

**Project Title:** Support to the Economic and Social Fund for Development

**Project Number:** 00076878

**Implementing Partner:** CDR

**Start Date:** Jan 2019

**End Date:** Dec. 2022

**PAC Meeting date:** June 1, 2018


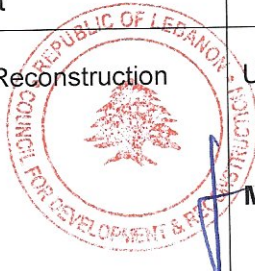

### Brief Description

The Economic and Social Fund for Development (ESFD) is a semi-autonomous entity with a mandate of poverty alleviation in Lebanon. The ESFD focuses on two main components. The Job Creation component aims at enhancing job opportunities in the disadvantaged areas of Lebanon through the provision of credit to small and medium enterprises and capacity development to individual entrepreneurs. The Community Development & Infrastructure one aims at improving living conditions of the poorest and most deprived communities in Lebanon, through the provision of grants and technical assistance to municipalities. It also contributes in responding to Syrian refugees' crisis through improving infrastructure and reviving local economies.

The project will support ESFD in strengthening its capacity and enhancing coordination and synergies. The project will support in the management of its overhead, especially in the recruitment, mobilization of long-term and temporary experts, and in the provision of procurement activities.

<b>Contributing Outcome (UNDAF/CPD, RPD or GPD):</b> Productive sectors strengthened to promote inclusive growth and local development, especially in most disadvantaged areas. <b>Indicative Output(s) with gender marker:</b> GEN 1: limited contribution to GE	<b>Total resources required:</b>	USD 7,718,000	
	<b>Total resources allocated:</b>	USD 7,718,000	
		<b>UNDP TRAC:</b>	-
		<b>Donor:</b>	-
		<b>Government:</b>	USD 7,718,000
	<b>In-Kind:</b>	-	
	<b>Unfunded:</b>	-	

Agreed by (signatures):

Government	UNDP
<p>Council for Development and Reconstruction (CDR)</p>  <p><b>Mr. Nabil El Jisr</b></p> 	<p>UNDP Country Director</p>  <p><b>Ms. Celine Moyroud</b></p>
Date: 28 AUG 2019	Date: 17-8-2018

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## I. DEVELOPMENT CHALLENGE

The United Nations Development Programme (UNDP) in Lebanon currently operates on the basis of the Country Programme Action Plan for 2016 – 2020, which was approved by the Government of Lebanon in December 2016. This plan is guiding the UNDP Lebanon country office's programmes and projects for this period, and focusing on internal and external security, governance and sustainable development, and placing an emphasis on meeting the immediate needs arising from the Syrian crisis. The UNDP Social and Local Development Programme is responsible for supporting over 7 different projects with a particular focus on vulnerable regions of Lebanon. This encompasses the North, South, Bekaa, Beirut Southern Suburbs and Mount Lebanon regions. Those projects are essentially aiming at promoting and improving social and economic sustainable development, and supporting the Lebanese host communities affected by the Syrian crisis while involving all key stakeholders including municipalities, the civil society and the private sector.

The Economic and Social Fund for Development (ESFD) started with an initial budget of EUR 31 million and has been initiated following a signed agreement between the European Commission and the Government of Lebanon in 2000. These EC funds provide financial support to the implementation of activities and are separate from the ESFD revolving fund. ESFD was launched in June 2002 as a semi-autonomous structure with a Project Manager reporting directly to the CDR President and a mandate of poverty alleviation in Lebanon.

The ESFD focuses on two main areas of intervention:

- The job creation component, which aims at enhancing job opportunities in the disadvantaged areas of Lebanon through the provision of credit to small and medium enterprises and capacity development to individual entrepreneurs.
- The community development and Infrastructure (CDI) component, which aims at improving living conditions of the poorest and most deprived communities in Lebanon, through the provision of grants and technical assistance to municipalities serving as the link between the ESFD and local communities. It also contributes in responding to Syrian refugees' crisis through improving infrastructure and reviving local economies.

The ESFD's operations estimate for 2019 is around USD 15 million. The overhead costs of ESFD are covered from the interest generated from loans; these interests essentially provide ESFD's sustainability. Disaggregation between activities and overheads (such as staff salaries, office rent, IT, training, audit or other running costs), shows that the latter accounts for a little over USD 2 million part of the 2019 budget.

ESFD operations on the ground have started in 2003. As of end of April 2018, it has financed 10,100 projects, including 8,800 targeted to Small and Medium Enterprises (SMEs), and 1,300 to Micro-Enterprises and revolving a total of around USD 26 million. It has also supported a diverse range of projects not limited to funding long-established SMEs activities, but expanded to a significant number of start-up projects with an increased engagement with women entrepreneurs.

The Community Development and Infrastructure Component successfully prepared and implemented 80 participatory local development projects with an overall value of EUR 11.2 million in around 100 partner communities with prevailing levels of poverty. The activities include productive projects in the agricultural sector, local infrastructure and social service projects. Between 2013 and 2017, the CDI Component has planned and implemented 17 projects with an overall value of EUR 15 million, to upgrade municipal services in 18 communities hosting high concentration of Syrian refugees in the North and Bekaa and other 104 communities distributed all over Lebanon. The CDI Component has also designed and currently implementing a program with a value of EUR 6 million that aims to revive local economies in around 110 communities. This program focuses on three main axes of intervention namely agricultural infrastructure, extension programs, support to agricultural cooperatives and vocational training.

Overall, the ESFD has created almost 7600 jobs and contributed to the creation of direct and indirect livelihood impact on around 900,000 permanent residents in 282 communities across Lebanon. Therefore, accrued support to ESFD is necessary to yield increased positive impact on local development.

By May 2018, the ESFD has 24 core positions under UNDP and 13 with CDR. ESFD operations require the facility of mobilizing temporary experts. At the management level, the Manager of ESFD directly reports to the President of CDR. The internal structure of ESFD follows the two main activity components supported by the operational team.

The ESFD will be supported by UNDP in strengthening its capacity and in enhancing its coordination and synergies. At a programmatic level, there are great synergies to be observed between ESFD and the UNDP Social and Local Development Portfolio. UNDP has regional offices and projects across the country and strong partnerships with local actors and could therefore ensure synergy with both the community development and the job creation components at ESFD to achieve the vision of a sustainable and

comprehensive local development approach and results. Specifically related to economic and social local development, the Social and Local Development Portfolio is currently supporting and implementing projects of key relevance to ESFD.

The Portfolio is already engaged with numerous activities covering the previously mentioned regions of Lebanon and supporting small-scale economic projects, local stakeholders' capacity development for elaborating and implementing local development plans, as well as other localized income-generating initiatives.

The Business Development Services (BDS) at ESFD has over the years proved to be an important catalyst for lending activities. The BDS officers in the regions identify SMEs, provide support and develop un-banked business owners in poor areas into bankable clients who would, otherwise, not enjoy the benefits of financial services. The BDS would benefit from the presence of UNDP regional offices and build-on UNDP existing network, while UNDP will gain more strength on local economic development issues.

The Community Development and Infrastructure Component at the ESFD is one of the main players in preparing and implementing several local development projects in various communities across Lebanon with prevailing levels of poverty. The activities include productive projects in the agricultural sector (production and processing), local infrastructure and social service projects. UNDP implements several similar projects and would therefore coordinate activities.

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## II. STRATEGY

The project will support the Economic and Social Fund for Development in strengthening its capacity and in enhancing its coordination and synergies:

**Output 1: Economic and Social Fund for Development is supported in achieving its aim for alleviating poverty in Lebanon through the creation of employment opportunities and through the improvement of living conditions in disadvantaged communities**

**Activity 1: Strengthen ESFD Capacity and Enhance Coordination and Synergies**

Sub-activity 1: Support ESFD in the recruitment and overhead management:

The project will support ESFD in the management of its overhead, in the recruitment and mobilization of qualified staff. This will provide the ESFD with qualified staff and will ensure minimum turnover of staff.

Sub-activity 2: Support ESFD in the procurement activities:

The project will support ESFD in procurement and mobilization of long-term and temporary experts and in the provision of procurement activities.

Sub-activity 3: Enhance coordination and synergies:

The project will also support ESFD in enlarging its coordination network. The project will assist ESFD in the identification of existing small and medium enterprises in selected poor areas of Lebanon, with equal opportunities to men and women. Data collection and recording will serve the purpose of creating and maintaining a database of potential targeted beneficiaries.

Based on this database, ESFD will provide support to un-banked business owners. With the provision of financial services, these business owners will become bankable clients with the opportunity to develop their technical and professional capacities.

The project will coordinate and assist in the identification and implementation of local development projects involving all local stakeholders (municipalities, NGOs, CSOs, youth groups etc.). This will consist of the selection of communities for project intervention, and making available results on participatory planning at the local level. The resources mobilised for the implementation of the community development and Infrastructure initiatives originates from the European Commission funds external to the ESFD revolving funds used for this project.

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### **III. RESULTS AND PARTNERSHIPS**

#### ***Expected Result***

Expected Result: ESFD Capacity strengthened, coordination and synergies enhanced for effective formulation and implementation of regional and local development plans, through:

1. Supporting ESFD in the management of its overhead
2. Supporting ESFD in the recruitment and mobilization of long-term and temporary experts
3. Supporting ESFD in procurement activities
4. Supporting the identification of local development projects in various communities across Lebanon with prevailing levels of poverty with a focus on the agricultural sector (production and processing), local infrastructure and social service projects
5. Supporting in the identification of SMEs in under-served regions of Lebanon

#### ***Partnerships***

The ESFD is a permanent Organization for poverty alleviation, established as an autonomous department at the Council for Development and Reconstruction (CDR).

The mission of ESFD, as a tool for poverty alleviation, requires usually the design of multi sectorial interventions that could include agriculture, health, education, potable water, solid waste or others. The ESFD cares to respect the main strategies or master plans of the Line ministries, and complement or build on their existing initiatives. As a result, the ESFD has always built and still, a solid and close partnerships with Line Ministries and other relevant public stakeholders such as Water Authorities, Green Plan, General Directorate of Cooperatives and others. The ESFD believes also in the synergy with Universities, chambers of Commerce and industry, Orders of Engineers as they are main stakeholders in the development process. Throughout the previous years, the several partnerships and common initiatives have been implemented with these partners.

The ESFD has established partnership with commercial banks allowing for an extensive outreach to many small enterprises in all regions of Lebanon. The ESFD addresses the main constraints for small enterprise development in Lebanon, mainly the access to finance for business operations and the support to business development, through the provision of financial (channelled via commercial banks) and non-financial services to small and medium enterprises. The ESFD has also signed memoranda of understanding with incubators, universities, and municipalities to increase the outreach of SMEs to the ESFD services.

The Lebanon Crisis Response Plan (LCRP) aims to increase the focus on aid coordination with and through government and nongovernment structures including UN agencies, Non-Governmental Organisations (NGO), the private sector and academic institutions, to promote transparency, enhanced coordination, tracking, accountability as well as objective monitoring and evaluation. The LCRP sectors are coordinated through the Inter-Sector Working Group led by MoSA, a mechanism that reports to the leadership body of the LCRP and includes LCRP sector leads from line ministries, as well as sector coordinators, and key response partners as per the terms of reference of the Inter-Sector Working Group. In accordance with their specialized mandates, UNHCR and UNDP act as co-chairs.

As such and in the framework of the response to the Syrian crisis, ESFD will coordinate with UNDP and the Inter-Sector Working Group specifically the Livelihood and Social Stability groups to report on the progress/achievements of the activities that ESFD implementing.

## ***Risks and Assumptions***

The key risks that can threaten the achievement of results are:

- Political instability at national and local levels
- Low willingness to cooperate amongst stakeholders
- Difficulty to achieve results related to project activities
- Difficulties in ensuring proper implementation of activities carried out by ESFD that are not financed by this project and which do not follow UNDP's rules and regulations

Please refer to Annex 1- Risk Analysis as to how project risks will be mitigated.

## ***Stakeholder Engagement***

Since its establishment, the ESFD has embraced and applied the participatory approach as a main pillar in the design and implementation of its operations. In 2004, the ESFD has prepared a strategy for Social Development, in which all stakeholders working in the development field have participated including line ministries, NGOs, Research Centres, representatives of the private sector. One of the outcomes of this Strategy consisted of a poverty map that identifies the main poverty pockets in Lebanon, which then became the target areas for ESFD's interventions.

Simultaneously, at the Local level, the ESFD has developed a participatory methodology that aims at involving the key local stakeholders in planning and implementing local development projects. This methodology has been applied since 2003 and proved to be effective in empowering local communities in taking the driver seat in local development.

The UNDP – Lebanon Host Communities Support Programme (LHSP) introduced the Maps of Risks and Resources (MRR) which is a participatory, conflict sensitive methodology that engages and trains communities (municipalities, sector representatives, community stakeholders) on planning and responding in a crisis context. The output of the methodology is the development of an inter-sectorial municipal action plan, an instrument that allows the identification of interventions that are alleviating the stress resulting from the crisis within the municipalities. Accordingly, UNDP will make available all the MRR results to ESFD to ensure coordination at the local level.

At the private sector development, the ESFD targets Lebanese SME owners nationwide. Men and women operating or establishing a financially viable small enterprise, in any economic activity can benefit from the services offered, provided that the loans will create or sustain job opportunities. These are SME owners with less than 25 employees, generally in the informal sector and un-banked, meaning not having received commercial facilities from a bank before.

## ***Sustainability and Scaling Up***

The sustainability of the ESFD operations stems from the interest income generated from its lending activities to Financial Intermediaries. The interest earned by the ESFD on funds provided for on-lending to banks are used to cover ESFD overhead operational cost and BDS costs. The funds available at banks revolve also (in-bank revolving). Banks issue new loans to finance more projects in the SME sector as their clients repay their loans.

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## **IV. PROJECT MANAGEMENT**

### ***Cost Efficiency and Effectiveness***

The ESFD shall deliver maximum results using a portfolio management approach to improve cost effectiveness by leveraging activities and partnerships with other initiatives/projects:

The Lebanon Host Communities Support Programme (LHSP) is developed under the framework of the UNDP response to the impact of the Syrian crisis in Lebanon (Lebanon Stabilization and Recovery Programme). The LHSP implements a comprehensive, coordinated, and durable response to the impact of the Syrian crisis with the aim of increasing stability, building the abilities of host communities, addressing tensions, preventing conflict, and ensuring peaceful co-existence through improving livelihoods and service provision. The ESFD shall coordinate with UNDP, under the LHSP framework, to increase livelihood and economic opportunities especially for youth and women, and strengthen the capacity of local actors in the delivery of basic services.

### ***Project Management***

The ESFD is an institution linked to the CDR, enjoying sufficient managerial / financial autonomy.

The ESFD is located in Beirut and has direct linkages with the beneficiaries nationwide through partnership with a large number of municipalities and through its Business advisors staff that are based in targeted areas, nationwide.

The Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project activities are implemented.

The Project Manager will inform the UNDP and CDR of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely manner.

## V. RESULTS FRAMEWORK

<b>Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework:</b> Productive sectors strengthened to promote inclusive growth and local development, especially in most disadvantaged areas										
<b>Outcome indicators as stated in the Country Programme [for Global/Regional] Results and Resources Framework, including baseline and targets:</b> Improved capacity of national and local Institutions to respond to local needs in an integrated and coordinated way										
<b>Applicable Output(s) from the UNDP Strategic Plan:</b> Early recovery and rapid return to sustainable development pathways are achieved in post-conflict and post-disaster settings										
<b>Project title and Atlas Project Number:</b> Support to the Economic and Social Fund for Development (Award ID: 00060895, Project ID: 00076878)										
EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS & RISKS	
			Value	Year	2019	2020	2021	2022		
Output 1: Economic and Social Fund for Development is supported in achieving its aim for alleviating poverty in Lebanon through the creation of employment opportunities and through the improvement of living conditions in disadvantaged communities	1.1 Number of staff managed	UNDP – HR Unit	24	2018	24	24	24	24	24	Collection of data from different UNDP Units
	1.2 Number of procurement activities	UNDP – Procurement Unit	10	2018	12	12	12	12		
	1.3 Number of Coordination Meetings with different UNDP projects to enhance coordination and synergies	UNDP and ESFD	1	2018	4	4	4	4	4	

## 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	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
<b>Monitoring Activity</b>					
<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.	Semi-annual	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.	CDR, UNDP	Internal
<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.	Annual	Relevant lessons are captured by the project team and used to inform management decisions.	CDR, UNDP	Internal
<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.	Annual	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	CDR, UNDP	Internal
<b>Review and Make Course Corrections</b>	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annual	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	CDR, UNDP	Internal
<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, and any evaluation or review reports prepared over the period.	Annual, and at the end of the project (final report)	Project progress reports to be prepared and submitted to Programme Manager	CDR, UNDP	Internal



<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>at the end of the project</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>CDR, UNDP</p>	<p>Internal</p>
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## VII. MULTI-YEAR WORK PLAN <sup>12</sup>

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3	Y4		Funding Source	Budget Description	Amount
Output 1: Economic and Social Fund for Development supported in enhancing employment opportunities and conducting community development activities  Gender marker: G 1	Activity 1: Strengthen Capacity and Enhance Coordination and Synergies	1,837,630	1,837,630	1,837,630	1,837,630	UNDP, CDR ESFD, CDR	30071	Contractual Services - Individuals	1,408,500
							30071	Rental and Maintenance Premises	217,000
							30071	Miscellaneous Expenses	30,000
							30071	Supplies	30,000
							30071	Communication and Audio-Visual Equipment	5,000
							30071	Travel	4,000
							30071	Rent & Maintenance of other equipment	22,000
							30071	IT equipment	28,000
							30071	Professional Services	20,000
							30071	Audio Visual & Print Cost	7,000
							30071	Training, Workshops, Conferences	30,000
							30071	DPC	36,130
		<b>Sub-Total for Activity 1</b>							
<b>General Management Support (5%)</b>		91,870	91,870	91,870	91,870			<b>91,870</b>	
<b>TOTAL</b>		<b>1,929,500</b>	<b>1,929,500</b>	<b>1,929,500</b>	<b>1,929,500</b>			<b>1,929,500</b>	

<sup>1</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>2</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.

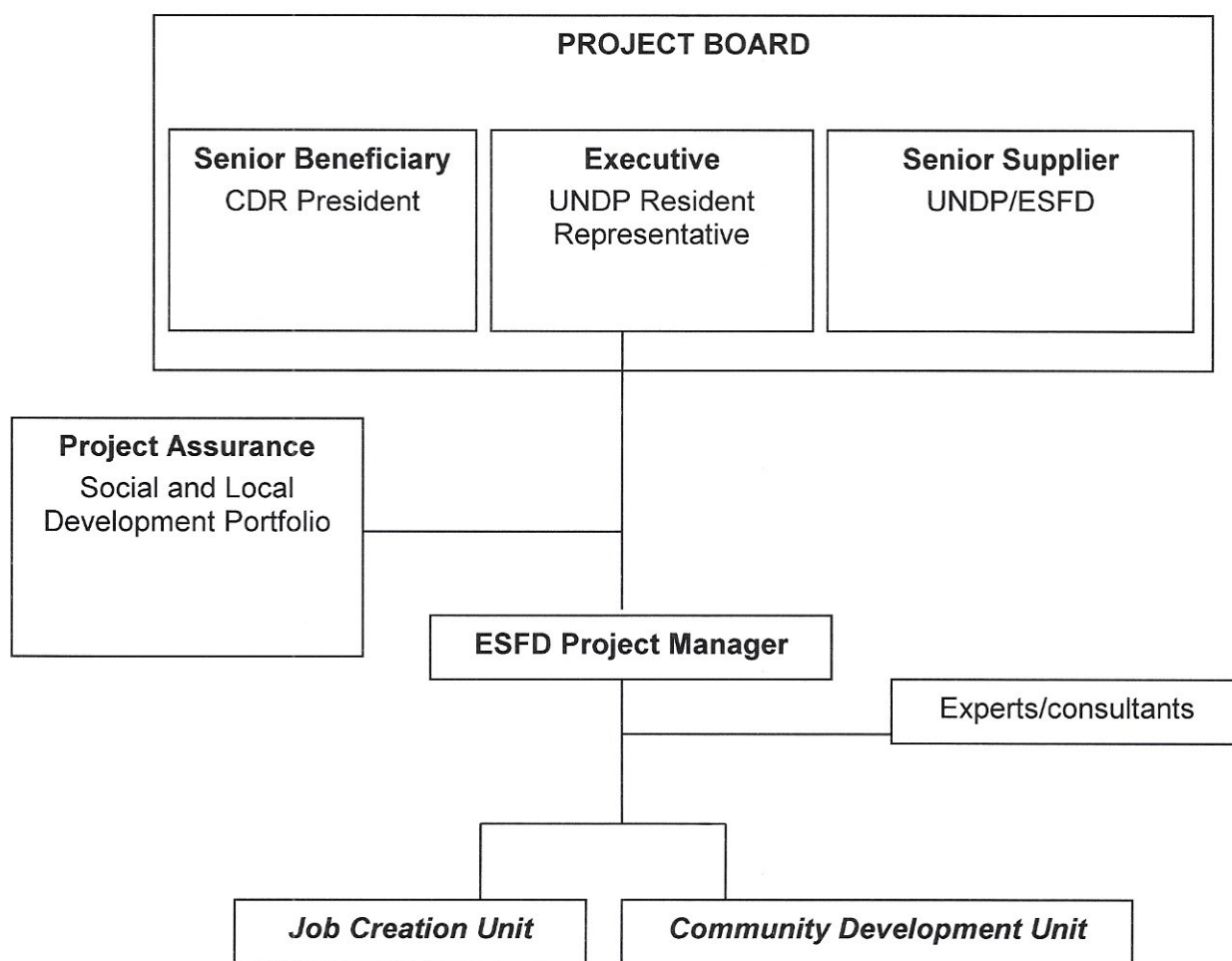
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## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

1. The Project will be implemented under the UNDP Support National Implementation Modality (NIM), **whereby CDR/ESFD will be the implementing partner and UNDP will act as Responsible Party. However, UNDP will not be held responsible for the quality and performance of activities which are funded and ruled by financial and other agreements made outside this Project Document.**
2. UNDP will continue to ensure high-quality technical and financial implementation of the project and will only be responsible for monitoring and ensuring proper use of allocated funds to the assigned activities as per the project annual work plans, timely reporting of implementation progress as well as undertaking of mandatory and non-mandatory evaluations for each of their respective components.
3. **UNDP's rules and regulations will apply to all new ESFD overhead procurement and HR activities. UNDP will take in charge ESFD's overhead cost. The recruitment process will be closely overseen by the UNDP HR Unit according to comprehensive UNDP rules and regulations concerning job-matching, salary scale and Service Contract issuance and other required procedures.**

UNDP management of ESFD's HR and overhead procurement needs will enhance potential to mobilize external funds from a diverse range of donors. UNDP benefits from a trust built at the global and national levels being the UN's global network for development, applying strict rules and regulations both programmatically and operationally.
4. This project document is an additional agreement for the ESFD and does not amend, nor replace nor delete any legal documents that govern the ESFD legal status.
5. **Fund arrangements with financial institutions will not be affected by this agreement between UNDP and CDR/ESFD. New programmatic activities with new donors will be encouraged to be mobilized through this project to fall under the UNDP overhead procurement rules and regulations.**
6. **The Project Board** will be responsible for making by consensus, management decisions and recommendations for this project including approval of project plans, budgets and revisions. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance to standards that shall ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition.
7. **Project Assurance:** In what relates to this project document, the UNDP Social and Local Development Programme is responsible for project assurance
8. **Project Manager (ESFD Project Director):** In what relates to this project document, the Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results (outputs) specified in the project document, to the required standard of quality and within the specified constraints of time and cost.
9. The duration of this project document is for four years, and could be extended or renewed by mutual written agreement. However, it stops being effective, automatically, when ESFD is established as an autonomous legal entity.
10. In case the partnership between CDR/ESFD and UNDP expressed in this project document ends for whatever reason, the mandates related to this project document are automatically transferred to the status previous to the agreement with UNDP.

## ORGANISATION STRUCTURE RELATED TO THIS PROJECT



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## IX. LEGAL CONTEXT

### Where the country has signed the [Standard Basic Assistance Agreement \(SBAA\)](#)

This project document shall be the instrument referred to as "Project Documents or other instruments" in Article 1 of the Standard Basic Assistance Agreement between the Government of Lebanon and UNDP, signed on 10 February 1960. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

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## X. RISK MANAGEMENT

### Support to NIM

- Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, 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:
  - 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;
  - 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.

3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no 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).
4. 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>).
5. The Implementing Partner shall: (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.
6. 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.
7. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner 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.
8. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner 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).
9. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', 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 the Implementing Partner to find a solution.
10. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

11. The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Note:* The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

12. Each contract issued by the Implementing Partner 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 the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
13. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, 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.

14. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

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## **XI. ANNEXES**

- 1. Project Quality Assurance Report**
- 2. Risk Analysis.**

**XII. RISK ANALYSIS**

#	Description	Date Identified	Type	Impact & Probability (1= low, 5=high)	Countermeasures / Management response
1	Political instability at national and local levels	Throughout the project	Political	National or local political changes or tension can delay implementing several activities P=3 I=5	Close collaboration between CDR President, stakeholders and UNDP
2	Low willingness to cooperate amongst stakeholders	Throughout the project	Operational	This can delay the implementation of some activities P=3 I=4	Clear mechanism of engagement and collaboration, close support from the project team
3	Difficulty to achieve results related to project activities.	End of the project	Technical	This may affect the perceived impact of the project in the community P=2 I=3	Continued engagement with the local stakeholders and ensure sustainability and long term commitment
4	Difficulties in ensuring proper implementation of activities carried out by ESFD that are not financed by this project and which do not follow UNDP's rules and regulations	Throughout the project	Operational	This can impact negatively on ESFD's activities and collaboration between ESFD and UNDP P=2 I=5	Continued coordination between ESFD and UNDP and continuous UNDP monitoring