completed project/ by the end of January</td>
<td>To EOU cc: Project manager</td>
<td><a href="http://www.unon.org/eou">http://www.unon.org/eou</a></td>
</tr>
<tr>
<td>Quarterly financial report and cash advance statement</td>
<td>Cooperating agencies/Supporting organizations</td>
<td>(UNEP) Project manager</td>
<td>Quarterly report Due by 30 April, 31 July, 31 Oct, and 31 Jan.</td>
<td>To Project manager cc: BFMS</td>
<td>Annexes XIII and XV</td>
</tr>
<tr>
<td>Audited financial report</td>
<td>Supporting organizations</td>
<td>(UNEP) Project manager</td>
<td>Biannually by 30 June/ Within 180 days of the completion of the project</td>
<td>To Project manager cc: BFMS</td>
<td></td>
</tr>
<tr>
<td>Final statement of account</td>
<td>Cooperating agencies</td>
<td>(UNEP) Project manager</td>
<td>Annually by 15 February/ Within 60 days of the completion of the project</td>
<td>To Project manager cc: BFMS</td>
<td></td>
</tr>
<tr>
<td>Inventory of non-expendable equipment (items over $1,500)</td>
<td>Project coordinator/Cooperating agencies/Supporting organizations</td>
<td>(UNEP) Project manager</td>
<td>Annually by 31 January and within 60 days of the completion of the project/ to be attached to the progress report</td>
<td>To Project manager cc: BFMS</td>
<td></td>
</tr>
</tbody>
</table>

An electronic form for each report is available in the [http://www.unep.org/project_manual](http://www.unep.org/project_manual). Standard paragraphs related to each reporting requirements are available in annex V.
Table 2: Reporting requirements for internal projects and internally implemented activities

<table>
<thead>
<tr>
<th>Report type</th>
<th>Prepared by</th>
<th>Responsibility</th>
<th>Preparation Frequency/period</th>
<th>Submission</th>
<th>Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress report</td>
<td>Project coordinator</td>
<td>Project coordinator’s supervisor/ Project manager</td>
<td>Annually for Jan-Dec/ Due by 31 Jan.</td>
<td>To division director cc: PCMU &amp; BFMS</td>
<td>Annex IX</td>
</tr>
<tr>
<td>Final report</td>
<td>Project coordinator</td>
<td>Project coordinator’s supervisor/ Project manager</td>
<td>End of the project/ Due within 60 days of the completion</td>
<td>To division director cc: PCMU &amp; BFMS</td>
<td>Annex X</td>
</tr>
<tr>
<td>Self-evaluation fact sheet (EFS)</td>
<td>Project managers</td>
<td>Project manager</td>
<td>Annually on each current or completed project/ by the end of January</td>
<td>To EOU cc: Project manager</td>
<td><a href="http://www.unon.org/EOU">http://www.unon.org/EOU</a></td>
</tr>
</tbody>
</table>

(a) **Activity report**

For externally implemented projects, project coordinators or the implementing agencies should submit an annual activity report for the first half of the calendar year (from January to June). The activity report for the second half of the year is not necessary as the annual progress report (from January to December) is inclusive of the activities implemented for the entire year, including the second half of the year. The activity report is intended to reduce the reporting requirement on activities for the second half of the year and look at the progress report for the entire year together with the matching activities for the same period. Information on the activities implemented in the second half of the year, therefore, needs to be extracted from the progress report. Annual activity reports are due by 31 July. Due to varying reporting cycles of different donors, however, the reporting dates may differ. For the projects with donor-determined progress reporting cycle, the activity reporting date will usually fall at the mid-point of the progress reporting date.

(b) **Progress report**

The progress report is required for all projects and internally implemented activities with earmarked funding.28 The report provides a framework for assessing status and a record of project implementation at any given time. Its primary purpose is to ensure that the project coordinator’s supervisor or project manager is formally appraised of the status of project implementation and that the decisions or actions necessary for successful implementation of the project have been or are being taken and documented in a timely manner.

The report should provide information on the status of delivery of project activities, outputs, results and impacts (if possible); as well as information on any actual or potential problems and deviations from the approved work plan and budget. The report should also indicate any agreed upon changes to the approved work plan and any decisions or actions regarding the future direction of the project.

Usually, progress reports are due by 31 January, especially for United Nations Fund and Development Account funded projects. For projects with donor-specific progress reporting cycles progress reports should be submitted on donor-determined reporting dates.

Although progress reports are required to be produced on a yearly basis, more frequent reports can be produced as the project coordinator’s supervisor deems necessary.

28 See B.(c) costed work plan, projects and memorandums of understanding and letters of agreement in section I for the definitions of project and internally implemented activities.
(c) **Final report**

The final report is required on completion of all projects and internally implemented activities with earmarked funding. The final report should be prepared by the project coordinator and should contain information on the achievement of objectives, results and outputs. It should clearly explain any variances from the originally approved project in terms of duration, cost, results and outputs or services. The final report is similar in content to the progress report, except that it has added information on lessons learned and project sustainability and replicability.

Attention should be given to the requirements for project closure (see annex XVII). These may include the requirement for an audit certificate. It should also be noted that for projects implemented by supporting organizations, the absence of a final report, inventory of non-expendable equipment or the audit certificate, will result in the final payment to the supporting organization being withheld.

The final report should be submitted within 60 days of completion of the project.

(d) **Self-evaluation report**

Self-evaluations should be submitted by project managers annually to the Evaluation and Oversight Unit on all projects and internally implemented activities with earmarked and trust fund contributions. These evaluations determine the extent of achievement of results, status and challenges of project implementation, budget management issues, gender issues, sustainability arrangements, impacts and risks.

(e) **Financial reports**

**Cooperating agencies:**

*Project expenditure statements:* Cooperating agencies should submit to the Chief, BFMS, UNON, quarterly project expenditure statements and final account statements for each project, showing the amount budgeted for the year, amount expended since the beginning of the year and, separately, the unliquidated obligations (see the standard text in annex V and formats in annexes XIII and XIV).

*Cash advance statements:* A statement of advances of cash provided by UNEP should be submitted to the Chief of BFMS UNON, quarterly (in the format shown in annex XV) together with the project expenditure statement.

**Supporting organizations:**

*Project expenditure statements:* Supporting organizations should submit to the Chief, BFMS UNON, quarterly project expenditure statements and final account statements for each project, showing the amount budgeted for the year, amount expended since the beginning of the year (see the standard text in annex V and formats in annex XIII). The expenditure statements as at 31 December for projects with annual budgets of $50,000 and above, certified by a duly authorized official, should be dispatched to the Chief of BFMS UNON within 15 days (see the standard text in annex V and format in annex XIII).

*Cash advance statements:* A statement of cash advances provided by UNEP should be submitted to the Chief of BFMS UNON quarterly (in the format shown in annex XV) together with the project expenditure statement.