



30 May 2007

Dear Mr. Rosellini,

**Subject: Bhutan: Enabling Activities for the Preparation of Second National Communication to the UNFCCC (under the National Communication Programme for Climate Change)**  
**PIMS No. 2948 - ATLAS BU: BTN10 - Proposal No.: 00043035 - Project No.: 00050028**

I am pleased to delegate to you the authority to sign the above-mentioned Enabling Activities project document on behalf of UNDP and to commence the implementation of the project when signed by the government of Bhutan. The project, which amounts to a total of US\$ 405,000, has received its final approval in accordance with the established GEF procedures. You are also kindly requested to obtain the government signature on the cover page.

Prior to the signature of the project document, the *Annual Work Plan (AWP)* should be generated through ATLAS BU: BTN10, Proposal ID: 00043035 and Project ID: 00050028, based on the *Total Budget and Annual Work Plan* in the attached project document. This should be in a form of a budget revision to the Self-assessment exercise prepared previously. A copy of the project document signed cover page and the AWP extracted from ATLAS should be sent to Mr. Martin Krause, Regional Technical Advisor in Bangkok, Thailand, to Mr. Yamil Bonduki in the Capacity Development and Adaptation Cluster (CDAC) and to Ms. Xiumei Zhang, Finance Officer at Headquarters, with a request for issuance of an *Authorization of Spending Limit (ASL)*. Comments on the AWP will be provided within 5 working days by the GEF Regional Technical Advisor as relevant.

Budget revisions should be forwarded to the GEF RCU with an explanation of the changes proposed. In this connection, please note that UNDP-GEF is not in a position to increase the project budget above the amount already approved by the GEF Council. Therefore, any over-expenditure on this project will have to be absorbed by TRAC.

The number of operational and financial transactions and services expected from your office in support of project execution will vary according to the execution modality. The UNDP country office will receive compensation for actual services delivered through the *Implementation Support Services (ISS)* mechanism.

Mr. Nicholas Rosellini  
UNDP Resident Representative  
UNDP Thimphu  
Bhutan



As an Implementing Agency of the GEF, UNDP earns a fee from the GEF upon approval of each main project (Full-Size, Medium-Size or Enabling Activities). The fee, which is paid directly by UNDP/GEF to the XB account of the Country Office, is used to cover the costs incurred by UNDP, both at Headquarters and in the Country Office, in supporting project development and implementation. The total fee that your office will receive over the lifetime of the project will be US\$18,000, payable in annual installments. The first installment is due upon receipt of the signed main project document cover page in the GEF RCU. The second and all subsequent annual fee installments will depend on the satisfactory delivery of the services described in Annex 2 and thus will be directly linked to project expenditure and delivery. Note that the amount to be received by your office includes the cost of services generated by the preparatory assistance phase under the *GEF Project Development Facility (PDF)* window.

As specified in the project document - and except for the self-assessment phase - a detailed project management plan will need to be prepared by the Project Manager in order to support a timely implementation of the activities. This management plan will specify the actions, timelines and responsibilities for review at the inception workshop. It will be completed and updated throughout the life of the project as relevant in accordance with the various annual reviews such as steering committees; tripartite reviews etc... The plan will also include all the support activities to be undertaken by the Country Office as listed in Annex 2. It should also highlight the delivery milestones and identify responsible Country Office staff at the programmatic and operational level.

We take the opportunity to draw your attention to the following mandatory requirements for all GEF-funded projects:

- ❖ Any changes contemplated with respect to the project objectives and outcomes will have to be discussed with and approved by the UNDP-GEF Regional Coordination Unit, as they will have to be reported to GEF.
- ❖ All GEF-funded projects are subject to a mid-term and a final evaluation conducted according to Terms of Reference circulated to the RCU and approved on a no-objection basis. Projects of short duration and small to moderate in size such as PDF B, Enabling Activities and Medium-Size may forego the mid-term evaluation while PDF A projects are not subject to any evaluation.
- ❖ All NEX projects with expenditures of \$100,000 or more are subject to mandatory annual audits, conducted in accordance with the UNDP guidelines issued by OAPR. UNDP-GEF reserves the right to withhold fee payments and to suspend the project if this requirement is not met in a timely fashion.

In case you need clarification on the GEF Project Cycle and requirements, please consult the UNDP-GEF Programming Manual at <http://intra.undp.org/gef>.



In concluding, I would like to assure you of the GEF Team's and my personal commitment to a successful implementation of the project. The GEF Regional Coordination Unit in Bangkok and CDAC in New York are at your disposal for advice and technical support. Should you have any concerns or questions, please do not hesitate to contact me with your feedback on the quality of our services and suggestions for improvements.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Yannick Glemarec', is written over a vertical line that serves as a placeholder for a printed name.

Yannick Glemarec  
Executive Coordinator, a.i.

cc: Mr. Hafiz Pasha, Assistant Administrator and Bureau Director, RBAP  
Ms. Elizabeth Fong, Regional Manager, Regional Centre in Bangkok  
Mr. Yamil Bonduki, Technical Specialist, CDAC  
Mr. Martin Krause, GEF Regional Technical Advisor, Bangkok



- Annex 1** CEO endorsement/approval (does not apply for PDF A projects except for PDF A> US\$50,000 when final type is 'Full-Size')
- Annex 2** Project Implementation Activities

## PROJECT IMPLEMENTATION ACTIVITIES

Unless otherwise stated, all activities should comply with the UNDP-GEF and the UNDP Programming Manuals

Stage	Responsibilities of UNDP Country Office
<b>Development</b>	▪ Review, appraise and provide guidance to proponent on Concept/project idea.
	▪ Defend Concept/project idea eligibility as needed.
	▪ Support Project formulation.
	▪ Support Co-financing negotiations.
	▪ Defend Proposal eligibility as needed.
	▪ Participates in policy negotiations as needed.
<b>Preparation</b>	▪ Support Project Document formulation.
	▪ Facilitate and participate in Project Document appraisal.
	▪ Prepare response to GEF Council comments for Project Document endorsement by GEF CEO.
	▪ Process UNDP signature of project document.
	▪ Process Government signature of Project Document.
	▪ Process Executing Agent signature of Project Document as relevant.
<b>Implementation</b>	◆ <i>Management Oversight</i>
	▪ Project launching.
	▪ Steering committee meetings .
	▪ Monitoring the implementation of the workplan and timetable.
	▪ <u>Field visits</u> : ensure visit to the project site at least once a year; prepare and circulate reports no later than two weeks after visit completion.
	▪ Problem identification and trouble shooting
	▪ Project document revision
	▪ Review, editing and response to reports
	▪ Technical backstopping as needed



<b>Implementation (cont'd)</b>	<ul style="list-style-type: none"> <li>▪ Policy negotiations</li> <li>▪ Operational completion activities in agreement with GEF RCU, determining when the project is operationally completed and advising all interested parties accordingly.</li> </ul>
	<ul style="list-style-type: none"> <li>◆ <i>Financial Management &amp; Accountability</i></li> </ul>
	<ul style="list-style-type: none"> <li>▪ Financial management (verifying expenditures, advancing funds, issuing combined delivery reports, ensuring no over-expenditure of budget).</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Ensuring annual audits of NEX projects are completed and the audited financial statements together with the audit report reach UNDP headquarters (Office of Audit and Performance Review) as needed.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Timely issuance of the initial Annual WorkPlan (AWP) and subsequent Budget Revisions.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Operational and financial completion of the activities in agreement with GEF RCU, ensuring that projects are financially completed no more than 12 months after the date of operational completion by ensuring the final budget revision is promptly prepared and approved.</li> </ul>
<b>Evaluation</b>	<ul style="list-style-type: none"> <li>▪ Ensure preparation and completion of Annual Project Reports (APRs) by the due date, two weeks before the tri-partite review (TPR).</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Organize and attend tri-partite review (TPR) meetings and ensuring that decisions are taken on important issues).</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Ensure preparation and completion of the GEF Project Implementation Review (PIR) reports by the due date.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Arrange evaluations (mid-term, final, post-final, independent etc...), hiring personnel, planning mission) as agreed upon with the GEF RCU and ensuring that GEF-specific requirements with regard to <i>Monitoring &amp; Evaluation</i> are met in accordance with the UNDP-GEF Programming Manual.</li> </ul>