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**United Nations Development Programme**  
**Government of the Hashemite Kingdom of Jordan**  
**Project Document**

**Project Title:** An Integrated Economic and Social Development Policy Framework for Jordan

**UNDAF Outcome(s):**

- Jordan has undertaken political and institutional reform at national and sub-national levels in a participatory, transparent and accountable manner.
- Jordan has institutionalized improved social protection and poverty alleviation mechanisms for vulnerable people at national and subnational levels.

**Expected CP Outcome(s):** Jordan has institutionalized improved social protection and poverty alleviation mechanisms for vulnerable people at national and subnational levels.

**Expected Output(s):** Government is better able to analyse and monitor poverty, assess socio-economic vulnerabilities and review related policies and strategies.

**Implementing Partner:** Ministry of Planning and International Cooperation

**Responsible Parties:** All line ministries

**Brief Description**

The objective of the project is to support the revision and redesign of the Jordanian national development agenda, as well as the national development planning approach in the country, in order to equip the Jordanian Government institutions and other stakeholders with the necessary tools to develop and implement a comprehensive and inclusive National Development Framework that determines/sets Jordan's development vision for the next 10 years, addresses the national development challenges and enhances Jordan's resilience.

Programme Period: 2013-2017 Key Result Area (Strategic Plan): Sustainable Development Pathways Atlas Award ID: _____ Start date: May 2014 End Date: May 2015 PAC Meeting Date: _____ Management Arrangements: NIM	Total resources required: US \$ 441,000 Total allocated resources: US \$ - <ul style="list-style-type: none"> <li>• Regular 200,000</li> <li>• Other:             <ul style="list-style-type: none"> <li>○ Government 100,000</li> <li>○ UN Agencies 141,000</li> </ul> </li> </ul> In-kind Contributions : Offices, furniture, cars are provided by MOPIC
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Agreed by the Government/ (Ministry Of Planning and International Cooperation):

\_\_\_\_\_ 26. 05. 2014

Agreed by (UNDP):

\_\_\_\_\_ 28. 05. 2014

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## I. SITUATION ANALYSIS

Jordan is a country where national planning prevailed since the 1970s and 1980s. In 2005, The Kingdom adopted a National Agenda that paved the way to the economic and social policies that the county will implement between 2006 and 2015. The country has also formulated a pool of sectoral and thematic strategic documents with the notion that all these elaborative documents will complement the socio economic paradigm adopted in this Agenda.

Evidently when analyzing the economic and social performance of the country, it flows to the surface that the social economic model adopted is reaching its limit. The following sections provide a snapshot of the evolution of key socio-economic indicators within the spectrum of the past decade.

The current Jordan National Agenda 2005-2016 represents an ambitious plan for reform, future growth and development of Jordan. His Majesty King Abdullah II Ibn Al Hussein introduced the concept in 2005 as a way to create a comprehensive strategy for social, political and economic transformation, which would position Jordan to pursue sustainable economic growth and greater social inclusion. The National Agenda was distinguished from previous plans by taking a holistic approach to development that recognizes that social, economic and political development can only advance in tandem. Its emphasis on achievement deadlines, performance indicators and built-in monitoring and evaluation mechanisms also made it dynamic and accommodating.

The National Agenda policy initiatives were developed along three main dimensions; Government & Policies involving reforms intended to contribute to the stimulation of economic development, improvement of social welfare, and security. Main focus areas also included Basic Rights and Freedoms covering social inclusion, global inclusion, religious freedom, political and cultural development, equality before the law, access to healthcare, freedom of assembly, personal & property safety, freedom of speech, citizenship rights and free and responsible media sector.

The National agenda addressed the following themes:

- Political Development and Inclusion
- Justice and Legislation
- Investment Development
- Financial Services and Fiscal Reform
- Employment Support and Vocational Training
- Social Welfare
- Education, Higher Education, Scientific Research and Innovation
- Infrastructure Upgrade

Some progress has been made in all pillars. However, progress in the political reform pillar was delayed, due mainly to the complex political context of Jordan. Backed by extensive support from the donor community, Jordan has made the greatest gains in its education and infrastructure pillars. The Executive Development Programme (2011-2013) has been launched to complement the previous development programs and to serve as an action plan for the National Agenda. This programme was prepared in collaboration with many stakeholders. The programme, incorporated some elements on general policies and strategies related to the Millennium Development Goals and indicators, population opportunity policies, poverty reduction strategies through local development, integrated funding strategy for combating desertification, the national strategy for persons with disability.

The Executive Development Programme is composed of seven essential pillars covering all economic and social sectors and introducing a quantitative macroeconomic framework. These pillars are: (1) legislation and justice (2) improvement and development of business environment (3) administrative, financial and monetary reforms (4) support of occupational and technical training and employment (5) social welfare (6) general education, higher education, scientific research and innovation (7) modernization of infrastructure.

The Ministry of Planning and International Cooperation confirmed the need to review and update the National Agenda for many reasons, perhaps the most important are:

- The emergence of several sectoral strategies for most sectors in the economic and social spheres

- Fluctuating global oil and food prices, as a result of the global financial crises
- New challenges and problems facing many sectors such as energy, water or education
- Problems and challenges in existing institutions, business environment and legal framework
- Demographic Opportunity
- New regional developments resulting from the Arab revolts, and the impact this had on Jordan, especially the Syrian refugee crisis.

All these challenges plus the need to redefine the key priorities in the country lead to the development of a new vision towards an Integrated development Policy Framework for Jordan.

To pave the way towards a new global development agenda, the UN launched the Post 2015 development agenda consultations, where Jordan was one of the 88+ countries worldwide, and 10 Arab countries which carried out national consultations on the post 2015 development agenda. The Jordanian national consultations have been a lead contributor to the first preliminary report of the UN Development Group (UNDG) issued in March 2013 and entitled "The Global Conversation Begins – Emerging Views For a New Development Agenda", and also to the UNDG Global report "A million voices: The World We Want", launched by the UN Secretary-General and UNDG Chair on 9 September 2013. For Jordan, the consultations have come at a critical juncture. While the country is steadily progressing towards the achievement of the Millennium Development Goals (MDGs), it is also faced by emerging challenges that are having consequences on its sustainable human development prospects.

The most debated themes during consultations were education, employment, environment and health. Various stakeholders identified similar priorities for the future, generally acknowledging the same basic concerns, and agreed on the analysis of the existing societal barriers to development. Some variations were noted in the solutions suggested, and on the emphasis on how and which development partner should bear prime responsibilities. In line with the features of a predominantly young and dynamic society, youth called for innovative responses to a rapidly evolving set of challenges. Overcoming inequalities and combating poverty remain priorities requiring a collective effort. Persisting stereotypes and cultural attitudes are among the main causes of economic and social disparities, especially when it comes to women, persons living with disabilities, and other vulnerable groups.

Geographical gaps have a multiplier effect on gender inequalities; dedicated policies and programmes targeting rural areas and disadvantaged peripheries should address the persisting asymmetric access to basic quality services and the job market. In parallel, women's participation and representation in the political, economic and social arenas should be continuously nurtured and expanded. Safeguarding citizens' wellbeing was reconfirmed as of critical importance and should be at the core of the future development agenda. Concrete measures to improve the access and quality of the healthcare system and to promote and to enhance food security, nutrition and a healthier lifestyle were pointed out. The four priority areas are fully aligned with Jordan's national socio-economic plans: the National Agenda 2006-2015 and the Executive Development Programme 2011-2013. Achievement of the Millennium Development Goals (MDGs) is a major consideration in each of the four priority areas. Jordan's second MDG Progress report was launched in 2010 and all goals are deemed on track or achievable if certain measures are taken. Jordan is part of a group of 10 countries that is piloting the MDG Acceleration Framework focusing on MDG.

The Country Assessment prepared as a base for the United Nations Development Assistance Framework (UNDAF) 2013-2017 was also aligned with the National Agenda 2006-2015, and the Executive Development Programme (EDP) 2011-2013. Given the 10-year span of the National Agenda, coupled with the short timeframe of the EDP, the UNDAF easily aligned with these national planning processes. The UNCT has opted to continue with a 5-year cycle for Jordan's 3rd generation UNDAF and will seek to align with the government's planning cycle in 2015, by undertaking the mandatory UNDAF progress review. The year 2015 will be the mid-point for the UNDAF, but will also be the year that the government prepares itself for the next National Agenda. In addition, 2015 will be the year in which the MDGs are to be met and the occasion to take stock of Jordan's achievements. The UNDAF progress review in 2015 will

allow the UNCT to make adjustments to ensure that it remains aligned to the evolving national development priorities<sup>1</sup>.

Recent developments in the country, notably the demands for greater transparency and participation, have made the four UNDAF priorities only more pressing. In this context, the UNCT has identified multiple opportunities to work together in precisely those areas that are crucial for addressing the current turbulence in the region: young people and local development. Young people, an UNDAF priority area, are a cross-cutting issue where most agencies are already cooperating.

The UNDP current Country Programme Action Plan (CPAP) focuses on four United Nations Development Assistance Framework (UNDAF) outcomes, providing support to social, governance, environment and disaster-risk-reduction, and Youth empowerment efforts and promoting high levels of achievement on all outcomes, particularly those related to social and governance issues.

## The current socio economic paradigm in Jordan and its limits

### 1.1 In terms of growth performance

The national economic growth at constant prices experienced steady growth at approximately 6.7% during the years before 2009 - with specific rates of 8% in 2006, 8.2% in 2007, 7.2% in 2008 and 5.5% in 2009 - while a decline followed this threshold to reach a dip of 2.3% in 2010, 2.6% in 2011 and another of 2.7% in 2012. Alternatively, the national agenda had predicted the economy to grow at 8% in 2012 and 7% by 2017. This expectation is deemed incompatible with the developments on three frontiers: the global economy, the regional changes and the national economy during the next phase which is heading for a down slope. In particular, since the beginning of the Arab Spring, the decline in GDP growth rate has been highly perceivable.

Similar to GDP, Jordan's inflation rate also formed a plateau at 5% after its sharp decline in 2009. A close look at Jordan's Inflation rate allows us to note that the Average Consumer Price Index has remained constant at around 5% level - in fact, the actual inflation rate in 2013, as provided by Jordan's national statistics stands at 5.6% - and is only expected to fall to 3.0% in 2014 although ESCWA predicts a 5.4% estimated inflation rate in 2014. This change will most probably depend on the adjustment policy that will be implemented in Jordan to cope with the new industries implemented by Syrians.

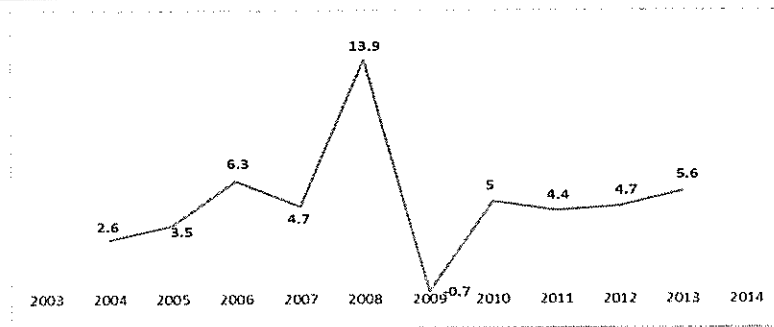
**Table 1: Consumer Price Inflation**

	2006-2009	2010	2011	2012	2013 (est.)	2014 (est.)	2015 (est.)
Average CPI (%change), (IMF est.)	6.09	5.00	4.43	4.78	5.5	3.0	2.4
Consumer Inflation rate (ESCWA est.)		5.0	4.4	4.8	5.0	5.4	

Source: IMF, World Economic Outlook, October 2013; Survey of Economic and Social Developments in the Arab Region, ESCWA, 2012-2013

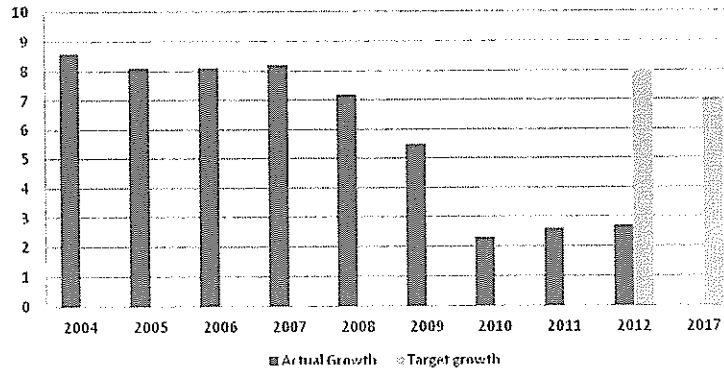
<sup>1</sup> UNDAF

**Figure 2: Inflation (%)**



Source: Jordan National Statistics Yearbook 2012

**Figure 1: GDP Growth % (Constant Prices)**

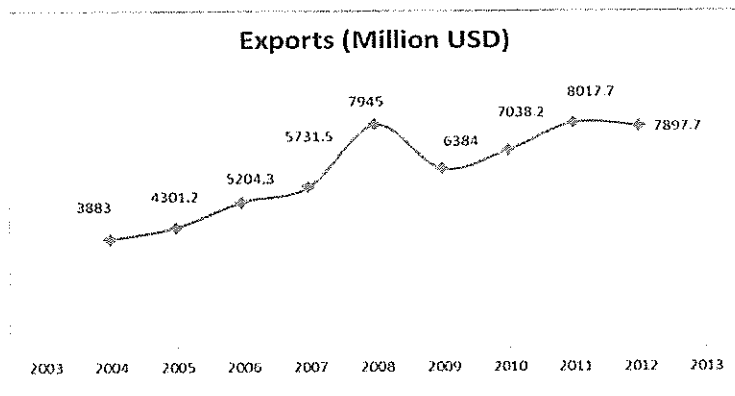


Source: Jordan National Statistics Yearbook 2012, Ministry of Planning and International Cooperation 2010

### 1.2 Widening of the national trade deficit and decline of exports

The decline in global demand and the recent turbulence in the region triggered by the Arab uprising have incurred immense implications on the region’s economic activity and evidently, Jordan’s export and trade. This negative impact can be viewed on national exports in the medium and long term, where a significant decline in export growth was witnessed between 2011 and 2012. On the other hand, the national trade deficit has been growing negatively since 2010 to reach a maximum of – 12.9 Billion US\$ in 2012. This figure contradicts the initial forecasts that stipulated an optimistic decline of trade balance to -1.7 Billion USD in the year 2012 and 900 Million USD in 2017.

**Figure 3: Exports**

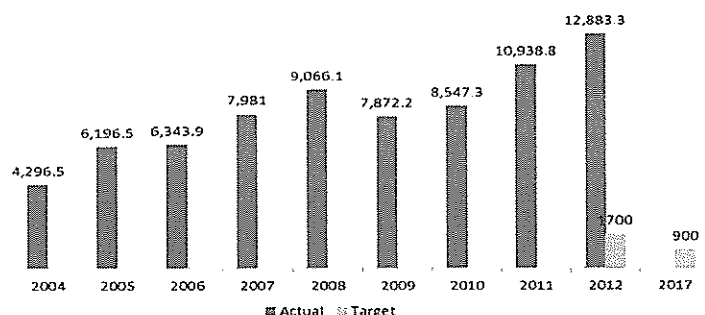


Source: Data provided by the Ministry of Planning and International Cooperation

### 1.3 Budget Deficit

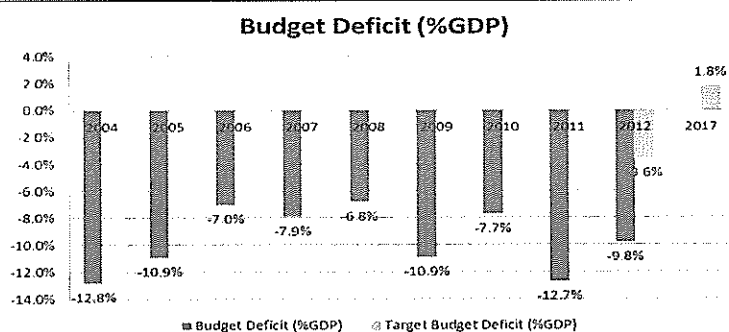
Attempts to reduce the high budget deficit and move forward at the same time in the development plans still poses a major challenge for Jordan in the next few years, taking into account the limited natural resources, and the modest levels of government revenues, in addition to the natural growth of annual public expenditure. Hence, the large deficit in budget imposes additional pressure on the government to maintain fiscal and monetary stability.

Figure 4: National Trade Deficit (Million USD)



Source: Data Provided by the Ministry of Planning and International Cooperation

Figure 5: Budget Deficit



Source: Jordan National Statistics Yearbook 2012, Ministry of Planning and International Cooperation

The allocation of a large proportion of the government budget as current expenditure of the public sector, has led to a decline in the volume of funding available for capital expenditures.

In order to finance the budget deficit, this has entailed that the government increase domestic borrowing, and as a result, the net public debt has risen from 9.660 (Billion JD) in 2009 to 16.580 (Billion JD) in 2012, an increase of around 71.6%. The record budget deficit during the previous two years increased from what is expected, as the deficit as a percentage of GDP in the year 2011, was -12.7% and continued to a low of -9.8% in 2012. The National Agenda had expected a decline in the budget deficit up to -3.6% of GDP in 2012 and 1.8% in 2017.

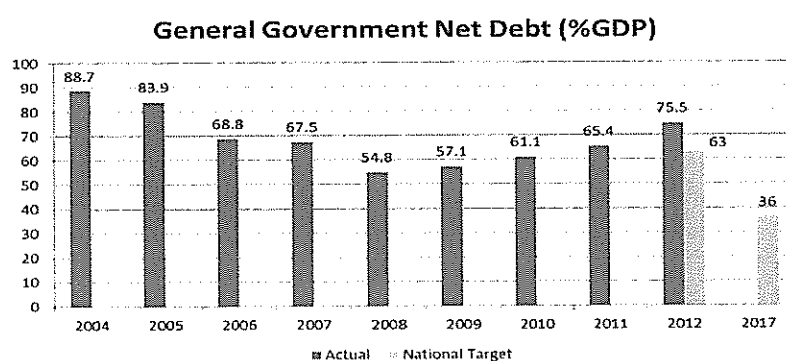
## 1.4 Public Debt

The level of net debt as a percentage of GDP declined in 2008 to 54% in 2008, the absolute value of the public debt remained stagnant during this period before rising to 16.58 Billion JD in 2012.

		2004	2005	2006	2007	2008	2009	2010	2011	2012
General government net debt	Billion JD	7.18	7.494	7.350	8.2	8.551	9.660	11.463	13.402	16.580
General government net debt	% GDP	88.7	83.96	68.85	67.59	54.83	57.12	61.09	65.44	75.5
General government gross debt	Billion JD	7.431	7.524	8.148	8.948	9.394	10.955	12.591	14.483	17.61
General government gross debt	% GDP	91.82	84.30	76.33	73.77	60.24	64.77	67.11	70.72	80.2

Source: IMF World Economic Outlook DB 2013, Ministry of Planning and International Cooperation

Figure 6: General Government Net Debt (in per cent of GDP)



Source: IMF World Economic Outlook DB 2013, Ministry of Planning and International Cooperation

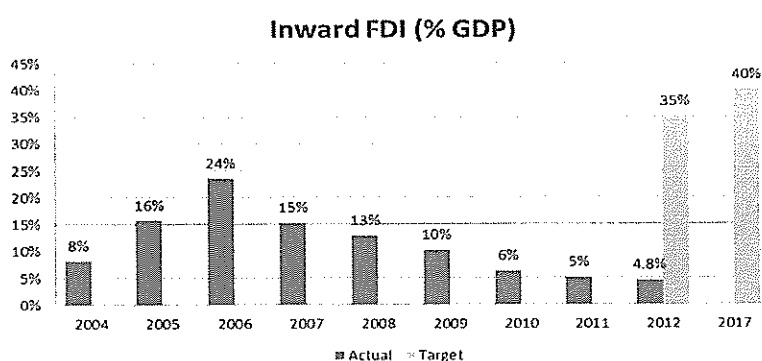
While the national agenda addressed the public debt as a percentage of GDP, it did not develop hypotheses and mechanisms to reduce the size of the debt in absolute terms. The national agenda anticipated a reduction in public debt to 36% of GDP in 2017. The Ministry of Planning and International Co-operation has portrayed the ratio of internal vs. external debt as 3:7 on average.

## 1.5 Foreign investment

Arab investments, of which the majority is Gulf investments, represent the largest percentage of foreign direct investments in the Kingdom; as such the Arab Gulf investments in Jordan have witnessed a remarkable growth during the past few years due to rising financial surpluses from oil revenues. However, in the light of the current financial crisis and its predicted negative impact on the GCC economies and on the financial positions of major Gulf companies that invest a large portion of its financial sources in the global markets, the volume of investments in the Gulf region is anticipated to decrease in general. This is clear from the decline of inward FDI to nearly 4.8% in 2012. On the other hand, the national agenda had estimated that the growth of foreign direct investment as a percentage of GDP will rise to 40% in 2017.



**Figure 7: Foreign Direct Investment Inflows**

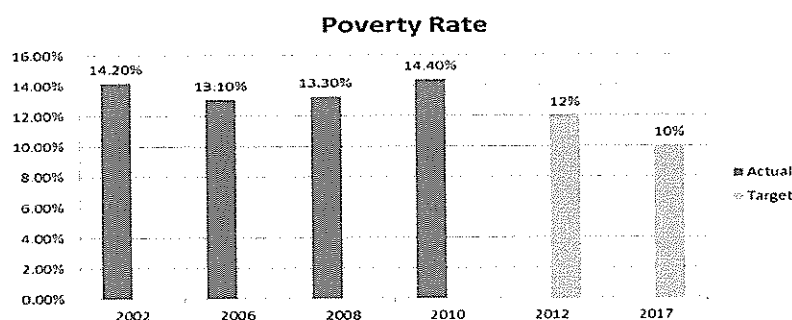


Source: UNCTAD, Ministry of Planning and International Cooperation

### 1.6 Poverty

Still, poverty rates are high and amount to 14.4% of the total population in 2010, which means that the 877 thousand Jordanian citizens are living under the poverty line and spend less than 2 dollars a day. In addition to the presence of (27) pockets of poverty, about twenty of them have a poverty rate of over (25%), and in some areas, the poverty rate reaches up to almost 75%. In light of the decline of the economic situation as a result of the impact of the global financial crisis which reduced the available revenue in the financial budget, in addition to the expected increase in unemployment due to the economic slowdown and the instability in the region, these attributes will result in an increased rate of poverty in the coming years. Hence, a rising need is sought in order to review the current strategy for fighting poverty in a comprehensive manner.

**Figure 8: Projected development of national poverty rate**

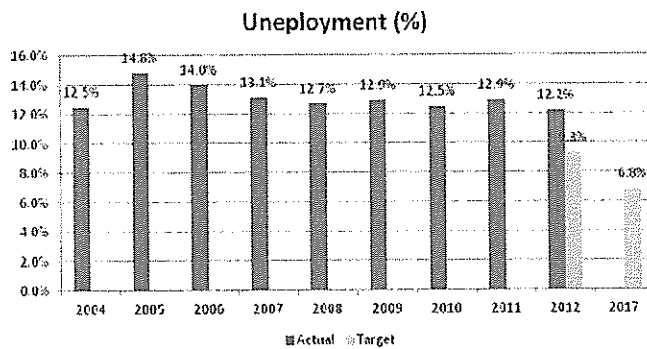


Source: Ministry of Planning and International Cooperation

### 1.7 Unemployment

Recently, unemployment rates have increased to reach 12.6% in 2013, compared with 12.2% in 2012, and 12.9% in 2011. However, it should be noted that 60% of the unemployed population are those under the age of 25 years in 2007, bearing in mind the high growth rates of the Jordanian workforce at 4% per year and the current flexible demand for labor; which would require achieving an economic growth rate of at least 6% to absorb the new entrants into the labor market. The flow of huge numbers of Syrians into the Country due to the Syrian conflict imposes new variables to the equation and presents a larger challenge on the government to create new jobs and reach its initial target of 6.8% unemployment in 2017. Thus, the restructuring of the labor market in order to cater to the needs of its growing population and synchronizing the outputs of the education and training system with the needs of the market and enhancing productivity at the macro and sectoral levels, is still among the major structural challenges faced by the Government of Jordan.

Figure 9: Projection of unemployment rates



Source: Jordan National Statistics Yearbook 2012, Ministry of Planning and International Cooperation 2010

### Additional constraints: Impact of the Syrian Crisis

Followed by the Syrian Crisis, Jordan's GDP growth contracted heavily. From a macroeconomic perspective, many important sectors were affected, for example: decline in tourism, trade (for export-oriented sectors) and so on. Similar to its neighbours, the country was also seriously affected at the social level due to the influx of more than 650,000 Syrian refugees between 2011 and mid 2013. The inflow of large numbers of people imposes new variables and presents a larger challenge on the government to create new jobs in order to reach its initial target of 6.8% unemployment in 2017.

The Syrian crisis worsens existing environmental constraints that are a key determining factor for the Jordanian economy, which suffers from insufficient supplies of water, oil, and lack of other natural resources. Jordan has few natural resources and a small industrial base.

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## II. PROJECT RESULTS: OBJECTIVES, OUTPUTS AND ACTIVITIES

The objective of the project is to support the design of the Integrated Economic and Social framework in order to equip the Jordanian Government institutions and other stakeholders with the tools to develop and implement a comprehensive and inclusive Framework that determines/sets Jordan's development vision for the next 10 years, addresses the development challenges and enhances Jordan's resilience.

The main outputs under this project contribute towards three expected outputs

**Output 1: Social and Economic Challenges are determined, factors hindering the success of national policies and strategies are identified.**

*Activities:*

**Expected accomplishments** under this component refer to the analysis, grouping and mapping of all the views and goals of the current strategic documents in order to identify shortcomings and trigger the adjustments necessary to align them with the new vision.

Thus the activities under this output are:

- Review the current sectoral and national policies and strategies in order to assess the implementation and to ensure the synchronization between them.
- Analyse the current National Agenda document, and its executive programme, and build on the lessons learned in the new document.
- Review existing development planning documents and assess their contribution to the development process.
- Take stock, Review and recommend some reformulation of existing development documents in view of the new vision for a comprehensive socio-economic framework.
- Design a stakeholder tree which shows the responsibility of each entity and identify the links between them to ensure synergy and execution.

**Output2: A new vision and the macro economic and social framework for the next ten years is formulated, incorporating a national executive development program with a clear M&E plan.**

*Activities:*

- Conduct a comprehensive SWOT analysis: summarized view of the current position of the country (political, economical, social, environmental, and cultural), specifically strengths, weaknesses, opportunities, and threats.
- Draft a needs assessment and define the competitive advantage of the country: *the country's competitive advantage includes an analysis of what it is best at compared to the competition.*
- Identify the National Development Framework vision and mission statements.
- Identify the key policy areas to be addressed by the National Development Framework, and formulate their indicators, baselines, and targets.
- Draft the outline of action programmes/plans: specific statements explain how a goal will be accomplished. Areas that move the strategy to operations and are generally executed by teams or individuals within one to two years.
- Link the Development Framework indicators to the respective strategies indicators, to create clear monitoring, evaluation and reporting lines.
- Integrate the MDGs (post 2015 development agenda) and Quality of Life Index within the Development Framework indicators.
- Formulate a Monitoring and Evaluation plan for the Development Framework action plan.
- Strengthen the MIS established at the MOPIC, and update with new indicators.

**Output3: Analytical capacities for the preparation of the Integrated Framework are strengthened, and effective implementation of said Framework is promoted.**

*Activities:*

- Further develop the capacities in MOPIC and line ministries staff on the formulation of the Development Framework.
- Undertake specialised training on the different models' development, and their updates.
- Develop the capacities of the line ministries on reporting on the Development Framework and its action plan with regards to their respective sectoral strategies indicators.
- Align the M&E plans of the different sectoral strategies with the Development Framework.

**Output4: Participatory media and communication strategy for the Integrated Framework is developed.**

**Expected accomplishments** under this component include the design and implementation of a comprehensive and inclusive communication strategy to present the objectives of the 2022 Plan and to strengthen the ownership of this framework by the targeted stakeholders.

Thus the activities under the project contribute towards:

- Building an innovative communication strategy based on a participatory and relatively more "bottom up" approach.
- Implementing appropriate media coverage to increase population's ownership (especially youth) of the social and economic challenges and opportunities offered by the National Development Framework.
- Identify key stakeholders of the plan and the specific communication messages that can target those groups and promote the public profile of the Plan at national and regional levels;
- Prepare a detailed plan for the consultation process over a period of time;
- Build an inclusive communication strategy that involves the different components of the Jordanian society, with a specific focus on identified stakeholders;
- Promote the effective participation of the Youth (large part of the Jordanian population...) , via new and social media;
- Ensure effective lobbying and advocacy work with all partners;
- Organize of a workshop to discuss the developmental objectives of the National Development Framework with development partners and civil society;
- Organize workshops to discuss the content of the National Development Framework with development partners and civil society;
- Collect and document feedback from the consultations;
- Prepare a media coverage strategy;
- Implement a media campaign to increase awareness among the population regarding the main objective and major challenges of the National Development Framework.

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### III. STRATEGY

The situation analysis section highlighted the numerous economic challenges Jordan is facing and previous development programmes ( i.e. the National Agenda 2006-2015, on which the Executive Development Programme 2011-2013 (EDP) was based) put forward a number of priority areas in need of political reform: 1) legislation and justice; 2) improvement and development of business environment; 3) administrative, financial and monetary reforms; 4) support of occupational and technical training and employment; 5) social welfare; 6) general education, higher education, scientific research and innovation; and 7) modernisation of infrastructure. In addition, the MDGs remain a development priority for Jordan.

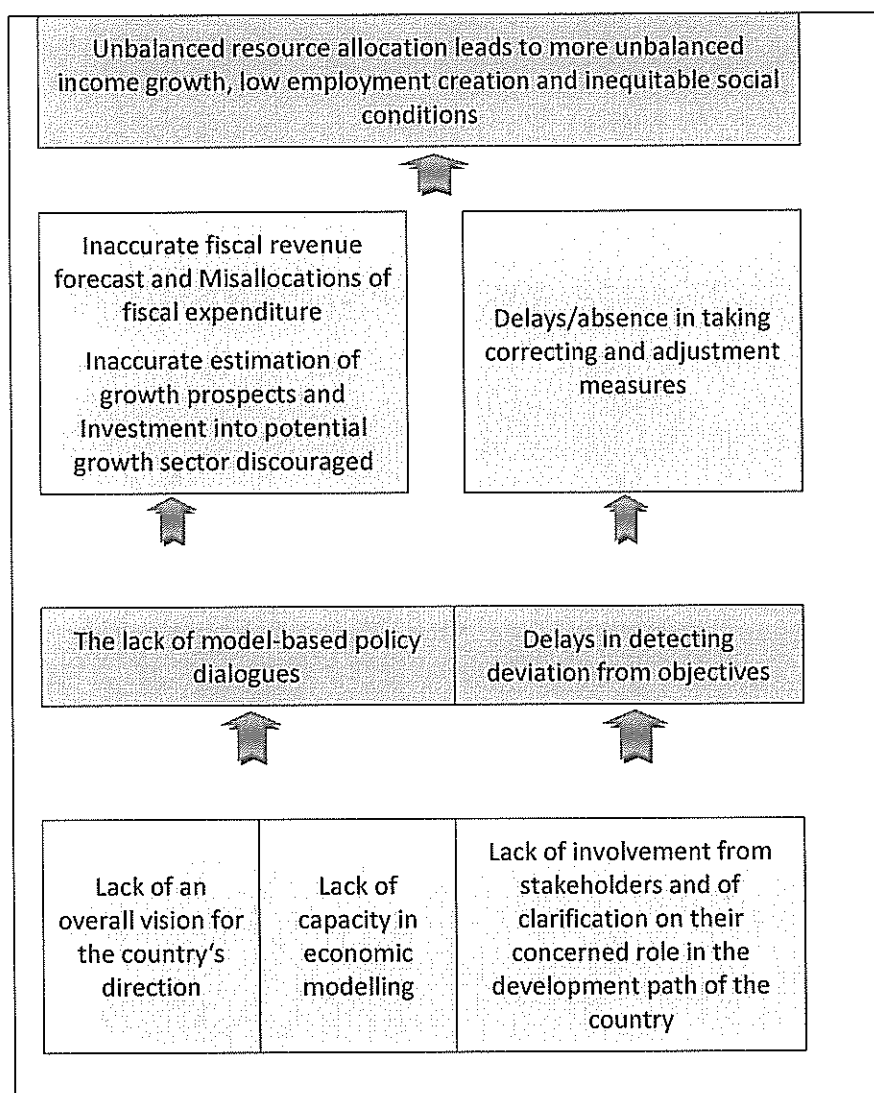
Based on the national development programmes, the United Nations System in Jordan already aligned the UN's Development Assistance Framework (UNDAF) from 2013 to 2017 by zooming in on four strategic priority areas: "1) "Enhancing Systemic Reform" will technically support a number of reforms that will make Jordan's governance more transparent and accountable. It will aim, among others, for: independent self-regulating media; a more efficient and competent civil service; a transparent budgetary process; a technically competent and accountable parliament, greater citizen involvement; a more democratic electoral process with greater involvement of political parties; more effective measures against corruption; and a continued strong commitment to human rights;2) "Ensuring Social Equity" will support efforts to better protect the vulnerable, such as women and children, strengthen safety nets, improve health and education services and reduce poverty by promoting integrated local development that includes income generation and small and medium enterprises;3) "Investing in Young People" will support young people, particularly girls, in acquiring the necessary life skills and knowledge allowing them to participate as agents of change rather than as beneficiaries, promote political and civic engagement, live healthier lives, and improve their employability and their access to decent work opportunities;4) "Preserving the Environment" will give support to improved integrated water resources management, climate change adaptation measures, enhanced mechanisms for disaster risk reduction, better management of ecosystems, as well as cultural and natural heritage, and support Jordan in its transition to a Green Economy." (UNDAF 2013)

While all these strategies are in place, the Government of Jordan realized the need for a coherent and inclusive New Development Model based on an Integrated Development Policy Framework to guide the country strategically over the next decade. As a response to this need and to prepare Jordan for persistent and emergent challenges resulting from domestic, regional and international dynamics, the Ministry of Planning and International Cooperation (MOPIC) has requested UNDP and ESCWA's cooperation and technical assistance.

The overall project strategy targets the improvement of national ownership and recognition of the national development framework, which is to be achieved through inclusive consultations with key stakeholders.

Developing the Development Framework will follow a bottom up approach, where consultations on challenges, new vision, mission, and policy options start at the grass root level. National consultations at the sub-district, district, and governorate level will feed into national consultations. Voices of people, civil society organizations, private sector, women, and youth will form the starting point of the Integrated Framework formulation. Such approach will enable the government in the future to easily and logically link the National Development Framework and its action plan to the governorate development plans, municipal strategies, and Local Development plans.

## Problem tree



## Stakeholder analysis and capacity assessment

Recognizing the importance of involving relevant stakeholders to ensure the success of this project, the partners plan several stages of stakeholder analysis. During the current preparatory phase and to date, a capacity assessment of the MOPIC has already been conducted during two missions in April and July, 2012. During the mission that ESCWA undertook from 16 to 19 November 2013, and after a series of consultative meetings with the Ministry of Planning and International Cooperation and representatives from political parties as well as members of the civil society, a need for a new development paradigm for Jordan was identified.

Throughout the project lifecycle – especially in the analysis and implementation phase – the partners will deploy proven tools (e.g. planning of workshops, focus groups and interviews with key multipliers) to undertake effective stakeholder analysis in order to ascertain: 1) Identification of key stakeholders and their interests (positive or negative) in the project; 2) Assessing the influence of, importance of, and level of impact of the project upon each stakeholder (e.g. the impact on different implementing ministries) and 3) Identifying how best to engage stakeholders.

## Gender mainstreaming

Adopting an economic paradigm shift aiming to diversify the economy in efforts towards increasing productivity and achieving higher growth rates while decreasing unemployment, will not be sustainable without the inclusion of women as major actors throughout the development process. Jordan is not ranked

in the 2012 Social Institution and Gender Index (SIGI) due to missing data for various variables. The country's gender inequality index rates as 0.646 placing it at 135 out of 146 countries. Jordan is ranked in 131st place in the 2011 Global Gender Gap Index, with a value of 0.5753. As reported on the gender-related achievements under the MDG framework "Jordan has succeeded in closing its gender gap in education and health, however, despite progress in women's economic and political participation, gaps remain, particularly in the decision making domain at the national and sub-national levels" (UNDAF 2013).

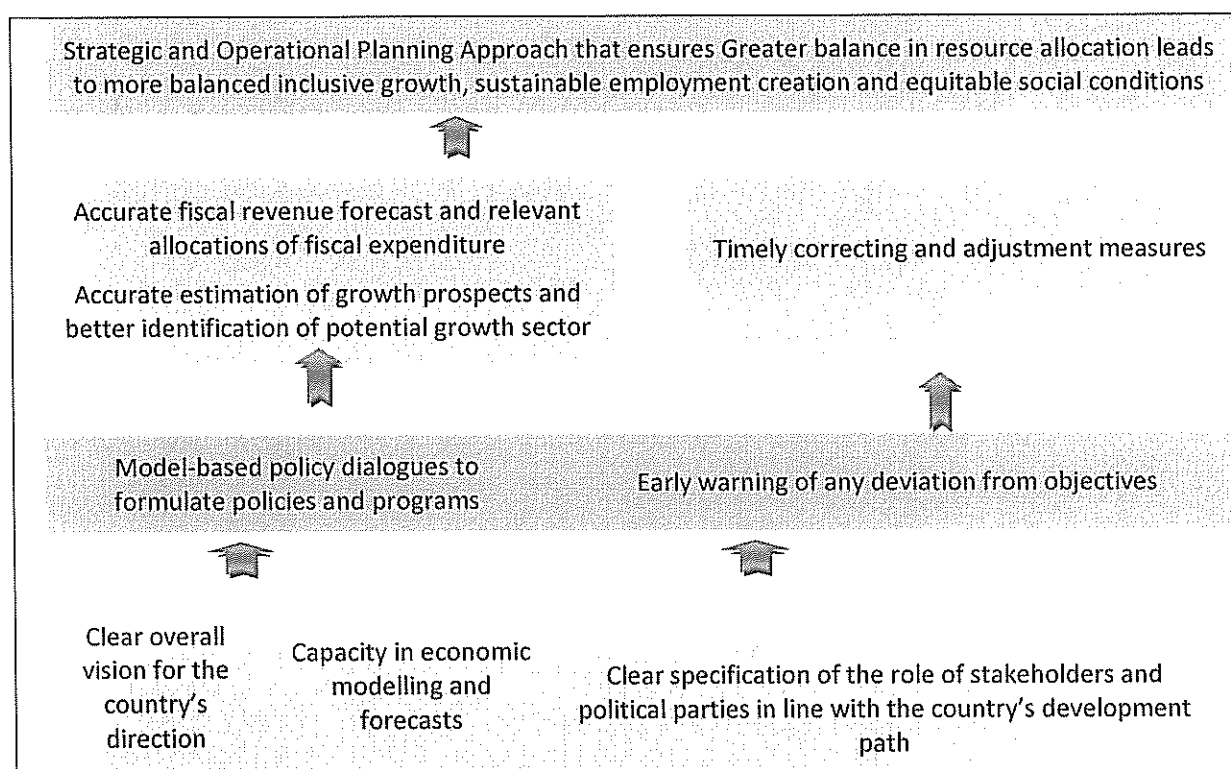
The stakeholders of this project will exercise great care to ensure that gender is mainstreamed in all four components of the project at all levels (e.g. level of beneficiaries, level of decision-makers, level of contributors to the activities). The project objective reflects that the proposed economic paradigm shift requires another paradigm shift in the status of women, by moving from welfare to empowerment.

### Objective Analysis

The present joint project was designed to respond to the main planning challenges described in the Problem tree. The project is designed to strengthen the analytical capacities of the MOPIC and line ministries where needed, in order to be able to develop strategic and operational plans that in turn ensure greater balance in resource allocation and lead to more balanced income growth, sustainable employment creation and equitable social conditions (objective tree).

It responds to the need for a new development paradigm for Jordan through an Integrated Development Policy Framework, identified by the Ministry of Planning and International Cooperation. The objective is to find solutions for the country's current unsustainable economic situation - with problems affecting many sectors, among which water, energy and education. Jordan currently has a national development agenda that expires shortly (the National Agenda extends until 2015 and the current Executive Development Programme expired end of 2013) and in view of the new cycle, the country aims for a complete review of its existing strategies towards a new development paradigm with an overall vision towards 2022. In addition, by helping the country in optimizing its resource allocation, this project will contribute to the Millennium Development Goals (MDG) (especially MDG 1, MDG 3, MDG 7, and MDG 8) as well as to the internationally agreed development goals under the Post-2015 agenda.

### Objectives Tree



## Modelling Tools:

### CGE Modelling:

**Expected accomplishments** enhancement of the existing capacity of MOPIC staff to develop and operate a set of quantitative planning tools, including modelling capacity to assess the macroeconomic implications of various policy options. Furthermore, the capacity of a diverse set of government and non-government stakeholders is expected to be strengthened to improve the capacity for effective implementation (e.g. absorptive capacity) of the New Development Framework.

This would include:

- An updated Social Accounting Matrix (SAM) based on the most recent input-output (I/O) table.
- Static and dynamic versions of a Computable General Equilibrium (CGE) model of the KINGDOM OF JORDAN with a user-friendly Interface Application to the CGE model.
- Contributions to the preparation of government action plans.
- Capacity-building and training of stakeholders increases their ability to implement the elements of the New Development Framework pertinent to their institution

**Main activities** designed to achieve the Project outputs will include:

- (i) **Preparatory Work and Mobilization:** The project teams will work to ascertain the status of data currently available at the MOPIC, Ministry of Finance (MOF), Central Bank of the Jordan, Ministry of Education and Higher Education, Ministry of Public Health, ESCWA and other sources.
- (ii) **Building a social accounting matrix (SAM).** A SAM is an essential technique and framework for development planning. Building on work supported by UNDP, The SAM will be updated for the same year as the I/O table, which will provide a subset of the information required for the SAM. The SAM will utilize labor and household surveys as well as information from the balance of payments and the government budget. To the extent that the necessary data is available, selected model elasticities will be estimated econometrically (including, for example household demand elasticities).
- (iii) **Development of static and dynamic versions of a computable general equilibrium (CGE) model.** The static model will start from the model in Bchir et al. (2008). A dynamic version will be developed, drawing on earlier and ongoing research at ESCWA (Annex-II). These models will be as transparently as possible. The structure of the CGE model will match the structure of the SAM; both the model and the SAM will be designed in light of the policy issues that it will address.
- (iv) **Extension of the models.** It is anticipated that the versions of the CGE models will be modified and enriched to enable them to adequately address specific issues of interest. In particular, some of the specific issues to be addressed in the extensions of the basic models will be in the areas of labor market, trade, private sector development, and economic transformation.
- (v) **Policy evaluation and forecasting.** After developing the basic and extended models, these models will be used to evaluate the likely impact of specific policies and shocks from the world economy. This will help policymakers in formulating policies, and in understanding the likely future evolution of the Jordan's economy and how it is influenced by international conditions as well as domestic policies.
- (vi) **Design and develop a user-friendly Interface Application.** The purpose of the interface is to enable a broader target group, in particular policymakers and planners, to conduct policy simulations with the CGE model. The interface will be designed following the identification of the requirements of the client, including the types of scenario selections and sensitivity analyses that the end user is likely to perform. As this interface will serve high-level policy-makers, emphasis will be placed on the user-friendliness and aesthetic elements of the design so that users can commence interacting with the system after receiving a minimum amount of training. Decision makers will be able to communicate directly with the system through the specification of policy sets and scenarios and to study the effect of sensitivity analysis on a choice of variables in relation to a selected base case.



**IV. RESULTS AND RESOURCES FRAMEWORK**

**Intended Outcome as stated in the Country Programme Results and Resource Framework:**

- 1) Jordan has undertaken political and institutional reform at national and sub-national levels in a participatory, transparent and accountable manner.
- 2) Jordan has institutionalized improved social protection and poverty alleviation mechanisms for vulnerable people at national and subnational levels.

**Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:**

# of laws drafted in a participatory and transparent manner; # of national consultation processes engaging civil society; # of political-reform initiatives undertaken by the Government and Parliament; # of national institutions with functional accountability mechanisms; # of local governance mechanisms for citizen participation established; per cent of young people and marginalized groups engaging in voluntary civic and political activities and initiatives.  
 # of effective local planning systems with gender-sensitive sectoral databases in place (Baseline: 0. Target: 1 planning system, 1 sectors database/governorate by 2015)

**Applicable Key Result Area (from 2013-2017 Strategic Plan):** sustainable development pathways

**Partnership Strategy:** Engage Communities, public, private institutions, and CSOs at the sub-national and national levels, as well as with development partners and UN agencies.

**Project title and ID (ATLAS Award ID):**

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p><b>Output 1:</b>                      Current National Agenda 2006-2015, and current strategic documents are revised and analysed.                       Indicators: Revision of 2005-2016 National Agenda, 2011-2013 EDP, and at least 5 strategic documents.                       Baseline: None</p>	<ul style="list-style-type: none"> <li>• Analysis, grouping and mapping of all the views and goals of the current strategic documents.</li> <li>• Identifying shortcomings and trigger the adjustments necessary to align them with the new vision.</li> </ul>	<ul style="list-style-type: none"> <li>• Analyse the current National Agenda document, and its executive programme, and build on the lessons learned in the new document.</li> <li>• Review existing development planning documents and assess their contribution to the development process.</li> <li>• Take stock, Review and recommend some reformulation of existing development documents in view of the new vision for a comprehensive socio-economic framework.</li> </ul>	MOPIC	<p><u>Project Management Unit:</u>                      1 P5 (6 months): 80,000                      1 national project Officer: 24000                      1national project coordinator: 18,000                      1 project assistant: 12000                      1IT (programmer):20000  <u>National Consultants</u>                      3national consultants:30,000                      Miscellaneous:5,000                      Workshops: 2000                      travel: 5000</p>

<p><b>Output 2:</b> New vision, mission, and an inclusive gender sensitive National Development Framework with key policy areas, is formulated and interpreted into a National executive development programme, with a clear M&amp;E plan.</p> <p>Indicators:</p> <ul style="list-style-type: none"> <li>- Stakeholder analysis</li> <li>- Modelling</li> <li>- Consultations at sub-national and national level</li> <li>- Formulation of at least 20 policy option papers</li> <li>- Formulation of Development Framework</li> <li>- Formulation of Development Framework Action Plan.</li> </ul> <p>Baseline:</p> <ul style="list-style-type: none"> <li>- No stakeholder analysis</li> <li>- Existing I/O, and SAM</li> <li>- Consultations established through post 2015 agenda, and for the government 2013 action plan.</li> <li>- 23 Policy option papers for</li> </ul>	<ul style="list-style-type: none"> <li>- stakeholder analysis finalised</li> <li>- I/O, SAM and other modelling established</li> <li>- 12 Consultations undertaken at sub-national level.</li> <li>- 6 Consultations undertaken at the national level.</li> <li>- Policy option papers for the Poverty reduction strategy.</li> <li>- Development Framework formulated</li> <li>- Development Action Plan developed.</li> </ul>	<p>Conduct a comprehensive SWOT analysis: summarized view of the current position of the country (political, economical, social, environmental, and cultural), specifically strengths, weaknesses, opportunities, and threats.</p> <p>Draft a needs assessment and define the competitive advantage of the country: <i>the country's competitive advantage includes an analysis of what it is best at compared to the competition.</i></p> <p>Identify the National Development Framework vision and mission statements.</p> <p>Identify the key policy areas to be addressed by the National Development Framework, and formulate their indicators, baselines, and targets.</p> <p>Draft the outline of action programmes/plans: specific statements explain how a goal will be accomplished. Areas that move the strategy to operations and are generally executed by teams or individuals within one to two years.</p> <p>Link the Development Framework indicators to the respective strategies indicators, to create clear monitoring, evaluation and reporting lines.</p> <p>Integrate the MDCs (post 2015</p>	<p>MOPIC and line ministries</p>	<p>International consultants:50,000 Modelling: ESCWA contribution National consultants:30,000 Workshops: 15,000 Travel:20,000 Printing:15,000 Miscellaneous:5,000</p>
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<p>the Poverty reduction strategy.</p> <ul style="list-style-type: none"> <li>- Current National agenda and EDP.</li> </ul>		<p>development agenda) and Quality of Life Index within the Development Framework indicators.</p> <p>Formulate a Monitoring and Evaluation plan for the Development Framework action plan.</p> <p>Strengthen the MIS established at the MOPIC, and update with new indicators.</p>		
<p>Output3: Analytical capacities for the preparation of the New Development Framework are strengthened, and effective implementation of said Framework is promoted.</p> <p>Indicator:</p> <ul style="list-style-type: none"> <li>- No. of MOPIC and line ministries concerned staff with strategic planning skills</li> <li>- No. of M&amp;E units at MOPIC and Line Ministries, and No. of staff with M&amp;E skills</li> <li>- No. of staff with modelling capacities</li> <li>- No. of Line ministries staff with capacities to report online on the EDP MIS.</li> </ul> <p>Baseline:</p> <ul style="list-style-type: none"> <li>- TBD</li> <li>- TBD</li> </ul>	<ul style="list-style-type: none"> <li>- 80% of concerned staff at MOPIC and line ministries have strategic planning capacities.</li> <li>- 90% of line ministries have M&amp;E units, at least 2 dedicated staff members at each line ministry with M&amp;E capacities.</li> <li>- 3 staff members at MOPIC with modelling capacities</li> <li>- All Line ministries with at least 2 staff members with capacities to report online on the EDP MIS.</li> </ul>	<ul style="list-style-type: none"> <li>• Further develop the capacities MOPIC and line ministries staff on the formulation of the Development Framework.</li> <li>• Undertake specialised training on the different models' development, and their updates.</li> <li>• Develop the capacities of the line ministries on reporting on the Development Framework and its action plan with regards to their respective sectoral strategies indicators.</li> <li>• Align the M&amp;E plans of the different sectoral strategies with the Development Framework.</li> </ul>	MOPIC	<p>Workshops: 15,000</p> <p>travel: 5,000</p> <p>software:5,000</p> <p>Micellaneous:5,000</p> <p>Printing: 5,000</p>

<p>- TBD</p> <p>- TBD</p>				
<p><b>Output4:</b> Participatory media and communication strategy for the New Development Framework is developed.</p> <p><b>Indicator:</b> Participatory media and communication strategy dedicated staff to work on the communication strategy</p> <p>interactive Development Framework website</p> <p><b>Baseline:</b> No Participatory media and communication strategy in place</p> <p>No dedicated staff to work on the communication strategy</p> <p>No national Agenda interactive website</p>	<p>Designing and Building an inclusive and innovative communication strategy based on a participatory and relatively more “bottom up” approach.</p> <p>Implementing appropriate media coverage to increase population’s ownership (especially youth) of the social and economic challenges and opportunities offered by the National Development Framework.</p> <p>3 dedicated staff to work on the communication strategy</p> <p>An interactive Development Framework website developed and operational</p>	<ul style="list-style-type: none"> <li>Identify key stakeholders of the plan and the specific communication messages that can target those groups and promote the public profile of the Plan at national and regional levels;</li> <li>Prepare a detailed plan for the consultation process over a period of time;</li> <li>Build an inclusive communication strategy that involves the different components of the Jordanian society, with a specific focus on identified stakeholders;</li> <li>Promote the effective participation of the Youth (large part of the Jordanian population...) , via new and social media;</li> <li>Ensure effective lobbying and advocacy work with all partners;</li> <li>Organize of a workshop to discuss the developmental objectives of the National Development Framework with development partners and civil society;</li> <li>Organise workshops to discuss the content of the National Development Framework with development partners and civil society;</li> </ul>	<p>MOPIC</p>	<p>Contractual services: 70,000</p> <p>workshops: 10,000</p> <p>Micellaneous:5,000</p>

		<ul style="list-style-type: none"> <li>• Collect and document feedback from the consultations;</li> <li>• Prepare a media coverage strategy;</li> <li>• Implement a media campaign to increase awareness among the population regarding the main objective and major challenges of the National Development Framework.</li> </ul>		<p style="text-align: right;"><b>Total Budget: 441,000</b></p>
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## V. MANAGEMENT ARRANGEMENTS

This project will be implemented by the Ministry of Planning and International Cooperation MOPIC, Under NIM modality. The project will be managed by a team composed of one International CTA, a national project Officer, a national project coordinator, and a project assistant stationed at MOPIC. The team will be responsible for the day-to-day management. Project assurance, monitoring and evaluation will be the responsibility of the UNDP CO, and ESCWA. The UNDP CO and ESCWA will be responsible for achieving the project outputs.

The Project will have a Project Board, which will be responsible for making consensus basis management decisions for the project when guidance is required by the CTA, including recommendation for approval of project revisions. Project reviews by the Board are made at quarterly basis during the running of a project, or at milestones when raised by the CTA or the technical committee. Project tolerances (i.e. constraints in terms of time and budget) will be agreed upon by the Board during the first meeting. The Board is consulted by the CTA for decisions when tolerances have been exceeded. Project Assurance supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. A UNDP Programme Officer will hold the Project Assurance role for the UNDP Board member.

The project duration will be for 1 year after signature of the Project Document. MOPIC will assign a focal point to kick start implementation and hiring of the Project Team. UNDP will provide a contribution of US \$ 100,000. ESCWA will provide technical assistance through hiring at least 3 international consultants needed per project outputs, and will also support the project activities through ESCWA consultants and staff for the modelling.

UNDP will be the budget holder of the funds under the National Execution Modality. These funds will be channelled through the UNDP bank account and disbursed upon receiving a request for payment and copies of invoices by the CTA. Additionally, financial advances will be transferred to the project on a quarterly basis upon request of the CTA in specific cases and for specific purposes. The project must open a separate bank account in order to receive and disburse the funds transferred from UNDP. The Project CTA would be required to submit quarterly financial reports (FACE forms) to UNDP, endorsed by the Implementing Partner. Purchase of non-expendable equipment and services will be done by UNDP at the request of the implementing partner and/or the Project CTA once he/she is in place. The request should be based on a procurement plan submitted along with the work plan and on an agreement to be signed with the government UNDP charges Implementation Support Services fees as per the Universal Price List. The project will be subject to audit at least once in its lifetime based on UNDP's financial rules and regulations.

The project will be supported jointly by MOPIC, UNDP, and ESCWA. UNDP will be the lead agency of the project.

Memorandums of Understanding will be prepared and signed by UNDP and ESCWA upon signature of the project document. The MOUs would outline the specific roles of each agency and communication and consultation mechanisms to ensure best services are provided to the government. Additionally it will outline as well any additional financial contribution provided by ESCWA, and UNDP.

### **Project Board:**

In terms of roles and responsibilities, a project board will be set up chaired by the Minister of Planning and International Cooperation, UNDP Country Director, ESCWA representative (at the same level), will act as Board members.

Committee	Main role	Frequency of meetings	Decision-making process	Facilitated by
Project Board PB	Strategic guidance, oversight, and coordination	Half-yearly (Members can convene extraordinary meetings)	Each member has the right to vote and decisions are made by the chair on a consensus basis.	UNDP

The project duration will be for 12 months after signature of the Project Document. MOPIC will assign a focal point to kick start implementation and hire the Project Team. UNDP will provide financial contribution and technical assistance. ESCWA will provide needed technical assistance based on request by the CTA, and the technical committee. The Ministry of Planning and International Cooperation will provide financial support to the project, through a cost sharing agreement with UNDP.

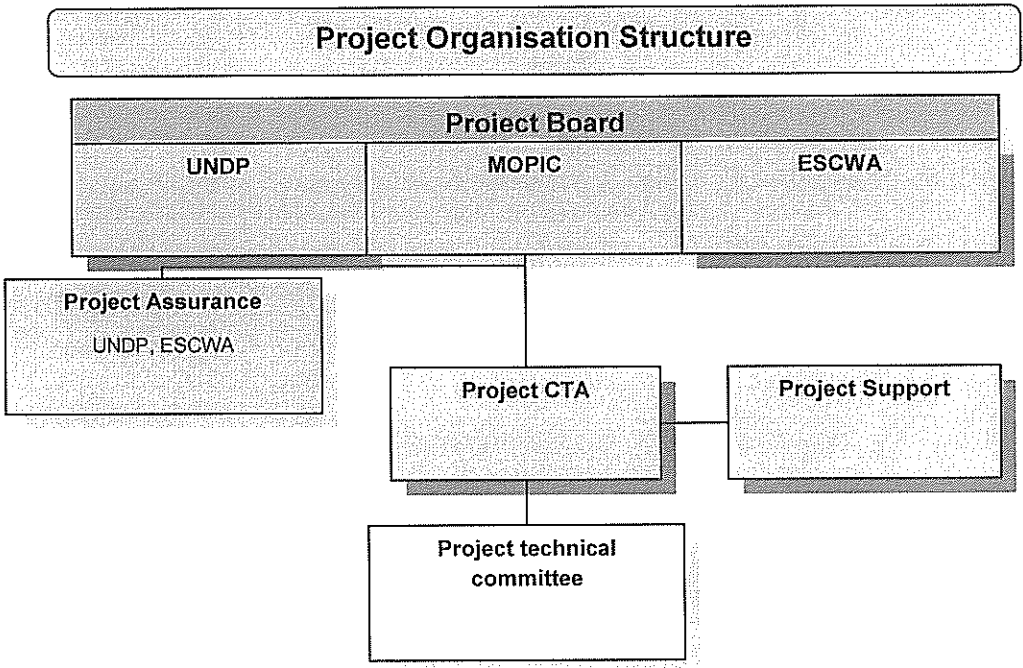
**Technical Committee:**

The Project will have a technical committee with representatives from:

- MOPIC
- Ministry of Finance
- ESC
- Academia
- Private Sector
- NGOs
- ESCWA
- UNDP

The Technical Committee will meet to discuss and decide on all technical aspects of the project. The Committee reports to the Project Board for final decisions. If deemed necessary the TC may invite other members to join the meeting. The TC will provide the strategic guidance necessary to ensure that the project remains relevant to the national development context and contribute to public policy dialogue and development. The TC will also facilitate ongoing monitoring and evaluation of the project activities in conformity with UN standards and any guidance provided by the PB.

Committee	Main role	Frequency of meetings	Decision-making process	Facilitated by
Project Technical Committee	Technical guidance	Bi-monthly	Final decisions are taken by consensus	UNDP





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## VI. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

### Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project CTA to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project CTA to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

### Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project CTA and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

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## VII. LEGAL CONTEXT

Consistent with the Article III of the Standard Basic Assistance Agreement (SBAA), the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

- a) 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;
- b) Assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

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 Implementing Partner's obligations under this Project Document.

The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document 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/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document".

VIII. ANNEXES

I. RISK LOG

Project Title:		Award ID:		Date:
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#	Description	Date Identified	Type	Impact & Probability	Countermeasures/ Mngt response	Owner	Submitted/ updated by	Last Update	Status
1	Security situation in the region might affect the implementation of the project.	2014	Environmental	P = 3 I = 5	-	MOPIC	UNDP	Feb 2014	no change
2	Co-financing difficulties		Financial	P = 1 I = 5	Mobilise extra resources	MOPIC	UNDP	Feb 2014	no change
3	Institutional/ Execution Capacity		Organizational	P = 1 I = 3	Work on capacity development	MOPIC	UNDP	Feb 2014	no change
4	Government commitment		Political	P = 2 I = 5	board meeting to discuss with government	MOPIC	UNDP	Feb 2014	no change
5	Project Management		Operational	P = 1 I = 3	hire qualified staff	UNDP	UNDP	Feb 2014	no change
6	Partnerships failing to deliver		Strategic	P = 1 I = 3	board meeting to discuss with government	MOPIC	UNDP	Feb 2014	no change

## Special Clauses:

1. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.
2. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
3. All financial accounts and statements shall be expressed in United States dollars.
4. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavours to obtain the additional funds required.
5. If the payments referred in the schedule of payments are not received in accordance with the payment schedule, or if the additional financing required is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
6. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

- (a) [8%]cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
  - (b) Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.
7. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
  8. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP."