United Nations Development Programme

PROJECT DOCUMENT

Project Title: GoM-UNDP Reimagining Tourism
Project Number: 00125346
Implementing Partner: Ministry of Tourism
Start Date: December 2020   **End Date:** June 2022   **LPAC Meeting Date:** 3 March 2021

Brief Description
The proposed "*GoM-UNDP Reimagining Tourism*" project aims to transform tourism in the Maldives with a focus on diversification of the tourism offer, actors involved and target market of the guesthouse segment. Diversifying the tourism offer through the leveraging of community-led conservation of natural ecosystems and cultural heritage as a novel tourism product will facilitate a bigger role for local councils in tourism planning and enable the establishment of formal linkages of the tourism sector with traditional knowledge and livelihoods, creating avenues for greater participation of women and youth. Additionally, it will also facilitate pathways and provide incentives for small and medium enterprises (i.e., guesthouses and other complimentary enterprises) to pursue and maximize social, economic and environmental benefits. This will be achieved through three outputs focusing on integration of tourism development into island development planning processes; acceleration of digitization efforts within the guesthouse tourism segment, with a focus on enhancing access to information and marketing of local island tourism offers; and prototyping of sustainable business models for local tourism.

Contributing Outcome (RPD): **Indicative Output with Gender Marker:** GEN2	**Total Resources Required:**		US$308,000
	Total Resources Allocated:	Programme Resources	$280,000
		GMS	$28,000
Agreed By Ministry of Tourism	Agreed By United Nations Development Programme in Maldives		
Abdulla Mausoom Minister of Tourism	Akiko Fujii Resident Representative		

I.   SITUATION ANALYSIS

Being a tourism dependent country, the Maldives has borne crippling economic and social consequences from the COVID-19 pandemic. With the complete shutdown of tourism for three months, forecasts by the Ministry of Finance anticipate a contraction in GDP in the range of -11.5 to -29.7 percent in a worst-case scenario for 2020.[1] The Rapid Livelihood Assessment on the impact of the COVID-19 crisis in the Maldives reveals that the halt in tourism impacted the lives of tourism industry workers gravely and had a drastic spill over effect on construction, transport, wholesale and retail businesses.[2]

Among the multiple segments of tourism impacted, guesthouses are especially hit hard.

Currently, the guesthouse segment consists of more than 616 establishments and is estimated to be worth MVR 2.2 billion by the end of 2019, contributing an estimated 4% to the tertiary sector economic activity[3]. Unlike the resort segment which is dominated by international tourism companies, the guesthouse segment consists of Small and Medium Enterprises (SMEs) with majority local ownership. A recent study done by the Guesthouse Association of Maldives (GAM) indicates that 36% of guesthouses are financed through personal loans and more than half are through loan facilities.[4] With the impact of COVID-19, guesthouses are expected to incur an aggregate loss of $28.9 million between April to September.[5] This is a significant shock to the economies of the guesthouse dependent islands. According to GAM, guesthouses provide 80% of direct employment benefits to communities in which they operate.[6] Additionally, these islands often have an entire ecosystem of small and medium size enterprises providing complementary services ranging from transport, recreation, logistics etc. to support guesthouses.

The guesthouse segment opened up on 15 October 2020.[7] Re-opening guidelines foresee a major role of the local council to coordinate action between the island COVID-19 task force, guesthouses, and island residents.[8] While individual guesthouses are required to submit a Health and Safety Plan to the Ministry of Tourism, re-opening is subject to the consent of the council.[9] Traditionally, the role of councils in local tourism planning had been very limited. This lack of proper planning of tourism on inhabited islands have led to islands exceeding their carrying capacities across waste, water and energy systems and gaps in realizing the full potential of tourism to contribute to rural development.

While some guesthouses are still closed for business; they still must pay for recurring costs associated with facility maintenance. Electricity bills constitute the biggest expenditure after rent and salary. A survey conducted by GAM reveals that for most guesthouses, pending electricity bill payments remain the biggest challenge to re-opening.[10] According to the World Bank, while 1% of the country's GDP is expended on subsidizing electricity, the country still has one of the highest end-user tariffs among its South Asian neighbours.[11] This is attributed to heavy reliance on imported diesel and the fragmented nature of the island-based grid system.

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[1] Ministry of Finance and Treasury, *Economic and Fiscal Impact of COVID-19*

[2] UN Maldives, *Socio-economic Response and Recovery Framework*.

[3] National Bureau of statistics "Statistical Yearbook 2020" GDP by kind of activity

[4] Guesthouse Association of Maldives, *COVID-19 Survey*

[5] Guesthouse Association of Maldives, *COVID-19 Survey*,

[6] Guesthouse Association of Maldives*, Guesthouse Re-opening Assessment*

[7] Ministry of Tourism, *Tourism Day Supplement 2020*

[8] Ministry of Tourism, *Circular on Re-opening of Guest Houses*

[9] Ibid.

[10] Guesthouse Association of Maldives*, Guesthouse Re-opening Assessment*

[11] World Bank, *Maldives Development Update - In Stormy Seas*

COVID-19 exposed and exacerbated pre-existing inequalities and vulnerabilities in the Maldivian society, with women amongst the worst affected population groups. Unemployment statistics collected through the newly established Job Center shows that across all sectors redundancy and complete loss of income was higher for women than men. This gender gap was particularly pronounced in the tourism sector, where to begin with local women accounted for only 3 percent of the resort work force.[12] Information gathered from a small sample of guesthouses surveyed for a Training Needs Assessment of the Tourism Industry reveals that the share of local females employed by the guesthouse segment is at 7% and much higher than that of resort segment.[13] A sector-specific gender equality diagnostic conducted by the Asian Development Bank attributes gender norms, the lack of conducive arrangements at resorts for women with care duties as well as negative perceptions associated with the industry as the main reasons for this. The study also identifies the establishment of industry specific and cross sector value chains focusing on women as an opportunity for increasing women's participation.[14]

Conservative estimates indicate that migrant workers constitute up to 60% of the tourism workforce. While there are no accurate or official estimates of the contribution of migrant workers to the guesthouse segment, it is expected that guesthouses will not fall too far from the overall industry trend. The COVID-19 crisis exposed vulnerabilities of the migrant worker population, revealing entrenched labour governance issues. GAM reported that despite being closed, guesthouses had continued to offer a basic living allowance and some sort of security for foreign employees most of whom live on site at the guesthouses.[15]

As guesthouses scramble to re-open, it is clear that even if guesthouses can open, a successful recovery of the segment will require a product offer other than sun, sand and the beach to attract more visitors[16]. In this regard, the country's unique ecosystem and cultural heritage both of which faces extreme climate vulnerabilities, if approached from a conservation angle, could be promising.

Affecting both supply side and demand side factors, the ongoing pandemic exposed structural vulnerabilities within the tourism industry. This coupled with the country's increasing exposure to climate change related risks, obligates the country to pivot the current trajectory of its tourism industry to a more sustainable one. The proposed project aspires to contribute to the recovery of the Maldivian tourism industry, while using the opportunity to make it more resilient through investments to ensure sustainability and inclusivity.

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[12] UNDP, *Rapid Livelihood Assessment - Impact of the COVID-19 Crisis in the Maldives*

[13] Kai Partale, *Training Needs Analysis of the Tourism Sector*

[14] Asian Development Bank, *Maldives Gender Equality Diagnostic of Selected Sectors*

[15] Guesthouse Association of Maldives, *Guesthouse Reopening Assessment*

[16] Ministry of Tourism, *Approved Opening Dates of Resorts, Hotels, Vessels and Transit Facilities*

II. PROJECT OVERVIEW AND EXPECTED OUTPUTS

The proposed "*GoM-UNDP Reimagining Tourism*" project aims to transform tourism in the Maldives with a focus on diversification of the tourism offer, actors involved and target market of the guesthouse segment. Diversifying the tourism offer through the leveraging of community-led conservation of natural ecosystems and cultural heritage as a novel tourism product will facilitate a bigger role for local councils in tourism planning and enable the establishment of cross sector value chain linkages of the tourism sector with women entrepreneurs and informal livelihoods. Additionally, the focus on using sustainability performance as a marketing tool will facilitate pathways and provide incentives for small and medium enterprises (i.e., guesthouses and other complimentary enterprises) to pursue and maximize social, economic and environmental benefits.

The proposal focuses on the following concrete measures: i) **Building capacities and establish formal systems** to integrate development of sustainable tourism into island planning efforts; ii) **Enhancing access to information and marketing of local island tourism offers** through support to digitally map and market the natural and cultural ecosystem of the Maldives as unique product offerings from guesthouse on the main marketing portal for Maldivian tourism, and iii) **Prototype sustainable business models for local tourism,** including through the offer of regional and sub regional product offers, reskilling of Maldivians for green/blue jobs in the industry, establishment cross sector value chains focusing on women entrepreneurs and creation of sustainability standards for the guesthouse segment.

Given the novelty of the approach and the short implementation window, project activities will be implemented in one atoll. This provides an opportunity to demonstrate a proof of concept for scaling.
The administrative Atoll of Laamu (*Haddhunmathi*) was selected based on a few criteria such as pandemic-related vulnerabilities, existing nature conservation efforts and scope of guesthouse tourism. Laamu Atoll consists of 73 coral islands[17], 56 reefs and a total of 203.70 km^2 of reef coverage.[18] Eleven of these islands are inhabited with a population of 13,498.[19] Having played an important role in the country's period of being a kingdom, Laamu has a rich history. The atoll is also home to the Maldives Underwater Initiative resourced through a partnership between Manta Trust, Olive Ridley Project, Blue Marine Foundation and Six Senses Resort. [20] UNDP Maldives intends to establish linkages with this initiative to benefit from their expertise, impressive global network and resources in the efforts to reskill young Maldivians to take part in local island tourism, focusing on nature conservation.

UNDP already has strong relationships with community partners in Laamu Atoll through the connections established during the implementation of the Low Emission Climate Resilient Development (LECReD) programme and the ongoing Government of Japan-funded SEEDS project on foods security through green farming practice and livelihoods, providing an integrated area-based development offer.

The project is aligned with priorities[21] articulated in the Government's Strategic Action Plan 2019 - 2023[22] and contributes to the achievement of the Sustainable Development Goals (SDG), including

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[17] McNamara et.al, "What is Shaping Vulnerability to Climate Change? The Case of Laamu Atoll in the Maldives".

[18] Naseer and Hatcher, "Assessing the Integrated Growth Response of Coral Reefs to Monsoon Forcing Using Morphometric Analysis of Reefs in the Maldives"

[19] National Bureau of Statistics, *Census 2014*

[20] Six Senses Laamu, *Maldives Underwater Initiative*

[21] The project interventions have been designed to align with some of the key actions specified in the *Blue Economy* and the *Jazeera Dhiriulhun* sectors of the SAP.

[22] The President's Office, *Strategic Action Plan 2019 - 2023*

SDG5 on gender equality, SDG8 on decent work and economic growth, SDG10 on reduce inequalities, SDG13 on climate action, SDG14 on life below water and goal 15 on life on land. The project also has strong linkages with the 'Climate Smart Resilient Islands Initiative' spearheaded by the Maldives at the UN Climate Action Summit in 2019 as a replicable solution to combat climate change and provide sustainable development for Small Island Developing States (SIDS). It focuses on achieving environment-related targets in eleven key areas, including the designation of environmentally protected areas; installation of new technology; establishing inter-island connectivity; safeguarding food and water security; promoting green tourism; ensuring climate-resilient infrastructure; transitioning to renewable energy; and sustainable waste management, among others.

With its linkages to the creation of better opportunities for women and youth, investments in nature-based solutions, and digitization, the project will also support the UN wide response to the COVID-19 pandemic in Maldives. Additionally, this proposal will complement UNDP Maldives ongoing work under Governance, Green Economy, Digital Initiatives and Social Protection under UNDP offer 2.0.

This project is transformational and catalytic beyond recovery. With its future orientated actions and forward-looking trajectory, the project can lay the foundations of carving out a niche for Maldives tourism focusing on nature conservation, widespread community benefits and sustainability. The innovative approaches emphasizing digitization of the tourism industry, nature and culture conservation provides avenues for imagining new and exciting possibilities of work for young Maldivian men and women. Additionally, the overall direction and focus of the project is in alignment with the country's positions on climate change and will further strengthen the country's international standing as a leader on global environmental issues and advocacy on finding sustainable development pathways for SIDs.

The project will allow UNDP to further consolidate its position as a crucial development partner that is supporting the Government navigate economic structural vulnerabilities exposed by COVID-19 and to bring about transformational changes to chart a sustainable and inclusive development trajectory.

OUTPUT 1: Island tourism development integrated into island development planning processes

Even prior to the pandemic, the Government had identified decentralization of tourism development planning responsibilities. The pandemic has aggravated the need for urgent action on this priority, as successful re-opening and recovery of the tourism industry is dependent on coordinated communication and action amongst stakeholders at various levels, including at the very local level. The monitoring and coordination responsibilities delegated to local councils in the re-opening guidelines for guesthouses has already established a more formal role of local island councils in the planning and regulation of tourism on local islands. UNDP will capitalize on these developments and further support the government to enhance the institutional capacity of local councils to play a bigger role in island tourism development planning, with a focus on ensuring sustainability and inclusivity.

Planned Activities:
   i)   Carry out virtual project launch event to provide an opportunity for all stakeholders to understand project outputs and establish connections with each other
   ii)   Formulate minimum standards and/or guidelines for tourism safety and security and sustainability, paving way for the establishment of a decentralized audit system
   iii)   Roll out training workshops for local councils and guesthouses in Laamu Atoll to incorporate and assess tourism development planning into island development planning

processes with an emphasis on sustainable management of resources, enhancing safety and security for tourists and increasing tourism dividends to community members including women and young people on the island,and researching into public involvement in direct and auxiliary engagements with the locality's hospitality industry

iv) Pilot test a decentralized audit mechanism in Laamu Atoll to measure compliancy with safety standards as well as performance on a number of environmental (plastic free, zero waste and low carbon), social (gender parity, opportunities for persons with disabilities) and economic (linkages with other local businesses through cross sector supply/value chains) indicators

v) Establish island-specific sustainability thresholds indicating environmental, socio-economic carrying capacities for tourism development planning for all of the inhabited islands of Laamu Atoll, including information capturing the urgent requirements of each island in catering to tourist arrivals,while exploring the use of 3D space and design with time (4D).

OUTPUT 2: Enhanced access to information and marketing of local island tourism offers

The Maldives has pledged to protect one reef, one island and one mangrove from each atoll of the Maldives by 2023. Since 2019, this has been completed in seven of the 20 atolls with the remaining atolls to follow by 2023. With a total of 71 protected areas in the country, the Ministry of Environment estimates that the country has now protected more than 6% of coral reefs & nearly half the total area of mangroves.

Accelerating digitizing efforts to enhance tourists' access to timely information about the unique offers of the guesthouse segment as well as ease of booking procedures becomes all the more important in the context of COVID-19. While the unique natural ecosystems and cultural heritage of inhabited islands have a lot to offer to the tourism industry, most guesthouses lack the financial resources and know how to create tourism offerings out of them. The need to map out the unique natural and cultural beauty of the Maldives and to diversify the Maldivian tourism industry expanding into areas such as cultural tourism, eco-tourism and sports tourism is well articulated in the SAP. UNDP Maldives will support these efforts of the government, bringing in a focus on community-led conservation of nature and culture.

Planned Activities:

i) Map out and consolidate island level data on unique natural ecosystem features (land- and water-based), history, culture, heritage sites, traditions and local tourism facilities on 11 inhabited islands of Laamu Atoll. This includes identification of the destination-based business prospects and investment opportunities, and the destination's strongest and most competitively appealing attractions according to tourist perceptions while exploring the use of 3D space and design with time (4D)

ii) Develop island-specific narratives complete with island based on the mapping exercise

iii) Compile the information collected from the mapping exercise into one central atoll-level website linked to the *Visit Maldives* website.This website should have separate Rashu (island) landing pages and guest house reservation capabilities, allowing for convenient viewing of the destination's strongest and most competitively appealing attractions according to tourist perceptions.

OUTPUT 3: Sustainable business models for local tourism prototyped

Speaking at the most recent UN General Assembly, the President highlighted that the Maldives takes its climate commitments seriously, and that it will continue to engage with our global partners to preserve biodiversity and address the climate emergency. He reiterated the Climate Resilient Island Initiative as a model that other small island states can use to develop sustainably, by conserving

eco-rich areas, phasing out single-use plastics, and rapidly transiting to renewable energy. The Maldives has also announced that it has joined the Global Ocean Alliance in support of protecting 30% of the Ocean by 2030 and has committed to enhancing its NDC ambition ahead of the UNFCCC COP26 to be held in Glasgow.

The focus on prototyping sustainable business models for local tourism provides an opportunity to accelerate the alignment of the guesthouse segment with the national priorities and the SDGs. The specific prototypes implemented in Laamu will focus on two main areas: creating regional and sub-regional eco-tourism and cultural tourism packages that establishes cross sector value chains establishing forward and backward linkages with women entrepreneurs and informal livelihoods and leveraging performance on sustainability indicators as a marketing tool. The information for the sustainability ratings will come through the audits conducted by the local council in Output 1.

The focus on establishing pathways to integrate informal and traditional livelihoods and women entrepreneurs into guesthouse segment through the establishment of sector specific and cross sector value chains would facilitate greater participation of women in the industry as well as provide additional income streams for those engaging in informal and traditional livelihood activities such as coir rope making, thatch making, and beyond. The fiscal decentralization taking place in Maldives where councils are authorized to collect its own taxes can be geared to channel revenues from eco-cultural tourism ventures to establish pilot island/regional funds which can be used as a vehicle to provide a sustainable source of funding source for conservation activities. UNDP can assist local councils in the design and administration of such fund structures including vetting prospective ESG/SDG-aligned investments identified at the local level. Such pilot mechanisms currently being considered in Fiji[23] to recycle regional funding sources and if successful such models can then replicated/scaled-up/consolidated in other regions of Maldives.

Planned Activities:
  i)   Design and establish Blue Seal for guesthouses to recognize performance on a number of environmental (plastic free, zero waste and low carbon), social (focusing on employment of men/ women. PWDs) and economic (linkages with other local businesses through cross sector supply/value chains) indicators
  ii)   Roll out re-skilling training programs to cater to localized training needs in particular for women and youth. Potential areas include marine conservation, water related adventure recreational activities (diving/ surfing/ kite surfing/ etc.), local culinary, culture, arts, and handicrafts, marketing, management, customer service, digital; technology etc.
  iii)   Establish a business incubator program to facilitate access to finance, banking services and learning for women entrepreneurs seeking to contribute to tourism sector value chains
  iv)   Create and market sub-regional and regional ecotourism and cultural tourism packages for both international and domestic tourists, including the identification of specific market segments, exploration of potential new markets, planning for sustaining tourist arrivals, upscaling these engagements, undertaking experimental reach-outs and the development of B2B relationships between local inbound travel agencies and outbound agencies in specific markets and international travel wholesalers
  v)   Feasibility study on transition to renewable energy in guest houses, including recommendations on design considerations for dedicated fund to facilitate transition to renewable energy
  vi)   Provide technical assistance to design dedicated fund structures to provide sustainable funding sources to conservation activities at island/regional level;
  vii) Compile Project Report capturing what was done, best practices established, lessons learnt and possible future directions and

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[23] https://www.convergence.finance/design-funding/grant-portfolio/1a3SuhPkaX3WLSDfsWCQ2B/view

viii)   Host Sustainable Tourism Conference to share lessons learnt, some best practices, and possibly some discussions on how the approaches tested in this project could be grown elsewhere.

Geographic and population targets

- The project will target support provided to individuals living in Laamu Atoll.

- Priority will be given to individuals that have been directly affected by the COVID-19 crisis. This may be due to loss of income from closing down a family business or home-based business/informal work, loss of income because those employed in the family have been either been laid off or given 'no-pay' leave.

- Priority will also be given to those who are not employed and/or out of the labour force. This includes unemployed young women and men who are available and are actively seeking employment, persons with disabilities (PWDs) who are typically considered out of the labour force because there are no employment opportunities available to them and women who are seeking to earn an income but may not be able to do full-time salaried work.

Human Security Approach:

After reviewing a range of best practices, and in line with the General Assembly resolution 66/290, "*Human security is an approach to assist Member States in identifying and addressing widespread and cross-cutting challenges to the survival, livelihood and dignity of their people.*" It calls for "*People-centred, comprehensive, context-specific and prevention-oriented responses that strengthen the protection and empowerment of all people*". This project will ensure maximum impact and sustainability, in line with human security, human rights-based, gender empowering and 'Leave No One Behind' approaches throughout the project.

- **People-centred:** The need for local ownership takes on added importance in the context of supporting tolerant institutions. UNDP's role must be, wherever possible, to support local initiatives, and to empower the local community as the central actors. UNDP programming must facilitate, assist, and enable these discussions and ensure inclusive dialogues with communities with attention to youth, women, and people with disabilities.

- **Context-specific:** UNDP encourages programming that is grounded, not in rhetoric or assumptions, but in hard data. The project builds upon the rapid livelihood assessment that was undertaken by UNDP providing evidence-based policy recommendations and actions. Thought is given to challenges at the individual-, community-, regional- and national-levels and ensuring UNDP's offer is both holistic and integrated. It will link with existing UNDP programming on livelihood generation such as the ongoing *SEEDS* project and the work of the Accelerator Lab as well as efforts of the economist team to promote nature-based economy and solutions.

- **Sustainability:** This project will respond to the needs of the Government and its citizens and build on enduring partnerships, strengthen institutional capacity with strong business model to leverage investment capital and support inclusive institutions. All projects shall adhere to a pre-approved workplan, schedule and budget and will meet regular reporting deadlines. All activities should be completed within the 18-month timeframe and include a transition plan.

III. RISKS AND ASSUMPTIONS

The on-going pandemic and its continued effect on travel and tourism is a risk. From the onset, the Government had taken timely and decisive actions that helped contain the spread of the virus in the country. In September 2020, the Maldives achieved the 'Safe Travels Stamp' endorsed by the World Tourism Organization (WTO) and over 200 travel companies.[24] The gradual increase in the daily number of arrivals since July 2020 is promising.

UNDP will work closely with relevant authorities, including the Health Protection Agency (HPA) and the Ministry of Tourism, to ensure that all project activities are implemented according to national health and safety guidelines. Additionally, UNDP will establish a project advisory board with industry stakeholders who could provide real-time insights useful for directing the project.

Another risk that could potentially delay project implementation is access to an affordable and reliable internet connection that could impact several outputs. UNDP will explore partnership with private telecommunication companies (like Ooredoo or Dhiraagu) to ensure island-level connectivity and collaborate with the Ministry of Communication Information and technology in addition to the Local Government Authority.

The scale and protracted COVID-19 pandemic, impacted the vulnerable populations, reversing any development gains and increasing the number of those marginally above the poverty line. The following groups are particularly at risk: women, young people and people with disabilities. UNDP will ensure that project activities prioritize and target relevant vulnerable groups to the extent relevant and possible and ensure their meaningful voice, representation, and participation in all project stages.

Risk management:
The project risk log presented in Table 1 below incorporates the social, environmental, economic, programmatic and operational risks anticipated during project implementation. UNDP will record and monitor risks according to their assigned impact and probability, and report on the effective implementation of their associated mitigating measures.

Social and environmental safeguards:
UNDP will be responsible to monitor and implement any social and/or environmental safeguard measures necessary to ensure that the project execution follows the organisation's "do no harm" policy and acts in accordance with applicable UNDP social and environmental policies. All project-affected stakeholders and beneficiaries can submit any grievances to their related Implementing Partner or directly to UNDP. UNDP CO will establish appropriate grievance resolution procedures for addressing any project-related social and/or environmental complaints and disputes, which will be monitored and reported through annual reporting mechanisms.

Table 1: Risk Log

Description	Type	Impact & Probability	Severity	Mitigating Measures
Increased quantity of vulnerable persons marginally above the poverty line in groups due to COVID-19.	Social/economic	P = 5 I = 5	High	Ensure that project activities prioritize and target relevant vulnerable groups to the extent relevant and possible and ensure their meaningful voice,

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[24] Ministry of Tourism, "Maldives achieved the safe travels stamp, granted by World Travel and Tourism Council (WTTC)"

Description	Type	Impact & Probability	Severity	Mitigating Measures
				representation, and participation in all project stages
COVID-19 continues to spread, extending mobility restrictions which are likely to affect project implementation.	Programme	P = 5 I = 5	High	Virtually coordinate project outputs requiring travel and ensure that social distancing measures are enforced to ensure safety of people involved in implementation
Poor access to affordable and reliable internet connections	Programme	P = 3 I = 4	High	Explore partnerships with telecoms to ensure island-level connectivity
Delayed implementation, cooperation modalities or management/coordination issues.	Programme	P = 2 I = 4	Moderate	Coordinate closely with Project Steering Committee and technical working group to meet regularly to review issues and anticipate any implementation challenges.
New policies/regulations placed that could have an impact on programme implementation and activities.	Sector strategy/policies	P = 1 I = 2	Low	Ensure close communication with relevant key stakeholder and government to ensure agreement on programme implementation and identify solutions
Unpredictability and climactic variability leading environmental degradation (e.g., coral bleaching) may adversely affect planned timelines for activities such as eco-tourism.	Environmental	P = 4 I = 4	High	Plan for contingencies as much as possible including reprogramming with a focus on environmental education and awareness.
Capacity of and maturity of set-up of implementing partners in financial and operational management.	Operational	P = 4 I = 3	Moderate	HACT assessment to mitigate potential risks and identify a capacity development plan.

IV. STAKEHOLDER ENGAGEMENT & PARTNERSHIPS

The project intends to work with key government partners and civil society partners in enhancing sustainability in tourism development. While the Ministry of Tourism will act as the lead institutional partner, a project advisory board consisting of representation across key stakeholders, such as the Local Government Authority, Ministry of Environment, Ministry of Youth, Sports and Community Empowerment, Laamu Atoll Council, Representation from Women Development Committees, Maldives Marketing and Public Relations Corporation, SME Development Finance Corporation and the Guest House Association of Maldives and Business Center Corporation will be established to help accelerate project implementation and address bottle necks in a timely manner.

Additional government and civil society partners for engagement in specific project activities are elaborated in the Work Plan.

Given the broad range of stakeholders for an engagement at multiple levels, the UNDP Maldives' Accelerator Lab will undertake an extensive mapping of all the project stakeholders at the national and atoll level as preparatory work for the project. Additionally, the Accelerator Lab will also support the curation of opportunities for co-designing and deep listening within the project implementation cycle to foster meaningful partnerships and institutionalize avenues for capturing learnings from this prototype. Besides, Accelerator Lab will play a role in implementing innovative approaches like co-design with partners and collective intelligence methods for testing new and practical sustainable tourism prototypes in selected places. On the other hand, Accelerator Lab will support data collection

and analysis on digital strategy to provide a better understanding of prototypes and models during rollout.

Effective stakeholder engagement is one basis for achieving sustainable project implementation. With this regard, a wide range of relevant stakeholders have been identified and consulted during the initial stages of the project formulation. Various meetings were organized to discuss the project objectives, potential outcomes and outputs to ensure active participation and support. Specific discussions with the implementing partners and government stakeholders were carried out regarding the three project outputs, how they could be effectively implemented with technical support from various agencies and organizations. An exhaustive list of stakeholders, their roles and simple strategies for their engagement is summarized in
Table 2 below.

Table 2: List of Key Stakeholders

Name	Role(s) in the Project	Participation Plan
Ministry of Tourism	Lead institutional partner, Member of Steering Committee	Steering Committee meetings, consultation through emails/telephone
Local Government Authority	Member of Steering Committee	Steering Committee meetings, consultation through emails/telephone
Ministry of Environment	Member of Steering Committee	Steering Committee meetings, consultation through emails/telephone
Ministry of Economic Development	Member of Steering Committee	Steering Committee meetings, less frequent consultation through emails/telephone
Ministry of Foreign Affairs	Member of Steering Committee	Steering Committee meetings, less frequent consultation through emails/telephone
Ministry of Fisheries, Marine Resources and Agriculture	Member of Steering Committee	Steering Committee meetings, less frequent consultation through emails/telephone
Ministry of Youth, Sports and Community Empowerment	Member of Steering Committee	Steering Committee meetings, less frequent consultation through emails/telephone
Ministry of Arts, Culture and Heritage	Member of Steering Committee	Steering Committee meetings, less frequent consultation through emails/telephone
Ministry of National Planning, Housing and Infrastructure	Involvement in implementation of certain project activities	Working Group Meetings, bilateral meetings, very frequent consultation through emails/telephone
Laamu Atoll Council	Involvement in implementation of certain project activities	Working Group Meetings, bilateral meetings, very frequent consultation through emails/telephone
Women's Development Committees (Laamu Atoll)	Involvement in implementation of certain project activities	Working Group Meetings, bilateral meetings, very frequent consultation through emails/telephone
Maldives Marketing and Public Relations Corporation	Involvement in implementation of certain project activities	Working Group Meetings, bilateral meetings, very

Name	Role(s) in the Project	Participation Plan
		frequent consultation through emails/telephone
SME Development Finance Corporation	Involvement in implementation of certain project activities	Working Group Meetings, bilateral meetings, very frequent consultation through emails/telephone
Business Center Corporation	Involvement in implementation of certain project activities	Bilateral meetings, frequent consultation through emails/telephone
Guesthouse Association of Maldives	Involvement in implementation of certain project activities	Bilateral meetings, frequent consultation through emails/telephone
Ministry of Gender, Family and Social Services	Involvement in implementation of certain project activities	Bilateral meetings, consultation through emails/telephone
Maldives National University	Involvement in implementation of certain project activities	Bilateral meetings, consultation through emails/telephone
Island based CBOs/CSOs	Involvement in implementation of certain project activities	Bilateral meetings, consultation through emails/telephone
Maldives Polytechnic	Involvement in implementation of certain project activities	Bilateral meetings, consultation through emails/telephone
Women in Tech (CSO)	Involvement in implementation of certain project activities	Bilateral meetings, consultation through emails/telephone
Maldivian Telecommunication Companies (Ooredoo & Dhiraagu)	Involvement in implementation of certain project activities	Bilateral meetings, consultation through emails/telephone
Maldivian Resorts (Six Senses Laamu)	Involvement in implementation of certain project activities	Bilateral meetings, consultation through emails/telephone

V. COMPLEMENTARITY WITH OTHER FUNDS AVAILABLE FOR COVID-19

The current project will complement key ongoing activities conducted by the CO in collaboration with the partners to: accelerate the Maldives transition to low carbon; enhance food security and diversify the economy and improve efficacy of social protection systems. The following table provides an overview of the current project's complementarity within the country office as well as other efforts being rolled out in the country.

Table 3 Sources of complementary funding

Source of Funding	Amount in millions of US$	Purpose
UNDP Core	0.2	Climate Promise: supporting the Government to enhance its NDC ambition through the Climate Promise project and initial estimations indicate that the government aspires to transform 70% of its power generation from renewables by 2030.
UNDP Core and MPTF	0.4	Integrated National Financing Framework in the Maldives to prioritize and mobilize financing for Climate Action and Quality Social Service Delivery to accelerate the achievement of Agenda 2030
Japan through UNDP	1.4	Sustainable Economic Empowerment and Development for SMEs (SEEDS) project to support innovative entrepreneurship and economic diversification through MSMEs and promoting foods security through green farming practice and enabling the creation of jobs
UNDP Core and MPTF	0.4	The Project aims to safeguard women from falling into poverty and protect them from becoming vulnerable to violent situations due to prolonged socioeconomic and emergency situations by ensuring their economic and social freedom through receiving shock responsive social protection benefits.
World Bank	20	Maldives: Enhancing Employability and Resilience of Youth Project with Ministry of Higher Education (MoHE) and MED. To improve the relevance of technical and vocational skills and foster entrepreneurship to promote youth employment in priority sectors. Tourism industry is highlighted as a priority sector.
World Bank	16	Accelerating Renewable Energy Integration and Sustainable Energy with the Ministry of Finance and Ministry of Environment
European Investment Bank	22.6	EIB's EUR 20 million loan received to help sustain SMEs operating in the tourism and industry sectors in Maldives
International Finance Corporation	20	IFC has provided a loan to Bank of Maldives as support to the Private Sector of the Tourism Industry.
European Union	3.0	Assistance to Health and Tourism sector. Including a 'Compliance Officer Training Programme' on the implementation of EIFEC compliance standards in tourism industry businesses. EIFEC in collaboration with MNU and the University of Turin (UNITO) targets to train over 800 Compliance Officers from guest houses and local councils. The programme for the councils will be

Source of Funding	Amount in millions of US$	Purpose
		conducted in association with Local Government Authority (LGA).
Japan (Bilateral)	5.6	Promote economic and social development of the country

In addition to the above, the CO is also supporting the Government to reinvest in nature and climate, creating fiscal space by using a scheme such as Debt for Nature Swap. The fiscal space created by a debt conversion, in combination with other public and private funds such as Global Fund for Coral Reefs, will be designed to de-risk the financial environment and will be invested in sustainable nature-based businesses to protect marine ecosystem and to create livelihoods in tourism sector. This project will pave a way towards strengthening capacities of key stakeholders and building a partnership structure necessary for a sustainable and bankable nature-based business models.

VI. RESULTS FRAMEWORK

Table 4 The results framework for the project with yearly milestones and targets.

EXPECTED OUTPUTS	OUTPUT INDICATORS	BASELINE		MILESTONES AND TARGETS				
		Value	Year	2021				2022
				Q1	Q2	Q3	Q4	Q1
Output 1: Island tourism development integrated into island development planning processes.	*1.1 - Number of local councillors and council secretariat staffs trained with increased knowledge on sustainable community-based tourism planning, management*	*0*	*2021*			*33*		
	1.2 - Number of audits of guest houses performed by local councils on their island	*0*	*2021*			*5*		
	1.3 - Number of islands with sustainability thresholds indicating island specific environmental socio-economic carrying capacity for tourism development planning	0	*2021*			5		
This output links to new COVID-19 IRRF Indicator GO-3, GE-1, DD-1								
Output 2: Enhanced access to information and marketing of local island tourism offers	*2.1 - Number of islands with island specific landing webpages for tourism branding and marketing purposes*	0	*2021*		11			
	2.2 - % increase in guesthouses linked to and benefitting from the island specific island landing webpages	0	*2021*		25%	75%		
This output links to new COVID-19 IRRF Indicators SP-4, GE-1, DD-1								
Output 3: Sustainable business models (focusing on establishment of cross sector value chains establishing forward and backward linkages with women entrepreneurs and informal livelihoods) for local tourism prototyped.	*3.1 - % increase guesthouses and tourism business benefitting from the new ecotourism and cultural tourism packages*	0	*2021*			25%	25%	25%
	3.2 - % increase in income of women and men who are trained through the reskilling programs	0	*2021*		20%		20%	20%
	3.3 - Number of SMEs supported through the business incubator program	0	*2021*			5		5
	3.4 - Number of women entrepreneurs supported through the incubator programs	0	*2021*		30	30	30	30
	3.5 - Number of community-based organisations supported through the livelihood programs	0	*2021*			1		1
This output links to new COVID-19 IRRF Indicators SP-4, GE-1, DD-1								

VII. MONITORING AND REPORTING

UNDP will undertake monitoring and reporting on project activities in accordance with its Programme and Operations Policies and Procedures (POPP) for Project Management.

Monitoring missions will be undertaken in keeping with work plan to be developed for the project, at the planning stage.

Quarterly progress reports will be prepared, summarizing the progress of the planned activities as well as the challenges and issues to be resolved during implementation.

Final narrative report including an interim financial report will be prepared at the operational completion of the project. Final financial report will be prepared after financial closure of the project by following UNDP policy.

VIII. WORK PLAN

Table 5 The work plan for the duration of the project with its planned budget.

Overall Objective: Develop sustainable and inclusive pathways for enhancing resiliency of the Maldives tourism industry										
Expected Outputs	**Planned Activities**	**Timeframe**					**Responsible Party**	**Planned Budget**		
		2021				2022		Source of Funds	Budget Description	Amount (US$)
		Q1	Q2	Q3	Q4	Q1				
Output 1 - Island tourism development integrated into island development planning processes.	1.1 - Carry out virtual project launch event to provide an opportunity for all stakeholders to understand project outputs and establish connections with each other.						UNDP, Ministry of Tourism, Laamu Atoll Council	RFF	Event management consultants, Audio visual materials	3,000
	1.2 - Formulate minimum standards and/or guidelines for tourism safety, security and sustainability, paving way for the establishment of a decentralized audit system.						UNDP, Ministry of Tourism	RFF	Workshop, National consultant, Local consultations,	1,000
	1.3 - Roll out training workshops for local councils in Laamu Atoll to incorporate and assess tourism development planning into island development planning processes with an emphasis on sustainable management of resources, identification of destination-based business prospects and investment opportunities, enhancing safety and security for tourists, increasing tourism dividends to community members including women and young people on the island, and researching into public involvement in direct and auxiliary engagements with the locality's hospitality industry.						UNDP, Ministry of Tourism, Local Government Authority, Ministry of Environment	RFF	Workshop, National and International consultants, Learning modules on digital open-source platform	10,000

	1.4 - Pilot test a decentralized audit mechanism in Laamu Atoll to measure compliancy with safety standards as well as performance on a number of environmental (plastic free, zero waste and low carbon), social (gender parity, opportunities for PWDs) and economic (linkages with other local businesses through cross sector supply/value chains indicators.							UNDP, Ministry of Tourism	RFF	National consultant, Audit toolkit and forms connected to e-government platform	4,000
	1.5 Establish sustainability thresholds indicating environmental, socio-economic carrying capacities for tourism development planning for all of the inhabited islands of Laamu Atoll, including information capturing the urgent requirements of each island in catering to tourist arrivals, while exploring the use of 3D space and design with time (4D).							UNDP, Ministry of Tourism, Ministry of Environment	RFF	National consultant, Grants with local academic research institutions and/or CSO/CBO, Assessors and field surveyors,	20,000
Total for Output 1											**38,000**
Output 2 - Enhanced access to information and marketing of local island tourism offers	2.1 - Map out and consolidate island level data on unique natural ecosystem features (land and water based), history, culture, heritage sites, traditions, and local tourism facilities on 11 inhabited islands of Laamu Atoll. This includes identification of the destination-based business prospects and investment opportunities, and the destination's strongest and most competitively appealing attractions according to tourist perceptions, while exploring the use of 3D space and design with time (4D).							UNDP, Ministry of Tourism, Ministry of Environment, Maldives National University, CSOs, Island Based CBOs,	RFF	National consultant, Grants with local academic research institutions and/or CSO/CBO, Assessors and field surveyors, equipment	40,000
	2.2 - Develop island specific narratives complete with branding based on the mapping exercise							UNDP, Ministry of Tourism, Laamu Atoll Council, Island councils	RFF	Communications and marketing consultant	5,000

	2.3 - Compile the information collected from the mapping exercise into one central atoll level website linked to the VisitMaldives website. This website should have separate Rashu (island) landing pages and guest house reservation capabilities, allowing for convenient viewing of the destination's strongest and most competitively appealing attractions according to tourist perceptions.						UNDP, Ministry of Tourism, Maldives Marketing and Public Relations Corporation	RFF	Web design consultant, web hosting.	40,000
Total for Output 2										**85,000**
Output 3 - Sustainable business models (focusing on establishment of cross sector value chains establishing forward and backward linkages with women entrepreneurs and informal livelihoods) for local tourism prototyped.	3.1 - Design and establish Blue Seal for guesthouses to recognize performance on a number of environmental (plastic free, zero waste and low carbon), social (focusing on employment of men/ women. PWDs) and economic (linkages with other local businesses through cross sector supply/value chains) indicators.						UNDP, Ministry of Tourism, Ministry of Environment, Ministry of Gender, Family and Social Services	RFF	National consultant, Blue seal marketing and communications materials	10,000
	3.2 - Roll out re-skilling training programs to cater to localized training needs in particular for women and youth. Potential areas include marine conservation, water related adventure recreational activities (diving/ surfing/ kite surfing/ etc.), local culinary, culture, arts, and handicrafts, marketing, management, customer service, digital; technology etc.						UNDP, Ministry of Tourism, Maldives Polytechnic	RFF; Link to MEERY Project	Grants with local research and academic institutions, Learning platform	40,000
	3.3 - Establish a business incubator program to facilitate access to finance, banking services and learning for women entrepreneurs seeking to contribute to tourism sector value chains						UNDP, Ministry of Tourism, Ministry of Gender, Family and Social Services, SDFC, Business Center Corporation, Laamu Atoll, CSOs, Women's Development Committees, Women in Tech	RFF; Links to SEEDs Project	Grants, Equipment, learning platform, ICT	37,000

	Activity						Responsible Parties	Funding Source	Inputs	Budget
	3.4 - Create and market sub-regional and regional ecotourism and cultural tourism packages for both international and domestic tourists, including the identification of specific market segments, exploration of potential new markets, planning for sustaining tourist arrivals, upscaling these engagements, undertaking experimental reach-outs and the development of B2B relationships between local inbound travel agencies and outbound agencies in specific markets and international travel wholesalers.						UNDP, Ministry of Tourism, Guest House Association of Maldives, Maldives Marketing and Public Relations Corporation	RFF	National consultant, local consultations, package marketing materials	20,000
	3.5 - Feasibility study on transition to renewable energy in guest houses, including recommendations on design considerations for dedicated fund to facilitate transition to renewable energy						UNDP, Ministry of Tourism, Ministry of Environment and Energy, Ministry of Economic Development	RFF; UNDP Core Funds, Climate Promise UNDP SPB concept note; Link to World Bank renewable energy work feasibility study	Local consultations, grants with local research and academic institutions Research Report layout and translation, Report dissemination	20,000
	3.6 - Provide technical assistance to design dedicated fund structures to provide sustainable funding sources to conservation activities at island/regional level						UNDP, Ministry of Tourism, Ministry of Environment and Energy, Ministry of Finance and Treasury, Ministry of Economic Development	RFF; UNDP Core Funds,	Local consultations, grants with local research and academic institutions	5,000
	3.7 – Project Report capturing what was done, best practices established, lessons learnt and possible future directions						UNDP, Ministry of Tourism	RFF	Grants with local research and	5,000

									academic institutions	
	3.8 - Sustainable Tourism Conference to share lessons learnt, some best practices, and discussions on how the approaches tested in this project could be replicated elsewhere.							UNDP, Ministry of Tourism, Laamu Atoll Council, private sector partners	RFF, Private sector	Evidence based policy papers Research grants Event organizer /virtual conference materials/ communications materials)	20,000
Total Output 3											**157,000**
Sub-total for Program Outputs											**280,000**
Project management costs (Project personnel, Direct Project Costs (DPC), equipment, supplies, travel and communications											28,000
Sub-total for project management costs											**28,000**
GRAND TOTAL											***308,000***

IX. PROJECT GOVERNANCE AND MANAGEMENT ARRANGEMENT

The project will be implemented though Direct Implementation Modality (DIM). UNDP will work closely with government institutions responsible for tourism planning, environmental conservation and community empowerment, local governance as well as civil society organizations. UNDP will also leverage its existing projects infrastructure and established institutional partnerships with the government to speed up project implementation. In the current situation of social distancing, the project will use technology and digital tools for project activities to the extent possible.

UNDP, as the responsible body for the management of the contribution, will oversee all technical aspects of planning and implementing project activities, fostering quality assurance, managing operational activities including procurement, finance, and human resources, while ensuring that operations adhere to UNDP ethics and accountability policies, principles and standards while enabling fast implementation within the given timeline within the range where UNDP can manage.

The strategic decisions proposed in this project document will be undertaken by the Project Steering Committee. The formulation, and roles and responsibilities include the following:

The Project Steering Committee will take corrective action as needed to ensure the project achieves the desired results. Additionally, the committee will also hold project reviews to assess the performance of the project and appraise the Annual Work Plan for the project. At the end of the project, the committee will hold an end-of-project review to capture lessons learned and discuss opportunities, if possible, for scaling up and to highlight project results and lessons learned with relevant audiences.

The Working Group consists of representatives from each of the project's key implementing partners. Meetings of the Working Group will be held on a monthly basis with the goal to ensure coordination among the stakeholders during project implementation. It also serves as a platform to represent the voice of stakeholders on topics relevant to the scope of the project and to ensure the implementation of project activities in line with the agreed project plan and approach.
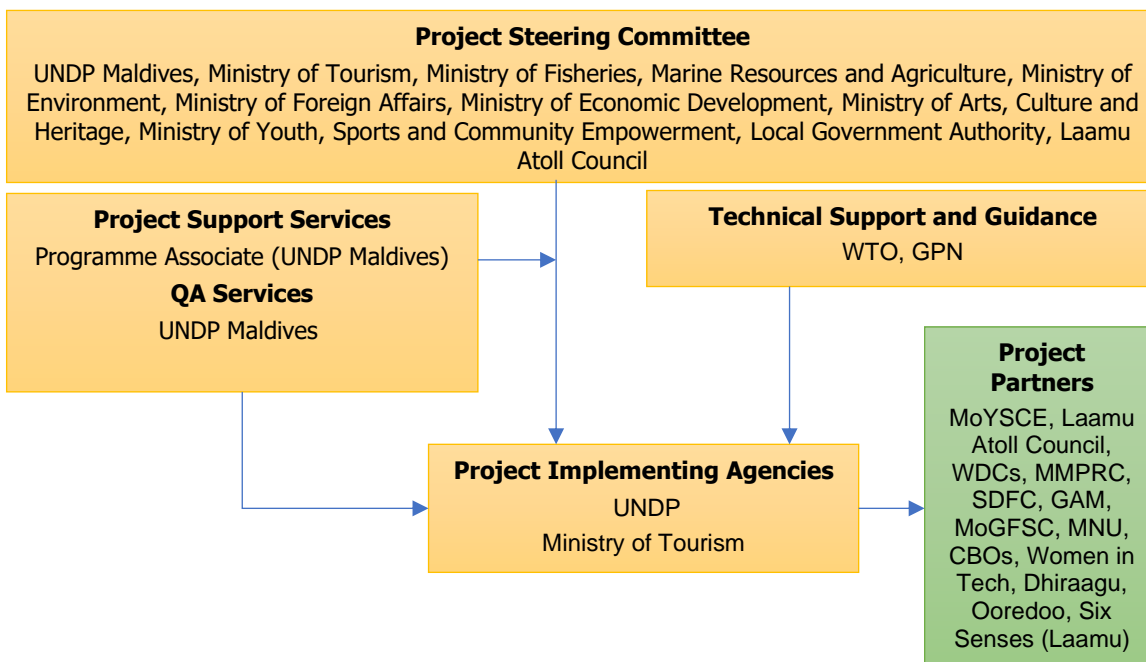
Figure 1 Illustration of the project's governance structure.

X.   LEGAL CONTEXT

This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the "Project Document" instrument referred to in: (i) the respective signed SBAAs for the specific countries; or (ii) in the Supplemental Provisions to the Project Document attached to the Project Document in cases where the recipient country has not signed an SBAA with UNDP, attached hereto and forming an integral part hereof. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

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

XI. RISK MANAGEMENT

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the UNSMS.

2. Risk Analysis is provided in Risk Log below.

3. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

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. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

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. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:

   a. Consistent with the Article III of the SBAA, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
      i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
      ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.

   b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.

c. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

d. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

e. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

f. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

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

g. Each responsible party, subcontractor or sub-recipient 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 the Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient 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.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient 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.

h. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.

i. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

j. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

Annex 1: Budget Descriptions

Notes:

GPN Technical Support: *The Global Policy Network (GPN) will be fully leveraged to support delivery/implementation of country-level activities. Relevant teams across the Bureau for Policy and Programme Support (BPPS), the Crisis Bureau (CB), Regional Bureaux and the Digital Office will work in an integrated fashion to support the development and implementation of each country proposal. Country proposals will be submitted and vetted by the Rapid Response Facility (RRF) Advisory Committee, ensuring alignment with UNDP's Integrated Response to COVID-19.*

Cost Recovery:

Direct Project Costs (DPC): *These are the organizational costs incurred in the implementation of a development activity or service that can be directly traced and attributed to that development activity (projects & programmes) or service. Therefore, these costs are included in the project budget and charged directly to the project budget for the development activity and/or service.*

General Management Support (GMS):
Fee to recover costs to UNDP that are in addition to direct project costs associated with managing the implementation of programmes. The GMS fee encompasses costs incurred in providing general management and oversight functions of the organization. These costs are incurred in support of its activities, projects & programmes, and services provided, that cannot be traced unequivocally to specific activities, project or programmes.

Implementation Support:
Activities in this sub-cluster of programme activities include operational and administrative support to projects in the following areas: a. Communications Unit staff time spent on communication of development results and outcomes in the context of specific development programmes and projects; b. Human Resources Unit staff time spent on the recruitment, selection, hiring, contracting, and/or contract administration of project personnel; c. Procurement Unit staff time spent on the procurement of goods or services on behalf of a project, covering the entire procurement cycle tasks, transport, storage, distribution, on-site receipting of goods, customs clearance, logistics, etc; d. Finance Unit staff time spent on undertaking direct project payment requests; e. Programme staff time and any other CO staff time spent directly on programme implementation and directly contributing to development results.