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## PROJECT DOCUMENT

**Project Title:** Implementation Support and Monitoring

**Project Number:** 00101147

**Implementing Partner:** UNDP (DIM)

**Start Date:** July 2017

**End Date:** December 2020

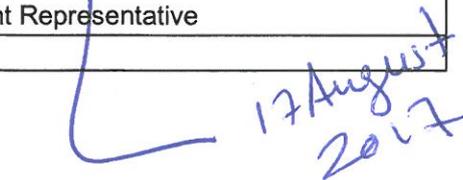
### Brief Description

As a Net Contributing Country (NCC), in Bahrain all funds related to UNDP's programme, projects and office cost are borne by the Government of Bahrain (GoB). UNDP Bahrain manages projects using the National Implementation Modality (NIM). This project will facilitate a better project budgeting approach to be followed by the Country Office.

According to the directive by the Ministry of Foreign Affairs, a maximum of 35% of resources from Government Local Office Costs (GLOC) will be reallocated to the this newly created project, to support project implementation and implementation support services through this project. The project will allow for management of the Direct Project Costing (DPC) budget, as agreed with the Government. Costs related to staff who directly support development programmatic and operational activities linked to project/programmes will be charged to this project, which will in turn assist the CO to measure the actual cost of managing projects.

Contributing Outcome (UNDAF/CPD, RPD or GPD): Implementation of UNDP Bahrain CPD  Indicative Output(s) with gender marker:	Total resources required:	2,140,432	
	Total resources allocated:	Government:	2,140,432
		In-Kind from UNDP:	0
	Unfunded:	0	

Agreed by (signatures):

Government	UNDP
(Government letter in Annex)	 Amin El Sharkawi UNDP Resident Representative
Date:	 Date:  17 August 2017

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## I. DEVELOPMENT CHALLENGE

UNDP needs to accelerate its shift to real project cost budgeting in all its programmes and projects, whether country, regional or global levels. UNDP must ensure that the direct cost of delivering development results is charged to programmes and projects as agreed with the Executive Board. The primary objective of DPC is to reflect in the appropriate project budget the true direct costs of achieving the development results and objectives funded from regular and other resources.

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## II. STRATEGY

Direct Project Costs (DPC) are legitimate organizational costs incurred in the implementation of a development activity or service that can be traced and attributed to a particular project activity and programme. Such activities and related costs include: development effectiveness including policy advisory and quality assurance; programme implementation and implementation support including: finance, procurement, human resources, administration, security, travel, assets and information and communications technology. These costs should be planned for and charged directly to project budgets, and reported as costs of delivering development results at the project initiation phase.

Based on the above corporate requirements, UNDP Bahrain would create a separate project in ATLAS entitled Implementation Support and Monitoring for Direct Project Costing. The staff members who are directly supporting the development activity of the project/programmes will be charged to this project which will in turn assist the CO to measure the actual cost of managing projects.

The internal allocation of resources for 2016 as endorsed by the UNDP Senior Management explicitly included 'DPC targets' for all Country Offices, including Bahrain, and Central Bureau Services to accelerate implementation of real project cost budgeting. Implementation of DPC in 2016 will be supported through the following approach:

Based on the evidence from the workload studies conducted most recently in 2015, a large percentage of Bahrain country office staff costs have been identified as directly supporting programme and project implementation and should be charged to those projects.

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## III. RESULTS AND PARTNERSHIPS

### ***Expected Results***

This project proposes tools to manage cost budgeting in a way that would reflect the cost of staff that work on development projects implementation. The project will produce the following output:

*Efficient use and allocation of resources for development projects implementation.*

To achieve that, the following activity should be carried out: provision of high-quality implementation and monitoring support to UNDP projects, programmatic and operational.

According to the directive by the Ministry of Foreign Affairs, a maximum of 35% of resources from Government Local Office Costs (GLOC) will be reallocated to the this newly created project, to support project implementation and implementation support services through this project (see Annex 1). The project will allow for management of the Direct Project Costing (DPC) budget, as agreed with the Government. Costs related to staff who directly support development programmatic and operational activities linked to project/programmes will be charged to this project, which will in turn assist the CO to measure the actual cost of managing projects.

### ***Partnerships***

A main partner for this project would be Ministry of Foreign Affairs (MoFA) and Ministry of Finance (MoF). Since this project is concerned with the staff working on development results in various projects and initiatives, the list of partners would include all implementing partners from ministries to other national organizations.

### ***Risks and Assumptions***

Decrease in oil prices adversely affects Government fiscal situation, increases Government debt, and changes Government priorities and austerity measures which leads to the funding being reduced or not forthcoming. Another risk is the political tension that may affect the implementation of the projects.

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## **IV. PROJECT MANAGEMENT**

The project will be implemented under Direct Implementation modality. As an implementing partner, UNDP is responsible for all services provided under this project.

The management of UNDP will be responsible for providing strategic guidance for the project and making management decisions whenever required.

This project will be subject to internal audit and the audit will be conducted by the Office of Audit & Investigations at UNDP HQ.

## V. RESULTS FRAMEWORK<sup>1</sup>

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework: CPD OUTCOME #2: Bahraini institutions and programmes are effective responsive and accountable in line with international standards and practices.

Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets: N/A

Applicable Output(s) from the UNDP Strategic Plan: N/A

Project title and Atlas Project Number: IMPLEMENTATION SUPPORT AND MONITORING (00101147)

EXPECTED OUTPUTS	OUTPUT INDICATORS <sup>2</sup>	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)					DATA COLLECTION METHODS & RISKS	
			Value	Year	Year 1	Year 2	Year 3	Year 4	Year ...		FINAL
Output Efficient use and allocation of resources for development projects implementation	1.1 Number of UNDP projects effectively implemented through DPC support	Project reports	7	2016							12

<sup>1</sup> UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

<sup>2</sup> It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

## VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

### Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
<b>Track results progress</b>	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.		
<b>Monitor and Manage Risk</b>	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		
<b>Learn</b>	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
<b>Annual Project Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
<b>Review and Make Course Corrections</b>	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		
<b>Project Report</b>	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures,	Annually, and at the end of the project (final report)		MOFA	

	<p>and any evaluation or review reports prepared over the period.</p>				
<p><b>Project Review (Project Board)</b></p>	<p>The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.</p>	<p>Specify frequency (i.e., at least annually)</p>	<p>Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.</p>	<p>MOFA</p>	

**VII. MULTI-YEAR WORK PLAN** <sup>34</sup>

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	PLANNED BUDGET	
			Funding Source	Amount
<b>Output 1:</b> <i>Efficient use and allocation of resources for development projects implementation</i>	Activity 1.1: provision of high-quality programmatic and operational implementation and monitoring support to UNDP projects.			2,076,219
	MONITORING			
<b>General Management Support</b>				64,213
<b>TOTAL</b>				2,140,432

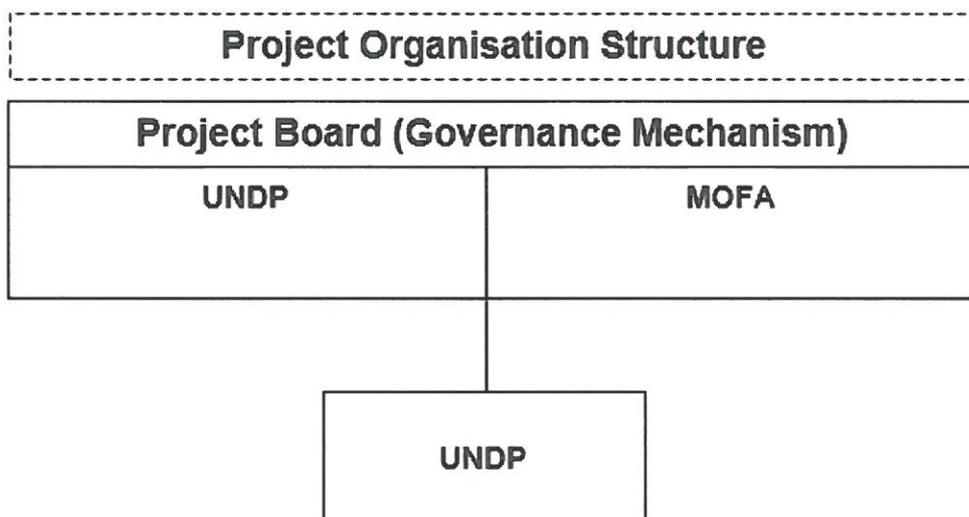
<sup>3</sup> Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

<sup>4</sup> Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

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## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The implementation arrangement is Direct Implementation (DIM). The Project will be implemented by UNDP. The stakeholders of the project: MoF and MoFA, will be responsible for allocating the resources for the project. UNDP will be responsible for the management of the Project; and for the delivery of Project activities to achieve results that will contribute to the outcomes of the Project.



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## IX. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Bahrain and UNDP, signed on August 3<sup>rd</sup>, 1978. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by UNDP (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

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## X. RISK MANAGEMENT

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]<sup>5</sup> [UNDP funds received pursuant to the Project Document]<sup>6</sup> are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/qa\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/qa_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

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<sup>5</sup> To be used where UNDP is the Implementing Partner

<sup>6</sup> To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
6. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
  - a. Consistent with the Article III of the SBAA [*for the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
    - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
    - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
  - b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
  - c. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
  - d. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
  - e. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
  - f. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the

head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- g. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- h. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- i. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

## ANNEX. LETTER FROM MINISTRY OF FOREIGN AFFAIRS



مملكة البحرين  
وزارة الخارجية

O-UIA-3-2017

8 January 2017

Excellency Amin,

Subject: Direct Project Costing (DPC)

I would like to refer to our discussions in August 2016 and the Concept Note on the Direct Project Costing. As UNDP globally adopting this policy, effective 2016, we have no objection to implement the same in UNDP Bahrain Country Office.

As the Government is going through austerity measures, no additional resources can be allocated at this point in time. Therefore, the resources for this activity should be absorbed from the Government Local Office Costs (GLOC) that the Government of Bahrain transfers to UNDP in two tranches. Your office may use a maximum of 35% of the resources from the GLOC to the DPC project to record the staff cost who directly support project implementation and implementation support services. You can use the Direct Implementation modality to implement this project and is applicable to 2016 and the new CPD Cycle 2017 - 2020.

Thank you for your continuous cooperation.

Yours sincerely,

Abdulla bin Ahmed Al Khalifa  
Undersecretary for International Affairs

H.E. Mr. Amin El-Sharkawi  
UN Resident Coordinator  
UNDP Resident Representative  
Kingdom of Bahrain