



**United Nations Development Programme**  
**Bratislava Regional Centre for Europe & CIS**  
**Poverty Reduction Practice/ Private Sector Sub-practice**

**- Regional Project Document -**

<b>Project Title</b>	<b><i>Enhancing Transparency and Credibility of CSR Practices through Establishment of CSR Performance Assessment and Monitoring Systems in New EU Member States</i></b> <i>(abbreviation in Atlas: Establishment of CSR Performance Assessment and Monitoring Systems)</i>
<b>Expected Regional Programme Outcome:</b>	Significantly increased private sector participation in development projects in the region
<b>Expected Output(s):</b>	<ul style="list-style-type: none"> <li>- Country level CSR performance measurement system developed, through research and consultations, to assess and monitor CSR excellence in project countries</li> <li>- Capacity of companies strengthened to assess their own CSR performance</li> </ul>
<b>Executing Entity:</b>	UNDP CO Lithuania
<b>Implementing Agencies:</b>	UNDP Bratislava Regional Centre, UNDP CO Lithuania, BRC CST (for Hungary and Slovakia), BRC PPT for Poland and Bulgaria CO.

***Brief description of the project***

The project aims to enable measuring and monitoring CSR performance and the level of excellence achieved in CSR practices at macro and micro levels in project countries through development of country level CSR performance indicators and CSR practice monitoring systems and brokering agreement on them, building capacities for such monitoring, as well as developing/testing self-assessment tools for companies and enhancing their capacities to apply performance indicators. The Project is expected to enhance the transparency and credibility of CSR practices and lay a basis for country level CSR measurement and monitoring systems in selected EU member states: Bulgaria, Hungary, Lithuania, Poland and Slovak Republic.

The Project builds upon the results of the regional CSR project "Accelerating CSR practices in the new EU member states and candidate countries as a vehicle for harmonization, competitiveness and social cohesion in EU", successfully completed by UNDP in 2008. It answers the recommendations of the Baseline Study on CSR Practices in the New EU Member States and Candidate Countries (to achieve consensus on country level performance indicators and develop a measurement framework at country level in order to further accelerate CSR development). The project relies on existing networks of the UN Global Compact facilitated by UNDP offices. The target beneficiaries will mainly be companies (both local and foreign enterprises) and government institutions, but other stakeholders (business and professional associations, trade unions, academia, non-governmental organizations and the media) will indirectly benefit from the action.

To achieve its objective, the project will cover the following 2 components and related activities:

Component 1: Development, through research and consultations, of a country level CSR performance measurement system to assess and monitor CSR excellence. This will include elaboration of a set of performance indicators and training of country representatives on practical implementation of CSR measurement methodology as a basis for establishing CSR monitoring systems in project countries.

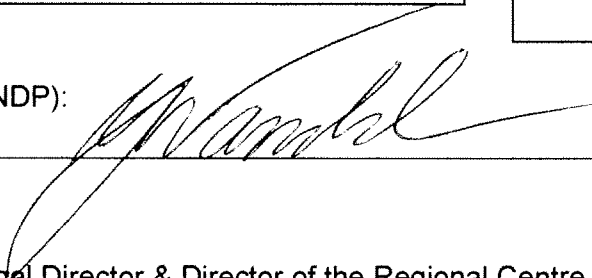
Component 2: Strengthening capacity of companies to assess their own CSR performance through development of practical methodology and a self-assessment tool to measure CSR performance against

certain objective company level indicators, training of trainers and development of a handbook on self-assessment practices.

Programme Period: Q4 2009-Q4 2010  
Regional Programme Component: Private sector development/engagement  
Project Title: Establishment of CSR Performance Assessment and Monitoring Systems  
Atlas Award ID: 00058949  
PAC Meeting Date 24-09-09

Total resources required (USD)	307 453
Total allocated resources:	307 453
• Regular	16 522
• Other:	
○ EC	280 931
○ Donor	_____
○ Donor	_____
○ Government	10 000
Unfunded budget:	0
In-kind Contributions	0
Exchange rate (USD-Euro):	0,664

Agreed by (UNDP):



12-01-2010

Jens Wandel  
Deputy Regional Director & Director of the Regional Centre

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## I. SITUATION ANALYSIS

As markets are increasingly global and connected, CSR is becoming relevant for enterprises of all sizes and in all geographies. As such it is recognized that CSR activities can contribute to national and global development priorities, providing that they are applied in coordination with broader public policies and efforts. Governments also recognize the role of the private sector and CSR in contributing to responsible growth in the world economy and a more inclusive form of globalization. It is also becoming recognized that CSR can help companies, industry sectors and geographic regions to develop a competitive edge which can contribute to accessing new markets, translating into greater economic development. The recent economic crisis also confirms that unsustainable business modalities have no future, while energy efficiency, social concerns, and market niche issues become even more important.

Presently, Europe needs to turn the challenges it is facing (ageing populations, increasing global competition, technological change, environmental pressures) into new opportunities. Europe's economy needs to be modernised and lasting solutions proposed, against a background of sound macroeconomic policies to secure the European social model. In this context, CSR is closely linked to the achievement of the economic, social and environmental goals of the Lisbon strategy, because it is believed that companies implementing CSR contribute to job creation and improvement of working conditions, enforcement of the rights of employees, development of education and technological innovations. CSR is valued as a measure that may stimulate the integration of labour markets and social inclusion, as it encourages companies to employ more people from vulnerable groups, and invest in competency development and life long learning. In addition, CSR as a business strategy:

- Shapes business competitiveness in the world knowledge economy,
- Contributes to address the problem of aging in Europe,
- Makes better use of innovations that address societal concerns such as diversity, social inclusion and anti-discrimination
- Makes more effective use of resources and reduces pollution,
- Contributes to a better image of business in society
- Allows for higher respect for human rights and the rights of employees, environment and for overall poverty reduction.

Behind CSR in Europe thus lies the strong conviction that the value of conducting business in a responsible way is in the interest of the wider community and responds positively to emerging European and global societal priorities and expectations. In this respect, CSR is also perceived as a way to strengthen the European social model since it has been argued that CSR can become "a source of tremendous social progress as the business applies its considerable resources, expertise and insights to activities that benefit society"<sup>1</sup>.

The global economic crisis represents an opportunity for CSR to be seen as a tool for restoring trust in business and markets. As the United Nations Secretary General pointed out in his address to Davos<sup>2</sup> and as expanded in the Global Compact "Action Plan for Business"<sup>3</sup>, the fallout from the global financial crisis has put a spotlight on issues that CSR and Global Compact have long advocated as essential responsibilities for the modern corporation, and thus the overall integrity and sustainability of today's global market. Issues of comprehensive risk management, long-term performance and ethics are now rapidly gaining relevance and consideration. In addition to poor regulation and oversight, key factors in the financial crisis were inadequate assessment of risk and focus on short-term returns.

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<sup>1</sup> Porter, Michael E. and Kramer, Mark R. (2006) "Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility", Harvard Business Review, December 2006, pp. 78-92.

<sup>2</sup> The Secretary General Plenary Speech - "The Global Compact: Creating Sustainable Markets", The World Economic Forum, Davos, Switzerland, 29 January 2009

<sup>3</sup> The UN Global Compact, Global Sustainability in the 21st Century - *An Action Plan for Business*, January 2009

The economic downturn poses a real challenge for many companies, yet should not be used as an excuse to ignore or cut back on issues that directly impact the value of business. Issues such as climate change, human rights (for instance, in relation to antidiscrimination) and corruption will not vanish as a result of economic decline, indeed some worsen. For example, downsizing, labour unrest and increased poverty are gaining in importance. Short-term stimulus and recovery plans within companies must be mindful of ESG impacts. As a result more companies need to engage more deeply on ESG issues and comprehensively disclose their efforts. This project will make this possible.

This Project has been drafted on the basis of the goals of the Lisbon agenda, and of the positive impacts CSR has on anti-discrimination, diversity and social inclusion. It foresees enhancing transparency and credibility of CSR practices through the establishment of CSR performance assessment and monitoring systems in new EU Member States, namely Bulgaria, Slovak Republic, Poland, Hungary and Lithuania, which could be replicated, adapted and applied in other EU countries, candidate and potential candidate countries.

The Project builds upon the results of the regional CSR project "Accelerating CSR practices in the new EU member states and candidate countries as a vehicle for harmonization, competitiveness and social cohesion in EU".<sup>4</sup> It is based on the recommendations put forward in the Baseline Study on CSR Practices in the New EU Member States and Candidate Countries<sup>5</sup> (hereafter – CSR Baseline Study 2007) carried out under the aforementioned project. The study recommended achieving consensus on country level performance indicators to develop a measurement framework at country level and actively promote CSR practices among companies in order to further accelerate CSR development (pp. 55-56). Having described the current status of CSR implementation in each of the project countries, using a common structure, the CSR Baseline study 2007 also proposed a set of candidate, country level performance indicators and suggested how they could be further developed. However further work on reaching agreement on this measurement framework, as well as on setting a basis for establishment of CSR monitoring systems in the project countries is yet to be completed.

The target countries of the Project are: Bulgaria, Hungary, Lithuania, Poland and Slovakia – henceforth referred to as „the region“, throughout this project. The Project will enhance cooperation between these countries, which importance is stressed by the European Commission<sup>6</sup>. The target beneficiaries will mainly be companies (both local and foreign enterprises) and government institutions, but other stakeholders (business and professional associations, trade unions, academia, non-governmental organizations and the media) in the Project countries will also indirectly benefit from the action.

The Project aims to address the following main concerns in the region:

1. Lack of country level CSR progress monitoring mechanisms. There is no country level monitoring system that provides an independent assessment of the level of implementation of CSR practices in a specific country. Such monitoring system could evaluate the investments made in creating an enabling environment for CSR and the efficiency of the Government policies used to promote CSR. The recently produced study "The CSR Navigator - Public Policies in Africa, the Americas, Asia and Europe"<sup>7</sup> notes that Governments around the world are clearly beginning to realize the benefits of using a range of instruments to align CSR and

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<sup>4</sup> In December 2006 UNDP obtained funding from DG Employment, Social Affairs and Equal Opportunities to implement a regional CSR project titled „Accelerating CSR practices in the new EU member states and candidate countries, as a vehicle for harmonization, competitiveness and cohesion in the EU“-[www.acceleratingCSR.eu](http://www.acceleratingCSR.eu). The project countries were: Bulgaria, Croatia, Hungary, Lithuania, Macedonia, Poland, Slovak Republic and Turkey. The Project lasted until 30 September 2008.

<sup>5</sup> Conducted under the Regional CSR Project „Accelerating CSR practices in the new EU member states and candidate countries as a vehicle for harmonization, competitiveness and social cohesion in EU“ in eight European countries in 2007, available at: [http://www.acceleratingcsr.eu/uploads/docs/BASELINE\\_STUDY\\_ON.pdf](http://www.acceleratingcsr.eu/uploads/docs/BASELINE_STUDY_ON.pdf)

<sup>6</sup> Corporate Social Responsibility. National public policies in the European Union, European Commission, September 2007, p.3.

<sup>7</sup> Commissioned by Federal Ministry for Economic Cooperation and Development of Germany, GTZ and BertelsmannStiftung Foundation in 2007, available at: [www.bertelsmann-stiftung.de/csr](http://www.bertelsmann-stiftung.de/csr)

CSR-related policies with important goals in all policy fields (p. 9). However, there is little practice of monitoring CSR progress at country level, in Europe. Furthermore, the five project countries as well as the three candidate countries are currently in the process of developing/approving National Strategies on CSR promotion, and as a next step regular assessment of the impact of CSR measures will need to follow the implementation of these strategies. Finally, there is the need for a common country level CSR performance measurement framework to allow for comparability at EU level. Comparability could contribute to providing competitive advantage - in terms of attracting investors, as well as consumers to its home grown-companies - to those countries with good CSR performance indicators.

2. Lack of CSR performance measurement tools at company level. A simple, but significant finding from the exercise of the CSR Baseline Study 2007 was that there is a need to build upon the lessons learnt and promote common appreciation of how to measure CSR performance at company level across the region (p. 10). The desired tool will build on existing reporting tools (such as GRI, etc) and be adapted to self-assessment. It will take into account the specificities of the region and will particularly have in mind the SMEs and their needs.
3. Lack of transparency and credibility of CSR practices. The issue stated above leads to a lack of transparency as well as credibility of company CSR practices vis-à-vis company stakeholders. As the CSR Baseline Study 2007 noted, CSR in the region is generally seen as an addition to the core business activity and is often connected with philanthropy and sponsorship. It is not seen as central to risk management and stakeholder relationships (p. 48). In this context it is difficult to verify that what companies report as CSR activity is in fact a real business contribution to development and not public relations only. There is a clear need to reassure companies' stakeholders on companies' performance in relation to Human Rights, Labour, the Environment and Anti-corruption, which will all be dimensions of the self-assessment. Since the assessment will propose a set of indicators based on existing CSR reporting initiatives (including GRI), it will be of practical use to companies when preparing Communication on Progress under the UN Global Compact initiative. It is expected that self-assessment and indicators will enhance the quality of company reports from the region.
4. Underexploited potential of good CSR practices as a screening mechanism/competitive advantage for responsible companies. Because of lack of credibility and objective measurement methodologies over CSR practices at company level, these practices are not widely considered in decision making processes in investment decisions, public procurement or granting concessions, export guarantees, etc. and thus do not create competitive advantages for companies (indirectly also stopping development of further CSR practices).

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## II. STRATEGY

The main objective of the Project is to enable the measurement and monitoring of CSR performance and of the level of excellence achieved in CSR practices. This will be achieved through developing a set of performance indicators and providing a basis for establishing monitoring systems in selected European countries. A practical methodology and tools to measure CSR performance against certain objective indicators will be developed, building monitoring capacities at country level as a basis for monitoring systems in the target countries. In addition, companies' capacity to apply performance indicators and conduct self-assessments will be built.

The project will build on the existing country based Global Compact networks in all the participating countries with an objective to strengthen the networks (by offering additional services to members) and create more opportunities for intra-networks collaboration. Global Compact networks in project countries will be particularly instrumental in engaging companies in the project in general, as well as in testing the CSR self-assessment tool in companies at the local level.

Furthermore, synergies with other UNDP practices, including Energy and Environment, Capacity Development and Crisis Prevention and Recovery, will be explored throughout project implementation. At a minimum, they will be consulted for advice when necessary and appropriate. Close information sharing, communication and coordination with the EC (DG Employment and DG Enterprise) on substantive aspects of the project will be ensured in order to make use of the wealth of expertise accumulated by the EC in the area of CSR through support to CSR Alliance and CSR projects around Europe.

To contribute to the above, this Project will comprise of the following 2 main outputs<sup>8</sup>:

- 1) Country level CSR performance measurement system developed, through research and consultations, to assess and monitor CSR excellence in project countries.
- 2) Capacity of companies strengthened to assess their own CSR performance.

### **Output 1: Country level CSR performance measurement system developed, through research and consultations, to assess and monitor CSR excellence in project countries**

The development of CSR performance measurement systems requires actions at two levels:

1. Firstly – it will be necessary to compare the candidate performance indicators proposed by the CSR Baseline Study 2007 with other existing performance indicators in Europe (e.g. CSR Index in UK), as well as globally (e.g. GRI). To that effect, the results of a study of country level indicators in Europe, requested by the Lithuanian Government, and carried out by UNDP Lithuania in autumn 2008, will be heavily leveraged. This will be the basis for developing a practical methodology for a future CSR performance measurement system, which could be presented, discussed and agreed at country level.
2. Secondly – it will be necessary to reach an agreement with Governments and other stakeholders on possible regular CSR monitoring mechanisms (annual or biannual), including suggestions on how the monitoring system will operate sustainably. The capacities of country representatives who will be engaged in the monitoring systems will need to be strengthened.

This work will thus be built on findings and recommendations from the previous CSR project supported by the EC, and in particular the framework for country level candidate performance indicators. The proposed framework is based around four areas of measurement: legal and political environment, civil society context, company response-reporting and company response-application of standards. Furthermore, the project will use the results of research on CSR performance indicators in Europe carried out by UNDP Lithuania on request of the Lithuanian Ministry of Social Security and Labour (a partner in this project), as well as incorporate other relevant developments at country level (e.g. CSR Index in Poland). UNDP will seek government commitment in establishing institutional infrastructure/functions for an independent monitoring

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<sup>8</sup> In the EU Application, outputs refer to the project components.

body (not necessarily a new one, rather among the existing organizations/bodies). This will be supported by the nascent national CSR strategies/agendas in all five countries, which will require monitoring of progress over their implementation. This project component will cover the following two activities:

### ***Activity 1. Development of a country level CSR performance measurement system***

An international expert/team of experts will be recruited to work on proposals for a set of indicators to measure CSR performance at country level, a methodology to measure those indicators, and suggestions for country-level CSR monitoring mechanisms. This will include the development of a questionnaire to be used for annual/bi-annual monitoring of CSR practices at country level. The international expert/team will be responsible for:

- a) Developing macro level monitoring indicators, a questionnaire to be used for CSR performance monitoring, and the explanatory methodological guide on how to use this monitoring tool;
- b) Preparing a 1,5 day training for future monitoring bodies (researchers, NGOs or public authorities) introducing the indicators and methodology, as well as explaining the use of the questionnaire at a country level; and
- c) Providing advice to the countries throughout the national discussion process to reach agreement on indicators and measurement/monitoring system.

The development of the methodology will be based on desk research of available experiences of measuring CSR in Europe and globally, as well as on consultations with country representatives on the specific country needs/context with a view to finding a harmonized approach to CSR performance measurement within the project region.

### ***Activity 2. Training of country representatives on the practical application of the CSR performance measurement methodology***

Training on the practical application of the CSR performance measurement methodology will be organized and delivered by international experts for a limited number of country representatives, in order to build the capacities of experts/entities within research, NGOs or public authorities that will assume the function of CSR monitors in each country. The selection of country representatives for the training will be based on country level discussions and agreement as to which institution/body is best placed to assume this function.

### **Output 2: Capacity of companies strengthened to assess their own CSR performance.**

The capacity of companies to measure their own CSR performance will be strengthened through the development of a corporate level self-assessment tool, training of trainers and preparation of a handbook based on each project country experience on the topic. Due to the need to align company level CSR performance indicators with country level indicators, the international expert/expert team, mentioned above, will also be used for the development of the company level self assessment tool and for carrying out training on its use. At the same time, to enhance national ownership and encourage practical use of the skills acquired, the handbook will be developed by a group of country representatives/trainers and issued in the languages of each Project country.

A special attention will be paid to cover the four key UN Global Compact principles domains in the self-assessment: Human Rights, Labour, the Environment and Anti-corruption. Given the fact that companies in the countries in scope, often feel that human rights issues are of no relevance to them, a special focus will be placed on making sure that the performance of corporate responsibility to respect human rights, as well as the performance of states to protect people against human rights abuses by business are assessed through the choice of country and company level indicators. This would be aligned with the conceptual policy framework proposed to the UN Human Rights Council by the Special Representative of the UN Secretary General (SRSG) on Business and Human Rights: "protect, respect, and remedy" (The duty of the State to protect all human rights from abuses committed by or involving corporations; the responsibility of corporations to respect human rights; the need for greater access of victims to effective remedies). This is particularly relevant given the current global economic crisis and its consequences on a potential increase of human rights abuses especially in relation to discrimination with regards to

lay-offs and employment of vulnerable groups on the basis of age, gender, ethnicity, etc, in EU MS as well as through the value chains of EU MS companies. Collaboration with the SRSG and the Global Compact Human Rights Working Group currently chaired by Mary Robinson will be sought in the process of developing the Human Rights related indicators. In addition, the tool will be developed in such way that it is relevant to both SMEs and bigger national and regional companies. The following activities will be carried out under this project component:

### ***Activity 1. Development of a company level CSR performance self-assessment tool***

The same approach used for measuring CSR performance at country level (macro level), will be applied to develop a company level (micro level) CSR performance self-assessment tool. Existing experience in Project countries and other EU countries on the topic will obviously be leveraged. In addition, existing tools to assess and report on CSR performance will be leveraged (e.g. indicators proposed by Asset 4 and governance indicators). This self-assessment tool will consist of a questionnaire accompanied by a guide. It will be developed in one format for all Project countries and will be tested in each Project country. The same international expert/team of experts as for output 1 will be recruited to prepare the self-assessment questionnaire with guidelines and carry out training of trainers for a limited number of country representatives. The same approach used to measure macro level CSR performance (country level) and micro level (company level) will also provide a basis for harmonization of CSR reporting under similar criteria in Project countries.

### ***Activity 2. Training of trainers on the use of the CSR performance self-assessment tool***

A group of trainers from each Project country (representing academia, NGOs, business) will be selected based on interest and commitment, and will undergo 1,5 days of training of trainers (TOT) to be organized in one of the Project country and led by the international expert team. These trainers will later be tasked with testing the self-assessment tool in their own countries and report with descriptions of practices that will later form part of a handbook on self-assessment practices (testing will be performed with 3-5 companies in each Project country). One national expert will be charged with consolidating the country inputs into the handbook.

### ***Activity 3. Handbook on self-assessment practices***

A handbook containing the self-assessment tool, guidelines on its use and practices/lessons learnt from Project countries will be prepared, with the view to ensuring wide dissemination and use by companies in Project countries and beyond. The Global Compact networks in Project countries will be heavily involved in promoting the tool to their members and advocating for its use. The handbook will be published in hard copy and will also be put on the websites of Project applicant and partners, Project country Global Compact networks, as well as on [www.acceleratingCSR.eu](http://www.acceleratingCSR.eu). It will be available in English (electronic version only) and local languages. In the future, the handbook and the self-assessment tool could be turned into a web-based system where companies could conduct self-evaluations online. In preparing the handbook, existing tools will be leveraged (e.g. CSR Implementation Guide for Business by Paul Hohnen, International Institute for Sustainable Development, 2007).

As follow-up activity, country level CSR performance measurement systems will be handed to national Governments to use as a monitoring and evaluation tool of the CSR related progress spurred by their National CSR Agendas (developed under the EC supported "Accelerating CSR in New Europe" project mentioned above) and/or to academia and independent NGOs focusing on CSR research and promotion (depending on the country). The company level CSR performance self-assessment tool will be disseminated widely – as mentioned above - and encouraged to be used by companies. As a follow up to these activities, an evaluation of CSR performance progress at the regional level may be carried out and compared to the baseline situation analyzed in 2007. In addition, the systems and tools developed by this project could be further disseminated and transferred to other EU Member States, Candidate and Potential Candidate Countries, through UNDP and EC Delegations' work in those countries.

It is expected that once the above mentioned activities are completed, the project will result in:



1. Enhanced transparency, credibility and visibility of CSR practices in the Project countries, leading to additional take up of CSR practices by companies and better quality in reporting under the UN Global Compact initiative;
2. Further improvement of companies' CSR performance, on the basis of the assessment of their CSR practices' level of excellence;
3. Better ability of stakeholders to use CSR practices as a criteria for screening companies e.g. public procurement;
4. Ability to monitor the impact of public policy on the level of CSR practices of a particular country and to compare levels of CSR excellence across countries.

Given the link between CSR and the Lisbon Agenda, it is clear that additional take-up of CSR will have a positive impact on the creation of more and better jobs (or retaining jobs during economic downturn), and on social inclusion, anti-discrimination and diversity in the Members States.

### III. RESULTS AND RESOURCES FRAMEWORK

<p>Intended Outcome as stated in the Regional Programme Results and Resource Framework:          EUR_OUTCOME 144: Significantly increased private sector participation in development projects in the region</p> <p>Outcome indicators as stated in the Regional Programme Results and Resources Framework, including baseline and targets.          "Number of policy papers and analytical reports on CSR, responsible entrepreneurship and inclusive markets; number of policy dialogues aimed at promotion and improvement of enabling environment for CSR, responsible entrepreneurship and inclusive markets." 2006 baseline – 2. Insufficient enabling environment for CSR, responsible entrepreneurship and inclusive markets; lack of public-private policy dialogue. Target for 2010: at least 10 policy papers or recommendations on the improvement of the enabling environment for CSR and responsible entrepreneurship; analytical reports on CSR status in at least 5 countries; policy dialogue initiated in at least 5 countries.</p> <p>Applicable Key Result Area (from 2008-11 Strategic Plan): Promoting inclusive growth, gender equality and achievement of internationally agreed development goals, including the MDGs</p> <p>Partnership Strategy: This project will work in close partnerships with business associations, governments, civil society organizations, academic institutions and EU units at national and regional level, as well as Global Compact networks in project countries.</p>				
<p><b>Project title and ID (ATLAS Award ID): Establishment of CSR Performance Assessment and Monitoring Systems in New EU Member States (Award ID 00058949)</b></p>				
INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS (USD)
<p>Output 1: Country level CSR performance measurement system developed, through research and consultations, to assess and monitor CSR excellence in project countries.</p> <p>Baselining: No country level CSR excellence assessment and monitoring systems in project countries.</p> <p>Indicators:          - Number of country level CSR performance measurement and monitoring system developed and adopted through consensus;          - Number of country specific monitoring bodies trained.</p>	<p>Targets for 2009:          1.1. a. Preparations for development of country level CSR performance measurement methodology and user guide carried out</p> <p>Targets for 2010:          1.1. b. 5 country level CSR performance measurement methodology and user guide developed.          1.2.a. 5 monitoring bodies trained on the use of country level CSR measurement tool          1.2.b. 5 national country level measurement and monitoring system handed over to the Governments (and/or academia and NGOs) to use it in their national CSR promotion schemes.</p>	<p><b>1.1 Country level CSR performance measurement methodology and user guide developed</b></p> <p>1.1.1 Organize a consultation meeting (through a teleconference) with relevant COs;          1.1.2. Draft tender documents, select international experts and sign contracts for development of CSR measurement indicators at macro and micro level; work with selected experts to:          1.1.2.1. Develop a questionnaire, macro level indicators and methodological guide on how to use monitoring tool;          1.1.2.2. Translate methodology and user guide into five languages          1.1.2.3. Advise countries during national discussions on establishing monitoring systems;          1.2 Country level CSR performance measurement system presented and taken-up nationally          1.2.1. Organize and carry out consultations at national level with a view to promoting proposed monitoring system.          1.2.2. Organize and carry out training event in Vilnius, Lithuania;          1.2.3. Organize and carry out country level presentations on monitoring systems for governments and stakeholders.1.3 Timely and</p>	<p>Lith CO, BRC</p> <p>Lith CO, BRC</p> <p>Lith CO, BRC (Country Support Team – CST - on behalf of Hung and Slov), Bulg CO, BRC (Poverty Practice Team – PPT for Pol)</p> <p>Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)</p> <p>Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)</p>	<p>0</p> <p>28262</p> <p>3012</p> <p>28968</p>

<p>Output 2: Capacity of companies strengthened to assess their own CSR performance</p> <p>Baseline: Little or no capacity among companies to implement CSR and lack of tools for self-assessment; lack of objective company performance assessment mechanisms/indicators.</p> <p>Indicators:  - Number of company level CSR performance self-assessment tool available, including the associated handbook  - Availability of final project report</p>	<p><b>Targets for 2010:</b></p> <p>2.1. (a) one company level CSR performance self-assessment tool developed; 2.1 (b) country specific hand-book per country, consolidating country inputs, on CSR performance measurement, based on testing;  2.2. Final project report (including project overview, results, recommendations to national governments and the EC); prepared and disseminated.</p>	<p>effective project management and administration delivered</p> <p>1.3.1. Timely and effectively manage the project including:  1.3.1.1 Organize all project activities, coordinate partners and ensure consistency among project countries in respect of reaching project results.  1.3.1.2. Provide effective financial management of project budget, budget revisions.  1.3.1.3. Deliver effective communication with EC, including preparation of interim reports, project addendums, visibility (collect inputs from project countries, consolidate reports and project revisions and submit to the EC);  1.3.1.4. Deliver ongoing project assurance in line with UNDP M&amp;E rules implementation of the project through consultations, as well as visit to project managing office.</p> <p>2.1 Company level CSR performance self-assessment tool developed and delivered</p> <p>2.1.1 Work with international experts on:  2.1.1.1 Preparation of self-assessment tool: questionnaire and a guide;  2.1.1.2 Preparation of training for trainers (TOT).  2.1.2. Organise and carry out TOT in Bratislava, Slovak Republic;  2.1.3 Work with national experts (trained during TOT) on testing self-assessment tool and preparing descriptions of practices as a basis for handbook.  2.1.4. Work with national experts to:  2.1.4.1. Prepare and deliver the handbook text;  2.1.4.2. Translation, editing, publication of the handbook, dissemination to project countries, maintenance of <a href="http://www.acceleratingCSR.eu">www.acceleratingCSR.eu</a> website.</p> <p>2.2 Timely and effective project management and administration delivered</p> <p>2.2.1. Timely and effectively manage the project including:  2.2.1.1. Organize all project activities, coordinate partners and ensure consistency among project countries in respect of reaching project results.  2.2.1.2 Provide effective financial management of project budget, budget revisions.</p>	<p>Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)</p> <p>BRC</p>	<p>3400 36 000</p>
			<p>Lith CO</p>	<p>12048</p>
			<p>Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)</p>	<p>21 084</p>
			<p>Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)</p>	<p>50 452</p>
			<p>Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)</p>	<p>67 091 3012 1289</p>

		<p>2.2.1.3 Deliver effective communication with EC, including preparation of interim and final reports, project addendums and visibility (collect inputs from project countries, consolidate narrative and financial reports and addendums and submit to the EC).</p> <p>2.2.1.4. Deliver ongoing project assurance in line with UNDP M&amp;E rules implementation of the project through consultations and regular contacts with project managing office.</p>	BRC	1154
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#### IV. ANNUAL WORK PLAN BUDGET SHEET

Year: 2009

EXPECTED OUTPUTS And baseline, indicators including annual targets	PLANNED ACTIVITIES List activity results and associated actions	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount (USD)
Output 1: Country level CSR performance measurement system developed, through research and consultations, to assess and monitor CSR excellence in project countries  Baseline: No country level CSR excellence assessment and monitoring systems in project countries.  Indicators: - Number of country level CSR performance measurement and monitoring system developed:  Targets: 1.1. 5 country level CSR performance measurement methodology and user guide developed.	1.1 Country level CSR performance measurement methodology and user guide developed  1.1.1 Consultations with all partners to discuss implementation of Action plan carried out  1.1.2 a. Tender documents prepared and posted for the development of CSR performance measurement and monitoring system for both country and company levels; experts selected  1.3 Timely and effective project management and administration delivered  1.3.1. Timely and effective project management and administration delivered (project setup organised in Atlas, budget distributions made, first installment from the EC processed)				X	Lith CO, BRC  Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)	EC  EC	  Contractual services	  3400
GMS from first installment								300	
<b>TOTAL</b>								<b>5700</b>	

Year: 2010

EXPECTED OUTPUTS And baseline, indicators including annual targets	PLANNED ACTIVITIES List activity results and associated actions	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount (USD)

<p>Output 1: Country level CSR performance measurement system developed, through research and consultations, to assess and monitor CSR excellence in project countries.</p> <p>Baseline: No country level CSR excellence assessment and monitoring systems in project countries.</p> <p>Indicators: - Number of country level CSR performance measurement and monitoring system developed;</p> <p>Targets: 1.1. 5 country level CSR performance measurement methodology and user guide developed.</p>	<p><b>1.1 Country level CSR performance measurement methodology and user guide developed</b></p> <p>1.1.2.b. Country level CSR performance measurement methodology and user guide developed and translated into five languages</p>	X	X		Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)	EC	Contractual services, international consultants, translations	22590 (Int expert) 4518 (translation) 1289 (PC travel) 1154 (Int expert travel)
	<p><b>1.2 Country level CSR performance measurement system presented and taken-up nationally</b></p> <p>1.2.1 National consultations carried out</p> <p>1.2.2. Training for selected group of country representatives on the use of country level CSR measurement tool carried out.</p> <p>1.2.3. Country level measurement and monitoring system presented nationally in each Project country with the aim to hand it over to the Governments (and/or academia and NGOs) to use it in their national CSR promotion schemes</p>	X	X		Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)	EC, UNDP	Contractual services, international experts, travel and DSA, supplies	Total: 28968 14000 (UNDP BRC); 24968 (EC); including: 1429 (expert travel) 14292 (participants travel) 5717 (travel FP) 6024 (rent of room) 1506 (Partic packages and training materials)

<p>Output 1: Country level CSR performance measurement system developed, through research and consultations, to assess and monitor CSR excellence in project countries</p> <p>Baseline: No country level CSR excellence assessment and monitoring systems in project countries.</p> <p>Indicators: - Number of country level CSR performance measurement and monitoring system developed and adopted through consensus; - Number of country specific monitoring bodies trained.</p> <p>Targets: 1.2.a. 5 monitoring bodies trained on the use of country level CSR measurement tool 1.2.b. 5 national country level measurement and monitoring system handed over to the Governments (and/or academia and NGOs) to use it in their national CSR promotion schemes.</p>	<p>1.3. Effective and timely project management and administration delivered</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)</p>	<p>EC</p>	<p>Contractual services, and DSA travel</p>	<p>36 000</p>
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<p>Output 2: Capacity of companies strengthened to assess their own CSR performance</p> <p><u>Baseline:</u> Little or no capacity among companies to implement CSR and lack of tools for self-assessment; lack of objective company performance assessment mechanisms/indicators.</p> <p>Indicators:</p> <ul style="list-style-type: none"> <li>- Number of company level CSR performance self-assessment tool available including the associated handbook</li> <li>- Availability of final project report</li> </ul> <p>Targets:</p> <p>2. 1 country specific hand-book per country, consolidating country inputs, on CSR performance measurement, based on testing;</p> <p>2.2. Final project report (including project overview, results, recommendations to national governments and the EC); prepared and disseminated</p>	<p><b>2.1 Company level CSR performance self-assessment tool developed and delivered</b></p> <p>2.1.1 Company level CSR performance self-assessment tool developed</p> <p>2.1.2. Training of trainers on self-assessment carried out</p>	<p>XX</p> <p>X</p>	<p>X</p> <p>X</p>	<p>X</p> <p>X</p>	<p>X</p> <p>X</p>	<p>Lith CO</p> <p>Lith CO, BRC</p> <p>Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)</p> <p>Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)</p>	<p>EC</p> <p>EC, UNDP</p> <p>EC</p> <p>EC</p>	<p>International consultants, contractual services</p> <p>International consultants, contractual services, supplies, travel and DSA.</p> <p>National consultants, contractual services</p> <p>National consultants, contractual services, publication, translation</p>	<p>12 (int. expert) 048</p> <p>Total: 31566</p> <p>[2522 (UNDP BRC); 29044 (EC)], including:</p> <p>1633 (int. expert travel)</p> <p>16325 (particip. Travel)</p> <p>6078 (FP travel)</p> <p>6024 (room)</p> <p>1506 (Partic. packages and training materials)</p> <p>21 084</p> <p>Total: 50 452, including: 41416 (publication) 3012 (dissem.) 6024 (translation)</p>
<p>2.1.3. Self-assessment tool tested by trainers inside 3-5 companies in each of Project countries</p>			<p>X</p>		<p>Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)</p>	<p>EC</p>	<p>National consultants, contractual services</p>	<p>21 084</p>	
<p>2.1.4. A hand-book on CSR performance measurement prepared and published, based on testing and country inputs and disseminated</p>			<p>X</p>	<p>X</p>	<p>Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)</p>	<p>EC</p>	<p>National consultants, contractual services, publication, translation</p>	<p>Total: 50 452, including: 41416 (publication) 3012 (dissem.) 6024 (translation)</p>	



	<p><b>2.2. Effective and timely project management and administration delivered</b></p> <p>2.2.1 Effective and timely project management and administration delivered, including maintenance of project website.</p>	X	X	X	X	<p>Lith CO, BRC (CST for Hung and Slov), Bulg CO, BRC (PPT for Pol)</p>	<p>EC, Government of Poland</p> <p>UNDP, of</p>	<p>Contractual services</p> <p>Travel and DSA</p>	<p>67091 (salaries) 110 000 (UNDP Bulgaria) 10 000 (Gov. of Poland) 47091 (EC)]</p> <p>3012 (website maint.) 1154 (PA visit to PC Office)</p>		
<p>GMS from final instalment</p>										19,815	307,453
<p>TOTAL</p>											

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## V. MANAGEMENT ARRANGEMENTS

The project will be executed by the Bratislava Regional Centre within the delegated Direct Execution (DEX) authority, in line with the UNDP Programme and Operations Policies and Procedures, with lead office (management office) UNDP Lithuania. Large part of the activities will be implemented by respective UNDP COs. The project will be activated in Atlas as a single award with five country projects for both outputs.

Specifically, COs will be responsible for:

- National level project implementation and support services for the national components
- Maintaining working contacts with the national partners
- Application of the commonly agreed standards and procedures
- Reporting (progress and financial) to CO Lithuania and BRC on quarterly basis according to agreed templates
- Reflecting the national specifics in all components of the project when appropriate

The Project manager (Head of the UNDP Office in Lithuania) will be responsible for overall project management and backstopping.

The role of the regional project manager based in Lithuania will be:

- Overall project implementation, monitoring and oversight, guidance to project countries, coordination of all activities and ensuring cooperation between the countries; organisation of regional activities of the project; consultancy and expert support necessary at various phases of the project implementation
- Establishment and management of project in Atlas (one award multiple projects)
- Maintaining the project's conceptual clarity and standards
- Knowledge management at regional level: coordination exchange of information, knowledge and good practice, codification of knowledge and support for cooperation between the countries
- Communication and marketing of the project to business community and other stakeholders at regional level
- Responsibility for interim and final reporting to the EC, project substantive and budget revisions and other ongoing communication with the EC.

BRC will have a responsibility for project assurance. Specific supporting functions, especially in policy advice on CSR/GC related issues may be performed by BRC relevant staff as well.

A **Project Board** will be established to take responsibility for making executive management decisions on strategic direction of the project and when guidance is required by the Project manager, including approval of project revisions. The Project Board will be comprised of the Representative of the RBEC HQ Bureau (EU Cluster), Bratislava Poverty Practice Leader, representative of Country Offices Bulgaria and Poland (under BRC CST and PPT). In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with the standards that shall ensure best value to money, fairness, integrity transparency and effective international competition. In case a consensus cannot be reached, final decision shall rest with the Bratislava Poverty Practice Leader. Based on the approved annual work plan (AWP), the Project Board may review and approve project quarterly plans when required and authorize any major deviation from these agreed quarterly plans. It is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next quarterly plan. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and other external bodies. In addition, it approves the appointment and responsibilities of the Project Manager. The Group's key roles will be as follows:

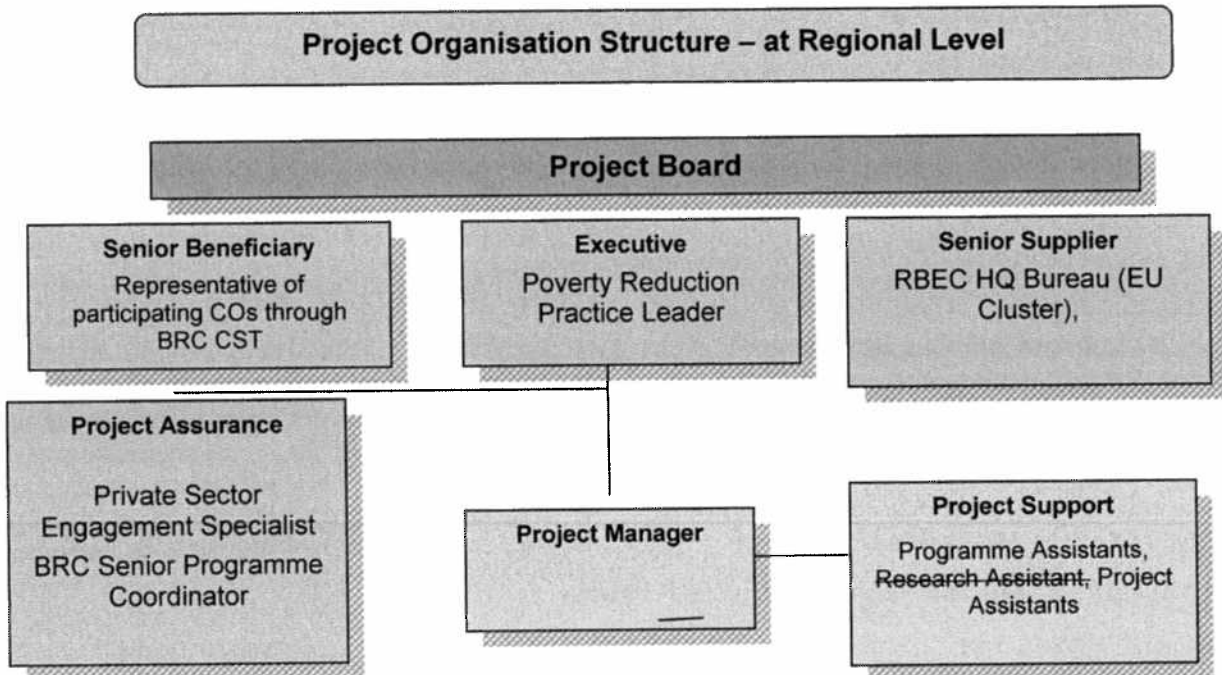
(a) Executive role will be performed by the BRC Poverty Practice Leader.

(b) Senior Supplier role will be held by the Representative of the RBEC HQ Bureau (EU Cluster);

(c) Senior Beneficiary role will be held by the Country Offices (Bulgaria and Poland, through BRC CST).

Project Assurance is the responsibility of each Project Board member; however the role can be delegated. The **Project Assurance role** 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. Project Assurance has to be independent of the Project Manager; therefore, the Project Board cannot delegate any of its assurance responsibilities to the Project Manager. The Private Sector Engagement Specialist (delegated by the Project Board) will perform this function.

## 5.2. Project organisation structure



## VI. MONITORING FRAMEWORK AND EVALUATION

### Within the annual cycle

- Quarterly progress reports shall be submitted by the Project Manager to the Project Board through Project Assurance, using a template developed for this purpose and derived from a standard format available in Atlas. The template includes reporting on achievements, planned activities, risks log, incurred and planned expenditure.
- EC specific progress and final report as outlined in the Agreement (annually and final report).
- Regular conference calls with participating COs will be conducted by the Project Manager and/or Project Assurance.
- 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.
- To complement the above, a mid-year project review and an annual project review during the fourth quarter of year will be conducted as a basis for assessing the performance of the project. In the last year, this review will be a final assessment. This review will be 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.
- Project will be subject to regular BRC project review meetings

### Quality Management for Project Activity Results

<b>OUTPUT 1: Country level CSR performance measurement system developed, through research and consultations, to assess and monitor CSR excellence in project countries.</b>		
<b>Activity Result 1 (Atlas Activity ID)</b>	<b>Country level CSR performance measurement methodology and user guide developed (abbreviation: CSR monitoring tool)</b>	Start Date: 01/12/2009 End Date: 31/05/2010
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Enable assessment of CSR excellence in project countries in a comparable manner and against concrete and measurable indicators</li> </ul>	
<b>Description</b>	1.1.1 Organize a consultation meeting (through a teleconference) with relevant COs; 1.1.2. Draft tender documents, select international experts and sign contracts for development of CSR measurement indicators at macro and micro level. ; work with selected experts to: 1.1.2.1. Develop a questionnaire, macro level indicators and methodological guide on how to use monitoring tool; 1.1.2.2. Translate methodology and user guide into five languages 1.1.2.3. Advise countries during national discussions on establishing monitoring systems;	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
<ul style="list-style-type: none"> <li>• TOR for methodology development approved;</li> <li>• Methodology prepared and approved by project countries.</li> </ul>	<ul style="list-style-type: none"> <li>• Final report (methodology, questionnaire and user guide)</li> </ul>	31/05/2010
<b>Activity Result 2 (Atlas Activity ID)</b>	<b>Country level CSR performance measurement system presented and taken-up nationally (abbreviation: national consultations and training)</b>	Start Date: 01/05/2010 End Date: 31/06/2010
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Mobilise support at national level for establishment of CSR monitoring and engage stakeholders in discussions to enhance national ownership</li> <li>• Better align the international expert's work with national realities</li> <li>• Reach consensus at national level on monitoring system Build capacities of relevant stakeholders enabling them to practically apply CSR measurement indicators at country level and implement CSR monitoring model</li> </ul>	
<b>Description</b>	1.2.1 Organize and carry out consultations at national level with a view to promoting proposed monitoring	

	system. 1.2.2. Organize and carry out training event in Vilnius, Lithuania; 1.2.3 Organize and carry out country level presentations on monitoring systems for governments and stakeholders.	
Quality Criteria	Quality Method	Date of Assessment
<ul style="list-style-type: none"> <li>Number of broad range stakeholders attending National consultations</li> <li>Conclusions on national CSR monitoring system prepared and approved;</li> <li>Number of country participants attending the training.</li> </ul>	<ul style="list-style-type: none"> <li>Consultations' report with conclusions</li> <li>Participants' lists</li> </ul>	31/06/2010
<b>Activity Result 3 (Atlas Activity ID)</b>	<b>Effective and timely project management and administration delivered (abbreviation: project management) (activity 1.1 and 1.2)</b>	Start Date: 01/12/2009 End Date: 31/06/2010
<b>Purpose</b>	Ensure the achievement of project results and effective financial management	
<b>Description</b>	1.3.1 Timely and effectively manage the project including: 1.3.1.1 Organize all project activities, coordinate partners and ensure consistency among project countries in respect of reaching project results. 1.3.1.2. Provide effective financial management of project budget, budget revisions. 1.3.1.3. Deliver effective communication with EC, including preparation of interim reports, project addendums, visibility (collect inputs from project countries, consolidate reports and project revisions and submit to the EC); 1.3.1.4. Deliver ongoing project assurance in line with UNDP M&E rules implementation of the project through consultations, as well as visit to project managing office.	
Quality Criteria	Quality Method	Date of Assessment
<ul style="list-style-type: none"> <li>Budget revisions approved by EC</li> <li>90% project delivery</li> <li>Interim and final reports approved by EC</li> </ul>	<ul style="list-style-type: none"> <li>Requests for budget revisions</li> <li>Interim financial and narrative reports</li> <li>Final financial and narrative report</li> </ul>	31/04/2010 31/06/2010 31/12/2010
<b>OUTPUT 2: Strengthening capacity of companies to assess their own CSR performance</b>		
<b>Activity Result 1 (Atlas Activity ID)</b>	<b>Company level CSR performance self-assessment tool developed and delivered (abbreviation: CSR self-assessment tool)</b>	Start Date: 01/02/2010 End Date: 31/10/2010
<b>Purpose</b>	Provide companies with a practical tool to assess CSR situation at company level and its' value for business and build their capacities	
<b>Description</b>	2.1. 1 Work with international experts on: 2.1.1.1 Preparation of self-assessment tool: questionnaire and a guide; 2.1.1.2 Preparation of training for trainers (TOT). 2.1.2. Organise and carry out TOT in Bratislava, Slovak Republic; 2.1.3. Work with national experts (trained during TOT) on testing self-assessment tool and preparing descriptions of practices as a basis for handbook. 2.1.4. Work with national experts to: 2.1.4.1. Prepare and deliver the handbook text; 2.1.4.2. Translation, editing, publication of the handbook, dissemination to project countries, maintenance of the <a href="http://www.acceleratingCSR.eu">www.acceleratingCSR.eu</a> website	
Quality Criteria	Quality Method	Date of Assessment
<ul style="list-style-type: none"> <li>Self-assessment questionnaire approved by countries;</li> <li>Number of country participants attending the training;</li> <li>At least 3-5 companies participated in assessment in</li> </ul>	<ul style="list-style-type: none"> <li>Final expert report (questionnaire and user guide)</li> <li>Participants' lists</li> <li>Testing reports from trainers</li> <li>Text of the Handbook</li> </ul>	31/10/2010

<ul style="list-style-type: none"> <li>• each project country;</li> <li>• Testing reports from trainers approved;</li> <li>• Handbook published and translated</li> </ul>		
<b>Activity Result 3 (Atlas Activity ID)</b>	<b>Effective and timely project management and administration delivered (abbreviation: project management)</b>	Start Date: 01/12/2009 End Date: 31/11/2010
<b>Purpose</b>	Ensure the achievement of project results and effective financial management	
<b>Description</b>	<p>2.2.1. Timely and effectively manage the project including:</p> <p>2.2.1.1 Organize all project activities, coordinate partners and ensure consistency among project countries in respect of reaching project results.</p> <p>2.2.1.2 Provide effective financial management of project budget, budget revisions.</p> <p>2.2.1.3 Deliver effective communication with EC, including preparation of interim and final reports, project addendums and visibility (collect inputs from project countries, consolidate narrative and financial reports and addendums and submit to the EC).</p> <p>2.2.1.4. Deliver ongoing project assurance in line with UNDP M&amp;E rules implementation of the project through consultations and regular contacts with project managing office.</p>	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
<ul style="list-style-type: none"> <li>• Budget revisions approved by EC</li> <li>• 90% project delivery</li> <li>• Interim and final reports approved by EC</li> </ul>	<ul style="list-style-type: none"> <li>• Requests for budget revisions</li> <li>• Interim financial and narrative reports</li> <li>• Final financial and narrative report</li> </ul>	<p>31/04/2010</p> <p>31/06/2010</p> <p>31/12/2010</p>

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## **VI. LEGAL CONTEXT**

This regional project document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement (SBAA) between the Governments participating and the United Nations Development Programme.

VII. ANNEXES

OFFLINE RISK LOG



<p><b>Project Title:</b> Establishment of CSR Performance Assessment and Monitoring Systems</p>	<p><b>Award ID:</b> 00058949</p>	<p><b>Date:</b> 29 July 2009</p>
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Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted/ updated by	Last Update	Status
<p>Lack of national consensus on establishment of proposed excellence monitoring model in project countries</p>	<p>At project inception</p>	<p>Political</p>	<p>Difficulties in engaging government bodies and funding to ensure sustainability of the proposed model at national level in project countries P = 2 I = 3</p>	<p>Risk to be addressed by organising wide national consultations that would enhance national ownership of the final product; include national comments in model developed by international experts as much as possible; include stakeholders in capacity building activities.</p>	<p>Project Manager, Project Assurance and focal points in project countries</p>	<p>Lyra Jakuleviciene, Project Manager</p>	<p>29 07 09</p>	<p>No change</p>
<p>Lack of local capacities to ensure country specificity is embedded into the tool.</p>	<p>At project inception</p>	<p>Operational</p>	<p>Since the preparation of handbook will involve testing CSR self-assessment tool in five different countries, the results of which will have to be consolidated in one document, the practical use of the tool might be limited if country</p>	<p>Risk to be addressed by careful selection of participants for TOT who will later undertake assessment; selection of strong leader with excellent interpersonal skills and experience in CSR in order to coordinate the handbook consolidation.</p>	<p>Project Manager, Project Assurance and focal points in project countries</p>	<p>Lyra Jakuleviciene, Project Manager</p>	<p>29 07 09</p>	<p>No change</p>



				specificity is not fully addressed. P = 3 I = 3						
Lack of private sector buy-in at the local level	At project inception	Strategic	Testing and up-taking the self-assessment tool might suffer from improvements that private sector contribution may bring, as well as practical use of the tool and potential of project results multiplication would be less likely	Risk to be addressed by additional efforts of focal points at country level to seek buy-in by companies at early stage of activity and very close monitoring by project manager to ensure that company buy-in is timely identified. The self-assessment tool will be widely distributed in order to increase the potential for its use,	Project Manager, Project Assurance and Project focal points in project countries	Lyra Jakuleviciene, Project Manager	29 07 09	No change		
USD/EUR exchange rates	At project inception	Financial	Financial losses may occur in the project, for which the donor (EC) is not responsible as per contractual arrangement and these losses would have to be covered by UNDP.	Risk to be addressed by negotiating with the EC newest contractual modality that does not involve fixed exchange rate at the moment of recording contribution at UNDP account. In addition, it will be ensured that contribution is recorded as closed as to receiving date.  Other mitigation measures include: 1. Obtain signed co-financing agreements with donors, including payment schedule, before entering into commitments. 2. Negotiate and constantly monitor a realistic	Project Manager, Project Finance Analyst, Project Assurance and Project focal points in project countries	Lyra Jakuleviciene, Project Manager	31 08 2009	No change		

				<p>schedule of installment payments that cover commitments to be made by UNDP.</p> <p>3. Ensure no delays in UNDP reporting (interim and/or final report) to donors which would delay the donors' payments compared to the agreed schedule. As a result UNDP loses investment income that otherwise would have been earned on the funds.</p> <p>4. Ensure that the donor contributions must be received before UNDP makes disbursements. In instances where contributions received are insufficient to cover payment requirements, payments to suppliers must be delayed until contributions are received.</p> <p>5. Before signing supplier contracts, project manager ensures that there is adequate level of receivables to cover commitments made.</p>			
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