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PROJECT DOCUMENT
[UNDP Malaysia]

Project Title: SDG Localization in Sabah and Sarawak

ATLAS Project Number: 00110460

Implementing Partner: UNDP (DIM)

Start Date: 15 July 2018 **End Date:** 30 June 2019 **PAC Meeting date:** 26 June 2018

Brief Description

Malaysia is in the process of finalizing the Malaysia National SDG Roadmap in which Malaysia’s SDG implementation is divided into three phases. In the current Phase 1 (2016 – 2020), the Eleventh Malaysia Plan (11MP) 2016 – 2020 premised on the theme “Anchoring Growth on People” is the vehicle through which Malaysia will implement the 2030 Agenda and the SDGs. To a large extent, the 11MP is in sync with the SDGs, working toward Malaysia becoming an advanced economy and inclusive nation in line with the aspirations of Vision 2020. The SDGs will be localized and mainstreamed through the National SDG Framework in the Roadmap, which is a key guidance document.

Key strategies identified in the National SDG Roadmap to accelerate Phase 1 implementation and to prepare for Phase 2 are:

- Mainstreaming and localisation of the SDGs at state level
- Promoting ownership and participation at state level
- Mobilising resources through partnerships
- Strengthening data readiness and preparations for Phase 2 implementation

The Funding Window Investment will help the Country Office to leverage additional sub-national government finance up to USD1.26 million from the State Governments of Sabah and Sarawak on SDG localisation at the state level.

Contributing Outcome (UNDAF/CPD, RPD or GPD):

Outcome #1: (a) A new national policy framework developed to promote inclusive growth and sustainable human development policies and strategies; (b) The bottom 40% of households receive better access to education, health and social protection programmes and secure greater benefits through better targeting from new inclusive growth policies and strategies.

Outcome #2: Strengthened institutional capacity in managing climate change, and enhanced national framework for biodiversity management of the central forest spine in Peninsular Malaysia and the heart of Borneo

Total resources required (USD):	200,000	
Total resources allocated (USD):	Funding Window (GIPS)	200,000

Agreed by (signatures):

UNDP

Print Name: Stefan Priesner
UNDP Resident Representative

Date:

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ABBREVIATIONS

APR	Annual Progress Report
AWP	Annual Work Plan
BRH	Bangkok Regional Hub
CPAP	Country Programme Action Plan
EPU	Economic Planning Unit
FACE	Funding Authorisation and Certificate of Expenditures
FW	Funding Window
GF	Government Finance
HACT	Harmonized Approach to Cash Transfer
ICS	International Cooperation Section
MYPR	Mid-Year Progress Report
PB	Project Board
11MP	11 th Malaysia Plan (2016 – 2020)
SBAA	Standard Basic Assistance Agreement
SBC	Sarawak Biodiversity Centre
TRAC	Target for Resource Assignment from the Core
UNDP	United Nations Development Programme

I. DEVELOPMENT CHALLENGE

Extensive public consultations and engagement has enriched Malaysia's reflections on its development journey and the journey ahead. Malaysia has taken early steps to localise and implement the 2030 Agenda and the SDGs. For example, in 2016, a governance structure for monitoring and reporting on the SDGs was established. Studies were conducted on data readiness and a gap analysis was undertaken. In the process, Malaysia also held two national SDG symposiums to promote participation and solicit stakeholders' inputs that led to the initiation and formulation of the National SDG Roadmap.

The National SDG Roadmap is the main policy document for SDGs in Malaysia. It serves to provide clear policy direction on Malaysia's implementation of the 2030 Agenda and the SDGs to achieving its sustainable development aspirations. The Roadmap seeks to inform, inspire and support stakeholders from all levels of society, to align themselves with and participate in the collective journey towards a more sustainable, resilient and inclusive development in Malaysia. This Roadmap targets the national and state policymakers, local governments, Government officers and implementers, private sector decision makers and employees, business and professional associations, academia, non-government organisations (NGOs), civil society organisations (CSOs), international organisations, communities, families and individuals.

It is with this kind of background that this current project will focus on specific SDG localisation in the states of Sabah and Sarawak. The focus of Sabah is on the theme of statelessness (SDG 10 Reduced Inequalities and SDG 16 Peace, Justice and Strong Institutions), whilst the focus on Sarawak will be towards the development of the Sarawak Biodiversity Master Plan (SDG 15 Life on Land).

Sabah

Leave no one behind (and to reach those furthest behind) is one of the key principles of the 2030 Agenda and the SDGs. Through this project, the aim is to better understand the profile and issues faced by the significant number of people living in Sabah today, who do not have documentation and lack access to basic services such as in health and education – in support of Malaysia's trajectory for Sustainable Development.

Over the last 40 years, the population of Sabah has increased from 698,000 in 1970 to 3.2 million in 2010¹ and to 3.8 million in 2017². Interestingly, the greatest increase seems to have occurred between the years of 1970 and 1990, roughly coinciding with the period of armed conflict in the Southern Philippines and the arrival of refugee and migrant populations. In the last 20-year period alone, the population of Sabah increased from 698,000 to 1.79 million people.³

¹ Economic Planning Unit. Official Website of Economic Planning Unit, Prime Minister's Department. Available from <http://www.epu.gov.my/en/content/12-bilangan-penduduk-mengikut-negeri>. Accessed 10th October, 2017.

² Department of Statistics. Buku Tahunan Perangkaan Sabah 2016

³ Department of Statistics. Population and Housing Census of Malaysia 2010. Kuala Lumpur: 2010.

Indigenous groups currently comprise 61.2% of the total population of Sabah, while migrant workers total 889,779 people, or 27.7% of the population, according to census estimates.⁴

In relation to education, only about 2% of undocumented children have access to the few learning centres established by UNICEF and NGOs, run by the community. Even if schooling is provided, it is at often only until Year 6. Many undocumented minors who are unable to access educational services have been described as surviving as street children and grow up illiterate. Access to public healthcare e.g. immunizations and sexual and reproductive services for the undocumented are also limited⁵. This vulnerable population also faces the threat of detention and deportation back to their country of origin. And when deported, it apparently does not take long before they to return to Sabah. Detainees in immigration centres in Sabah are currently estimated at 3,200 people.⁶

In the thriving economy of Sabah, there is work in the informal sectors (mainly in construction and plantations) and hence, undocumented immigrants can generally make a living, though work is scarce on the East Coast, which has not seen as much economic development. However, undocumented populations from the Southern Philippines seem to remain a shadow society, living in parallel to the formal institutions, with no access to state services as a social safety net against extreme vulnerability.

The situation is compounded by the negative stereotypes associated with the immigrant population who are blamed for the rise in crime rate, for taking away jobs from locals and for environmental pollution. A whole generation of hundreds of thousands of uneducated children with only unskilled work opportunities in the future will only exacerbate the situation. With no access to education, health and formal employment, these communities continue to live in the shadow economy, with the most marginalised of these undocumented groups only becoming more vulnerable and excluded.

Despite significantly lacking information and data about the undocumented and stateless communities in Sabah, the Government of Malaysia recognizes the opportunities from the contributions of these populations to economic growth of Malaysia. This project proposes a joint scoping and mapping study on the status of undocumented and stateless communities in Sabah, together with the federal and state authorities.

Sarawak

State of Sarawak is one of the two states in the Malaysian Borneo, situated on the north-west of the Island of Borneo. It borders the Malaysian State of Sabah to the north-east and Indonesia's Kalimantan to the south, and embracing the independent nation of Brunei Darussalam. Sarawak covers 12,445,000 ha (37.7% of Malaysia's total land area). The capital is Kuching, and the total population of Sarawak is estimated to be around 2.5 million people, comprising more than 40 ethnic groups including Malays, Indian, Chinese,

⁴ Department of Statistics. Population and Housing Census of Malaysia 2010. Kuala Lumpur: 2010.

⁵ <http://www.ums.edu.my/fpsk/images/Journal/J.2016/2.9.pdf>

⁶ Geraldine A. (21 September 2017). Immigration Dept carries out 1,003 operations, nabs 13,601 illegals nationwide since Jan. *News Straits Times*. Retrieved from <https://www.nst.com.my/news/nation/2017/09/282452/immigration-dept-carries-out-1003-operations-nabs-13601-illegals>

Iban, Bidayuh, Melanau, Orang Ulu, and other indigenous groups. Geographically, the coastal region is low and flat, with large extents of swamps and other wetland habitats, and most large cities and towns have been built along the coast for ease of access to the sea and to settlements upriver. Further inland, hill regions comprise the bulk of readily inhabited land. A broad mountainous zone extends all along the border with Kalimantan in the south and south-east. Sarawak still contains large tracts of tropical lowland and highland rainforest with a huge variety of plant and animal species. It is estimated that 7 million ha of Sarawak is covered with natural forest. The proportion of primary forests is shrinking rapidly as the majority of the natural forests has been logged in the recent past.

Sarawak's economy is dominated by services (37%) and manufacturing (27%) with mining and quarrying accounting for just 21% and agriculture accounting for only 12%. Tourism is the fastest growing industry with 4,857,867 visitor arrivals logged in 2014 of which 2,995,855 were foreign visitors. Total tourism receipts are estimated to be US\$ 2.8 billion. Nature tourism is a major part of the tourism product in Sarawak, with 487,300 visitors to 16 national parks and nature reserves. Oil palm is another growing industry and the revenue from oil palm for Sarawak is worth USD 1 billion a year. In 2011, crude palm oil production significantly exceeded 2 million tonnes, primarily exported to China and India. Other significant produces include our premium grade peppers and rubber.

Located in the Sundaland biodiversity hotspot, Malaysia is a major storehouse of biodiversity, ranking as one of the World's 17 megadiverse countries. The flora of Malaysia is exceedingly rich, comprising some 15,000 species of flowering plants, and more than 500 species of ferns and their relatives. Many of these are found nowhere else in the world, with well over 26% of the tree species being endemic. The lowland dipterocarp forest is particularly rich in species diversity. Sarawak's boundaries include three of the Global 200 Ecoregions, namely the Borneo lowland rain forests, Borneo mountain rainforests and Borneo peat swamp forests. Some of the iconic species found in Sarawak include the orangutan, proboscis monkeys, clouded leopards and seven species of hornbills. Sarawak's orangutans are the rarest sub-species in the world, and endemic to the state and Kalimantan in Indonesia. The global population of this sub-species of orangutans is estimated at less than 5,000 and Sarawak has about 2,000 animals. Proboscis monkeys are a Bornean endemic and are mainly found in coastal Sarawak. The Bornean clouded leopard has been recorded in low densities in various protected areas in Sarawak. This leads to a rich cultural heritage and traditional knowledge associated with conservation and sustainable use of biological resources among the indigenous communities in Sarawak.

Among the threats to biodiversity include:

Habitat loss, fragmentation and degradation: In the last decades, Sarawak has lost a significant amount of forests. Conversion to agricultural or plantation crops such as oil palm and pulp plantations is rapidly increasing. It is projected to increase to between 2 to 3 million ha to cover over 25% of the state's land mass. Oil palm industry is also causing loss of peatlands. Some globally significant species found in peatlands in Sarawak include proboscis monkeys, several species of langurs, maternity roosts of flying foxes and orangutans in the coastal areas of Sebuyau and Sedilu. Construction of dams and related infrastructure also leads to large scale loss of forest habitats. Under the government's Sarawak Corridor of Renewable Energy (SCORE) plan, a series of up to 12 large scale hydropower plants have been/are to be developed in mountain forest areas. Two - Batang Ai and Bakun Hydro-Electric dams - have been already constructed and are operational. Murum is to be operationalised within the next two years and the fourth Balleh Dam is currently under-going feasibility studies and is expected to be completed by 2025. Shifting cultivation was a traditional cause of habitat degradation. It is still widely practiced although the

scale of deforestation from shifting cultivation is much smaller than the aforementioned commercial industry-related deforestation and forest degradation.

Poaching and illegal harvesting: Illegal logging is a major and common threat to biodiversity; large timber species are extracted from natural forests, severely degrading wildlife habitat and opening roads and creating opportunities for further encroachment. It also leads to erosion and release of soil particulates into the river systems. Hunting of non-totally protected for domestic consumption is legal in Sarawak. It is, however, illegal to hunt it for commercial sale. Among some of the totally protected species are orangutans, proboscis monkeys and clouded leopards. Some protected species such as pythons and flying foxes, civets and sun bears have sometimes been reported to be poached for domestic consumption as well as for commercial sale. Unprotected species hunted for domestic consumption include bearded pigs, muntjac and mouse-deer. Plants that are often illegally harvested (logging excepted) are orchids and agarwood. Harvesting of wildlife for illicit markets is also a serious issue. Various species of wildlife have been hunted, destined for illegal markets. Among the species hunted are pangolins and straw-headed bulbuls. Internal organs such as bezoar stones from pangolins and primates are also reportedly illegally traded.

Human Wildlife Conflict: Several species are often reported in human-wildlife conflict situations in Sarawak. Among the more notorious ones are the loss of human lives by crocodile attacks, loss of agricultural crops such as fruits to flying foxes and loss of rice to birds, bearded pigs and primates.

Climate Change: Under the climate change scenarios, increasingly isolated conservation areas will have limited resilience to withstand stressors such as increased frequency and severity of wildfires and changes in habitat composition and species range. This further increases the importance of securing large forest areas and interconnecting landscape areas for the ecological sustainability of the conservation areas.

The SDG localisation in Sarawak aims to mainstream biodiversity objectives as envisioned in the National Policy on Biological Diversity 2016 – 2025 and SDG 15 through the policy and institutional readiness review towards formulating the Sarawak Biodiversity Master Plan and the scale-up of community participation in the access to and benefit-sharing of biological resources in line with the new Access to and Benefit-Sharing of Biological Resources Act 2017.

II. STRATEGY

The theory of change for this project is described in the CPAP 2016-2020 and the 11th Malaysia Plan's game changers and Strategic Thrust 1: Enhancing inclusiveness towards an equitable society; and Strategic Thrust 4: Pursuing green growth for sustainability and resilience.

The project is designed to localise SDG in both Sabah and Sarawak, with the focus on leaving no one behind agenda in Sabah and sustainability agenda in Sarawak.

Sabah

The 2010 Malaysian Population and Housing Census summarises the demographic characteristics of Sabah as being comprised of 61.3% Bumiputera (consisting of 5.7% Malays, 17.8% Kadazan/Dusun, 14% Bajau, 3.2% Murut, and 20.6% of other Bumiputera including Suluk population) and 27.7% non-citizens. The Chinese, Indians and other non-Bumiputera population are estimated at 11%. However, data gaps remain because while the census has captured those who are non-citizens, it does not expressly state whether people responding to the survey and who self-identify as Bumiputera, actually have the necessary documentation to confirm their status. The current census data does not seem to be able to quantify the number of undocumented and stateless persons, and other means are utilized to estimate this marginalised group.

There seem to be four distinct groups of people in Sabah who could be associated as undocumented or stateless that could be grouped as follows, but which this project would need to analyse and profile more accurately:

- a. Citizens who are undocumented e.g. indigenous Sabahans who are considered citizens by definition in the Federal Constitution but who lack documentary evidence for their claim to citizenship. Due to their remote location, they face challenges in accessing services. However, once in contact with authorities, it is technically possible for them to register. The government has experimented with mobile registration units to further assist these populations. However, there continue to be challenges in proving birth circumstances or ancestry, particularly for families that have remained undocumented over generations.
- b. Filipino refugees and migrants from the Southern Philippines, including the Suluk people, who entered Sabah and Labuan in two waves. The first coinciding with the conflict in Mindanao between 1972 and 1984, and more recently, economic migrants. The precise number of Southern Filipino refugees and migrants currently inhabiting Sabah is unknown, although UNHCR estimates assume at least 80,000 people who have settled here over the last 40 years. The entry of Filipino refugees in the 1970s (UNHCR gave assistance between 1976 and 1987) was followed by an accelerated inflow of "irregular" economic migrants since the 1980s. Permission to stay was originally granted on humanitarian grounds in the form of the IMM13 visa, which is renewable on a yearly basis. This group is among the most populous and

carry with them specific challenges such as in obtaining valid work or residency permits.

- c. The Bajau Laut, who live a nomadic life at sea as subsistence fishermen, and lack the necessary documentation to proof their citizenship status due to their high mobility. They speak a distinct dialect and are easily distinguished from the other groups. Referred to as "nomads of the sea", they are discriminated by mainland populations across the archipelago, including in Sabah and the Southern Philippines. Due to this and their nomadic lifestyle, they are a vulnerable stateless / at risk of statelessness population but data concerning their numbers remain a broad estimate ranging from 40,000 people to a few hundred thousand.
- d. Others who are undocumented such as those who do not have proper birth registration, including children of migrant workers. While birth registration in Malaysia is not depended on nationality of either parent, children of migrants hailing from Indonesia or the Philippines may be undocumented. All children irrespective of the nationality of parents, if born in Malaysia can be registered and would obtain Malaysian nationality based on the law (Births and Deaths Registration Act), on the condition that the parents are married and at least one parent is Malaysian. If the parents are unmarried, then based on the current interpretation of the law, the child will inherit Malaysian citizenship only if the mother is Malaysian.

The objectives of this project, to be jointly undertaken by UNDP and the Malaysian Government, is to conduct landscape mapping exercise which will also include an economics cost of inaction study on the following:

- 1) Understand the scale of the issue of undocumented persons, including those who might be classified as stateless in Sabah;
- 2) Identify and more accurately define the profiles of these communities and individuals, and to determine the consequences and costs of inaction that arises due to lack of responsiveness to the needs of the undocumented and stateless persons be it from economics, social and development issues;
- 3) Review data collection methodology (including data parameters and scope) and sources, and provide recommendations to strengthen census of the undocumented and stateless population;
- 4) Identify the challenges and bottlenecks in consultation with the relevant agencies and departments of government at the state and federal levels; the communities themselves, UN agencies, SUHAKAM, NGOs, civil society and other relevant stakeholders; as well as through assessment of available literature on the matter;
- 5) Develop a set of recommendations and an action plan to address the administrative and other barriers and issues faced by these vulnerable groups, in line with the goals and targets of the Agenda 2030 and SDGs, taking into account best practices of other countries; and

- 6) Propose and cost a pilot project to implement the recommendations and action plan.

Component 1: SDG Localization in Sabah

Output 1.1: A comprehensive database in identifying the suitable implementations of SDGs 8, 10 & 16 localisation in addressing the stateless and undocumented persons in Sabah

The project will start with a research exercise in identifying the profile of the stateless and undocumented persons. The data collection methodology will be reviewed to enhance the data findings in strengthening the gap identification and viable recommendations. The challenges and bottlenecks will be identified in consultations with other stakeholders. This component will also examine the economic and social cost of inaction associated with non-responsive measures in addressing undocumented and stateless persons in Sabah.

Output 1.2: Developing a set of localised recommendations under SDG 8, 10, & 16 based on the findings of Output 1.1

Under this component, the relevant agencies and departments of government at the state and federal levels; the communities themselves, UN agencies, SUHAKAM, NGOs, civil society and other relevant stakeholders will be consulted in drawing up viable localised recommendations.

Output 1.3: Implementation of a pilot project which then can be used for knowledge exchange based on SDG 8, 10 & 16.

Based on the challenges, bottlenecks and recommendations this project will then propose to cost a pilot project which will also be based on a strategy that can be then accelerated to other parts of Sabah, and the region which are currently faced with the issue of stateless and undocumented persons.

Sarawak

The project will contribute towards reduced rates of biodiversity loss in Sarawak through localisation of SDG 15 through scale-up of Access Benefit Sharing of biological resources with indigenous communities via increasing awareness of the existence, use and option values of biological resources among key audiences; enabling greater economic benefits to the government and other stakeholders from genetic resources through the biotechnology industry, thereby providing incentives for biodiversity conservation; providing communities that are holders of genetic resources and associated traditional knowledge with livelihood options that result in economic benefits, thereby reducing pressures for unsustainable use and conversion of ecosystems; contributing to national development strategies and economic growth, reducing poverty and poverty-associated threats to ecosystem integrity; and contributing towards the maintenance of global ecosystem services, including avoided greenhouse gas emissions resulting from forest conversion.

Component 2: SDG Localization in Sarawak

Output 2.1: Policy & Institutional Readiness Review for SDGs 14 & 15 Localisation

The project will undertake a policy and institutional readiness review for SDGs 14 & 15 localisation. An environmental legal specialist and Country Office programme analyst specializes in biodiversity and ecosystems will undertake this review in close collaboration with Sarawak government counterparts. Consultation sessions will be conducted to gather inputs from the relevant stakeholders including academics and civil society.

Output 2.2: Localization of SDG 15 through scale up of pilot demonstration in the arrangement for access to and benefit-sharing of biological resources with indigenous communities This output will develop a value chain of raw material supply for animal healthcare and pharmaceutical ingredient through engagement of communities, Sarawak Biodiversity Centre and other government agencies with the industries. Sarawak Biodiversity Centre will be the responsible partner for this output.

(a) *Adenosma sp.*

In 2007, SBC in collaboration with the Bidayuh community of Kampung Semadang, Penrissen, identified an *Adenosma sp.* which is traditionally used to get rid of fleas in chicken and lice in dogs. This herbaceous plant is known locally as Bunga Taang. SBC has carried out preliminary study in the propagation of the species which can be cultivated with other crops such as paddy and pepper. Field plots have been established in the village.

There are significant interests in developing *Adenosma sp.* for the animal healthcare industry because it is a natural repellent for lice and ticks. SBC plans to implement mass propagation of the species and scale up the cultivation of the plant in order to provide necessary quantity of raw materials for bulk distillation of its essential oil, which is the active ingredient to develop prototypes for testing.

Capacity building workshops will be organized to establish community farming and distil the essential oil of *Adenosma sp.* At this pre-commercialisation stage, the community will receive some monetary benefits including payment for the supply of raw plant materials and essential oil to SBC.

The oil will be standardized by SBC for product formulation and field trials to test the efficacy. If products are commercialized with a company, a benefit sharing agreement will be signed between SBC and communities, which will include contract supply of raw materials and royalties from the sales of the product.

Project activities include

- Implement Prior Informed Consent (PIC) with the Bidayuh Community of Kampung Semadang.
- Organize capacity building workshops on scale-up plant cultivation and essential oil distillation.
- Establish field plots to increase the supply of the raw materials.
- Confirm active ingredient(s) in the plant species through chemical profiling.
- Establish benefit-sharing agreement with indigenous communities to supply raw materials.
- Engage local and international entrepreneurs for product formulation, manufacturing and commercialization.

(b) *Daemonorops sp.*

Daemonorops sp. belongs to the rattan family that produce a bright red resin, known as 'Dragon's Blood'. It has high commercial values as an ingredient in traditional Chinese medicine.

In Sarawak, the *Daemonorops sp.* is locally known as *Wi Jerenang* among the Bidayuh community. The resin from this plant is commonly used as a red dye to color weaving baskets. Since it is used by indigenous people, the species must be available in the forests and the community knows where the species are located.

The scope of this proposal involves organizing communities to do inventory, collection, carry out pre-processing treatment studies such as drying, and on-site extraction of the active ingredient called dracorhodin. This proposal will include preliminary studies on propagation of the species, its fruiting characteristics and chemical analysis of the active compounds. It will also be important to conduct a preliminary assessment of the sustainability of this species as an agroforestry crop.

Project activities include:

- Contact indigenous communities for preliminary survey of the *Daemonorops* species.
- Implement Prior Informed Consent (PIC) with 20 communities to request for the plant species.
- Organize plant collection with communities for R&D, herbarium and propagation.
- Inventory of species in the wild to estimate its population.
- Verify plant species by expert.
- Confirm active ingredient(s) in the plant species through chemical profiling.
- Propagate the species in test field plot, forests and community areas.
- Establish benefit-sharing agreement with communities to supply raw materials.
- Implement sustainable collection, replanting and developing the species as an agroforestry crop.
- Engage local and international entrepreneurs for product formulation, manufacturing and commercialization.

Output 2.3: South-South Knowledge Exchange of best practices on Biodiversity Governance (SDGs 14 &15)

A regional South-South Knowledge Exchange of best practices on Biodiversity Governance (SDGs 14 & 15) is planned for Quarter 1, 2019 where government representatives, NGOs, CSOs, academia and think tanks representatives in the region will be invited to contribute inputs and share their best practices and models on biodiversity governance.

III. RESULTS AND PARTNERSHIPS

Expected Results

This project will contribute to the UNDP Country Programme Action Plan 2016-2020 under Priority 1: Inclusive Development and growth; and Priority 1a: Enhancing, prioritising and mainstreaming inclusion for pockets of the poor, bottom 40percent of income households and vulnerable communities; and Priority 2: Sustainable and resilient development; Priority 2b: Valuing natural capital, reducing environmental impacts and improving access to quality ecosystem services for low-income households.

Resources Required to Achieve the Expected Results

Staff from UNDP Malaysia will be involved in the project implementation providing supervision on project implementation and financial management. A Programme Manager will be assigned as a member of the national/project steering committee to performance project assurance, to keep the project's progressing on the right track, and participate in the project's consultation meetings and technical workshops to provide technical advisory inputs and support. UNDP Malaysia will also provide in-house expertise on communication and advocacy, international/regional exchange of SDG localisation best practices; and draw on expertise from UNDP regional and country office network or other UN agencies such as UNICEF, UNEP, UNFPA where applicable.

This project is primarily funded by UNDP's funding window (GIPS). It is expected that additional funds will be mobilized from potential donor(s) and/or private sector to support the implementation of activities beyond the project duration.

The Project Management Unit (PMU) will be formulated. The PMU, composed of two staff, is in charge of the day-to-day implementation and regular reporting of the project, which will be based in Putrajaya. National experts and/or contractual service companies will be recruited to provide relevant expertise for delivering the outputs and activities planned under the project components.

Partnerships

UNDP will be the implementing partner of the project under DIM and will be responsible for the project management activities. The Project Management Unit (PMU) within a team comprised of Project Manager and additional support staff assigned by UNDP Malaysia. UNDP Malaysia will also be responsible for 1. Providing project assurance, policy and technical advisory services to successful delivery of project outputs; 2. Providing human resource, procurement, financial and audit services to the project; 3. Overseeing the financial expenditures against approved project budgets; 4. Appointing independent financial auditors and evaluators; and 5. Ensure that all activities including procurement and financial services are carried out in strict compliance with UNDP procedures.

Partners: Federal, state and local governments, indigenous communities, NGOs and CSOs, and UN Agencies.

Risks and Assumptions

Annex II provides the list of risks and mitigation strategy in terms of political, strategic, organisational and operational perspectives.

Stakeholder Engagement

Target Group: The intended beneficiaries of the SDG Localisation project are the public and local communities in the states. Engagement such as with NGOs / CSOs, indigenous communities and the likes will be initiated in the planning and development stages, so that the services and capacities can be designed to address market demand and development needs.

Other Potentially Affected Groups: The project does not expect any negative effect on other groups.

South-South and Triangular Cooperation (SSC/TrC)

This initiative will be supported by exchanges, sharing of best practices and knowledge transfer from other countries. The Malaysian experience and best practices which will be documented can be used as reference material and shared with other neighbouring Asian countries.

Knowledge

The knowledge and lessons learned during the project implementation process can be shared with other developing countries UNDP network of country offices. Malaysia is also able to draw experience, success factors and lessons learned from countries in SDG localisation.

Sustainability and Scaling Up

To ensure sustainability, the project will work with existing institutions and processes. UNDP Country Office which will be managing the project and will have its capacities be strengthened through regularly planned capacity building programmes. Support from Government of Malaysia via Sabah and Sarawak states will be fortified through continuous engagement and contribution for the implementation of and reporting for the National SDG Roadmap. Engagements will be carried out with relevant stakeholders including public and private companies, associations, ministries, and NGO/CSO to build trust and confidence towards the programmatic delivery of the project.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

The project is expected to deliver maximum impact with efficient and effective use of available resources by linking to the National SDG Roadmap. The project is to catalyse partnerships and leverage shared resources where multiple stakeholders can collectively implement common SDGs priorities at the local levels.

UNDP has been supporting the national and state governments in building and strengthening systemic and institutional capacities in climate resilience and natural resource efficiency, leveraging on its comparative advantage in the global network for policy and technical know-how and strategic cooperation with the Government of Malaysia.

Project Management

The main project office/secretariat will be in UNDP Malaysia. Each of the components will be led and managed by Programme Managers of the Country Office. UNDP will support in overseeing and managing project evaluation as well as provide quality assurance and other project management support as and when needed.

The key activities of project management include: project planning, project management and implementation, final project evaluation, stakeholder consultations, training and workshops, as well as project assurance and information exchanging & sharing.

The project is also closely linked with the UNDP objective to promote inclusive, sustainable and resilient development strategies that supports economic growth, employment and social inclusion. UNDP Malaysia is implementing and supporting a range of projects in biodiversity, climate change and green technology. Periodic information sharing platform/meetings can be held for experience and lessons-learned sharing.

V. RESULTS FRAMEWORK⁷

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:										
Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:										
Outcome #1: (a) A new national policy framework developed to promote inclusive growth and sustainable human development policies and strategies; (b) The bottom 40% of households receive better access to education, health and social protection programmes and secure greater benefits through better targeting from new inclusive growth policies and strategies.										
Outcome #2: Strengthened institutional capacity in managing climate change, and enhanced national framework for biodiversity management of the central forest spine in Peninsular Malaysia and the heart of Borneo										
Applicable Output(s) from the UNDP Strategic Plan:										
Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.										
Project title and Atlas Project Number: SDG Localisation in Sabah and Sarawak (00110460)										
EXPECTED OUTPUTS	OUTPUT INDICATORS ⁸	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)					DATA COLLECTION METHODS & RISKS
			Value	Year	Q3 2018	Q4 2018	Q1 2019	Q2 2019	TOTAL	

⁷ UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

⁸ It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

Component 1 SDG Localization in Sabah	1.1 A comprehensive database in identifying the suitable implementations of SDGs 10 & 16 localisation in addressing the stateless and undocumented persons in Sabah	Government Indigenous and local Communities NGO's, Institute of Development Studies, Sabah	0	2018	1	1	0	0	2	Desk review through government official websites Government publications Focus group discussions with indigenous communities Dialogue discussions with relevant stakeholders
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EXPECTED OUTPUTS	OUTPUT INDICATORS ⁹	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)					DATA COLLECTION METHODS & RISKS
			Value	Year	Q3 2018	Q4 2018	Q1 2019	Q2 2019	TOTAL	

⁹ It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

	1.2 Developing a set of localised recommendations under SDGs 8, 10 & 16 based on the findings of Output 1.1.	Government Institute of Development Studies, Sabah	0	2018	0	1	1	0	2	Findings from Output 1.2, desk review, FGDs, dialogues Government publications UNDP Global Network
	1.3 Implementation of a pilot project which then can be used for knowledge exchange based on SDGs 8, 10 & 16	Government UNDP	0	2018	0	0	1	1	2	Data from the findings of study, desk review, FGDs, and dialogues Government publications UNDP Global Network
Component 2 SDG Localization in Sarawak	2.1 Policy & Institutional Readiness Review for SDG 14 & 15 localisation	Government	0	2018	-0	0	1	0	1	Policy and institutional readiness review paper on SDGs 14 and 15

	2.2 Localisation of SDG 15 through scale up of pilot demonstration in the arrangement for access to and benefit-sharing of biological resources	Government	0	2018	0	0	1	1	2	Project report Government reports and/or publication
	2.3 South-South Knowledge Exchange of best practices on Biodiversity Governance (SDG 14 & 15)	Government UNDP	0	2018	0	0	1	0	1	Conference proceedings and declaration/ resolution

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	Sabah & Sarawak State Governments UNDP	
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	Sabah & Sarawak State Governments UNDP	USD20,000
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	Sabah & Sarawak State Governments UNDP	USD30,000

Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	Sabah & Sarawak State Governments UNDP	
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	Sabah & Sarawak State Governments UNDP	
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		Sabah & Sarawak State Governments UNDP	
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons	Specify frequency (i.e., at least annually)	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	Sabah & Sarawak State Governments UNDP	

	learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.				
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Evaluation Plan¹⁰

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
e.g., Mid-Term Evaluation						

¹⁰ Optional, if needed

VII. MULTI-YEAR WORK PLAN ¹¹¹²

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Quarter				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q3 2018	Q4 2018	Q1 2019	Q2 2019		Funding Source	Budget Description	Amount (USD)
Component 1: SDG Localisation in Sabah <i>Gender marker: GEN2</i>	1.1 A comprehensive database in identifying the suitable implementations of SDGs 10 & 16 localisation in addressing the stateless and undocumented persons in Sabah	X	X			Sabah State Government UNDP	Funding Window	71300 -Local Consultant	30,000
	1.2 Developing a set of localised recommendations under SDGs 8, 10 & 16 based on the findings of Output 1.1		X	X		Sabah State Government UNDP	Funding Window	71300 -Local Consultant	30,000
	1.3 Implementation of a pilot project which then can be used for knowledge exchange based on SDGs 8, 10 & 16			X	X	Sabah State Government UNDP	Funding Window	75700 – Workshop/ Conference	23,000
	MONITORING						Funding Window	64300 - DPC	10,000

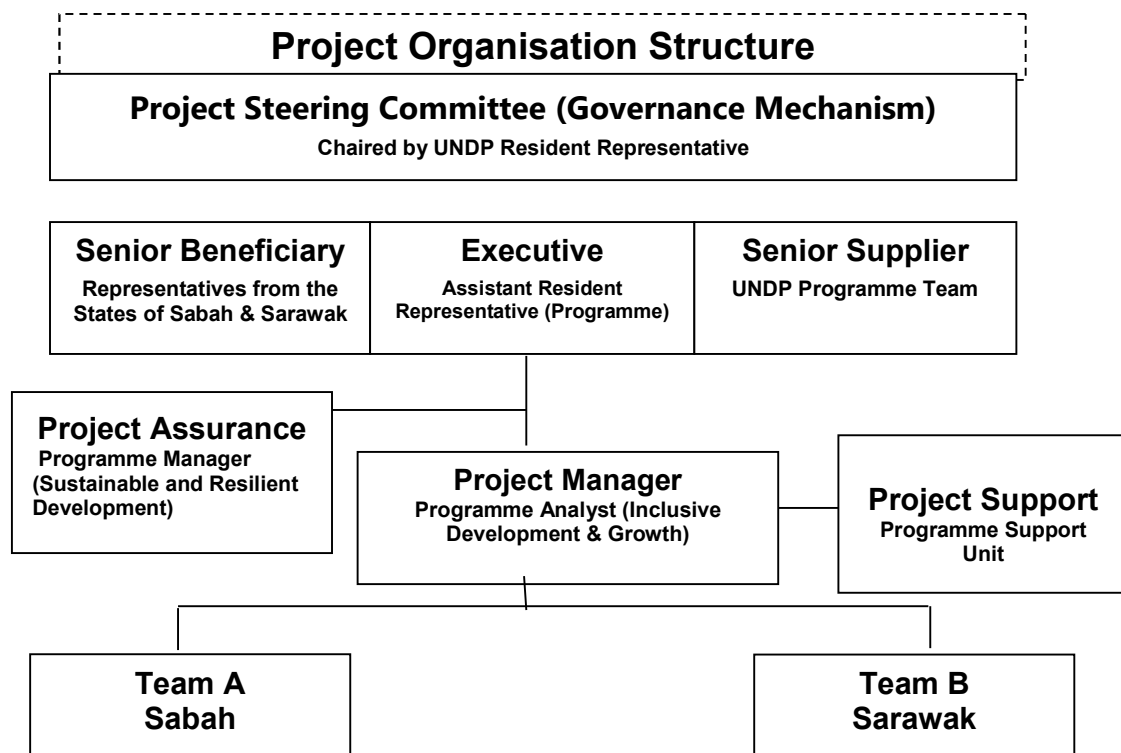
¹¹ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

¹² Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

	Sub-Total for Output 1	93,000
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EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q3 2018	Q4 2018	Q1 2019	Q2 2019		Funding Source	Budget Description	Amount (USD)
Component 2: SDG Localisation in Sarawak <i>Gender marker: GEN2</i>	2.1 Policy & Institutional Readiness Review for SDG 14 & 15 localisation	X				UNDP	Funding Window	71300-Local Consultant	8,000
	2.2 Localisation of SDG 15 through scale-up of Access Benefit Sharing of biological resources with indigenous communities		X	X	X	Sarawak Biodiversity Centre	Funding Window	72100 - Service Companies for Natural Resources & Environment	50,000
	2.3 South-South Knowledge Exchange of best practices on Biodiversity Governance (SDG 14 & 15)		X			UNDP	Funding Window	75700-Workshop/Conference	25,000
	MONITORING							64300 - DPC	10,000
	Sub-Total for Output 2								93,000
Evaluation (as relevant)	EVALUATION								
General Management Support @ 7%									14,000
TOTAL									200,000

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS



Project Management Arrangement

UNDP Malaysia

Under the Direct Implementation Modality (DIM), UNDP Malaysia will coordinate the implementation of the project in line with recommendations of the National/Project Steering Committee (NSC) including the following:

- Management of the project resources;
- Supervision of the Project Manager (where applicable) in relation to the implementation of this project including activity planning, project monitoring, reporting and capturing lessons learnt;
- Facilitate outreach to participating organisations in the region through other UNDP Offices
- The Project Manager (where applicable), under the supervision of the UNDP Country Office's Assistant Resident Representative (Programme), will prepare the work plan at project inception in consultations with Sabah and Sarawak state governments. The Work plan will be submitted to the NSC through UNDP Malaysia

Project Board/Steering Committee (PSC)

A Project Board/Steering Committee will provide policy guidance and direction to the project implementation process and sustainability of project results beyond project cycle according to the established detailed work plan, monitoring tool and will be chaired by UNDP Resident Representative. The Committee will be composed of representatives from

UNDP Malaysia, Sabah and Sarawak state government representatives, CSO/NGO representatives and other relevant stakeholders to be identified. The TOR of the N/PSC in Annex IV shall be agreed among the stakeholders within the first two months of the project.

Teams A & B in Sabah and Sarawak

There are no technical working committees but there will be Teams A & B for Sabah and Sarawak respectively. They will consist of representatives from EPU sections, UNDP Malaysia as well as other relevant stakeholders to be determined by the Project Steering Committee. The terms of reference can be referred to Annex V. As and when needed, the teams may set up core teams to work on various technical aspects of the project.

Consultants and Technical Support

If applicable, technical support will be provided by local and international professionals with extensive experience working in SDG localisation as required by the project. The UN/UNDP global knowledge network will provide valuable inputs through best practices and lessons learned from sustainable and resilient development experiences within UN/UNDP and from other countries.

Financial Management Arrangement

Based on the approved Annual Work Plan, UNDP will provide required financial resources to carry out project activities during the annual cycle. The following modality will be used, where applicable and relevant:

- Direct payments to vendors and other third parties, for obligations incurred by the Implementing Partner;
- Reimbursement to the Implementing Partner for obligations made and expenditure incurred by them in support of the activities executed.

UNDP to monitor the use of the financial resources and are accountable for:

- Managing UNDP Funding Window resources to achieve the expected results;
- Maintaining an up to date accounting system that contains records and controls to ensure the accuracy and reliability of financial information and reporting. Expenditures made should be in accordance with the Annual Work Plans.

At the end of a quarter/year, UNDP prepares a Combined Delivery Report (CDR) which records all disbursements made under the project for verification.

A project revision shall be made when appropriate; to respond to changes in the development context or to adjust the design and resources allocation to ensure the effectiveness of the project provided that the project remains relevant to the CPAP. A project revision shall be supported by the record of an approval decision made by the N/PSC, and an updated and signed AWP.

The contribution of funds for this project shall be charged:

- 7% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices

- Direct project cost for project assurance, policy/technical advisory services and human resource, procurement, financial and audit support services provided by UNDP Malaysia.

In-Kind Contribution

In addition to the financial resources through UNDP, the project partners will provide the following in-kind contribution:

- Access to all relevant data and information required to for the project that is accessible for public viewing;
- Office space (i.e. room/workspace) for the project team, consultants and experts;
- Use of office support facilities by the project team, consultants and experts (e.g. fax machine, stationary, photocopy machine, telephone), and secretarial support where applicable;
- Facilities for convening meetings, workshops and seminars; and
- Staff time for leadership, coordination and guidance to the project implementation and inter-agency coordination.

IX. LEGAL CONTEXT

*[NOTE: Please choose **one** of the following options, as applicable. Delete all other options from the document]*

Option a. Where the country has signed the Standard Basic Assistance Agreement (SBAA)

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Malaysia and UNDP, signed on 2012. 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.

X. RISK MANAGEMENT

*[NOTE: Please choose **one** of the following options that corresponds to the implementation modality of the Project. Delete all other options.]*

Option b. UNDP (DIM)

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]¹³ [UNDP funds received pursuant to the Project Document]¹⁴ 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.
3. 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>).

¹³ To be used where UNDP is the Implementing Partner

¹⁴ To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

4. 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.
5. 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.
6. 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 [*for the Supplemental Provisions to the Project Document*], 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. *Choose one of the three following options:*

Option 1: UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

Option 2: 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.

Option 3: UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that 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. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement.

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.

XI. ANNEXES

1. **Project Quality Assurance Report**
2. **Social and Environmental Screening Template** [\[English\]](#)[\[French\]](#)[\[Spanish\]](#), including additional Social and Environmental Assessments or Management Plans as relevant. *(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).*
3. **Risk Analysis.** Use the standard [Risk Log template](#). Please refer to the [Deliverable Description of the Risk Log](#) for instructions
4. **National/Project Steering Committee (NSC) and Technical Working Committee (TWC) Terms of Reference.**

ANNEX I: PROJECT ANNUAL REPORT TEMPLATE

A. Annual Progress Report (APR) Template



Empowered lives.
Resilient nations.

COUNTRY PROGRAMME ACTION PLAN 2016-2020 PROJECT OVERVIEW

(Note: This section will be completed by UNDP Focal Point)

Project Title:	
Implementing Partner:	Atlas Project ID:
	Atlas Award ID:
Project Document Start Date:	Project Document Budget:
Project Document End Date:	In-Kind Contribution:
Project Extension (If Any):	New Project Budget (If Amended):
National Steering Committee Chair: Designation: National Steering Committee Meeting Date(s) in 20XX:	National Project Director: Designation:
Evaluation: <input type="checkbox"/> Yes <input type="checkbox"/> No Year: Rating/ Results: PIR: <input type="checkbox"/> Yes <input type="checkbox"/> No (For GEF-funded projects) Year: Rating/ Results:	<input type="checkbox"/> On-going Project <input type="checkbox"/> Project scheduled for Year 1 implementation in 20XX <input type="checkbox"/> Project scheduled for Year 2 and above implementation in 20XX <input type="checkbox"/> Project scheduled for completion in 20XX, but extended to 20XX <input type="checkbox"/> Project completed in 20XX
Brief Project Description	

ANNUAL PROGRESS REPORT XXXX

Section 1: Overall Implementation of Project Outputs as Per Signed Annual Work Plan 20XX

20XX AWP Budget: 20XX AWP Budget (Revised): 20XX Expenditure: 20XX Expenditure (%): 20XX In-Kind Contribution:	Total Project Budget: Total Project Expenditure: Total Project Expenditure (%): Total In-Kind Contribution: Gender Marker Rating (ATLAS):
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OUTPUT 1:
<p>Activity 1: Target 20XX: Achievement and Results 20XX:</p> <p>Activity 2: Target 20XX: Achievement and Results 20XX:</p> <p>Status: <input type="checkbox"/> On Track <input type="checkbox"/> Off Track <input type="checkbox"/> Achieved</p> <p>Remarks if any project outputs, activities and targets were not implemented or amended. Please indicate mitigating/adaptive actions with timeline.</p>
OUTPUT 2:
<p>Activity 1: Target 20XX: Achievement and Results 20XX:</p> <p>Activity 2: Target 20XX: Achievement and Results 20XX:</p> <p>Status: <input type="checkbox"/> On Track <input type="checkbox"/> Off Track <input type="checkbox"/> Achieved</p> <p>Remarks if any project outputs, activities and targets were not implemented or amended. Please indicate mitigating/adaptive actions with timeline.</p>
OUTPUT 3:
<p>Activity 1: Target 20XX: Achievement and Results 20XX:</p>

Activity 2:

Target 20XX:

Achievement and Results 20XX:

Status: On Track Off Track Achieved

Remarks if any project outputs, activities and targets were not implemented or amended. Please indicate mitigating/adaptive actions with timeline.

Section 2: Project Progress/Contribution to National Development Agenda in 20XX

2.1 Analysis/Development/Refinement of National or Sectoral Policies, Strategies and Action Plans

(Note: Please indicate and elaborate on how the outputs have been utilized by the Implementing Partner to contribute to analysis/ development/ refinement of National or Sectoral Policies, Strategies and Action Plans. Please also indicate if the outputs have contributed to the implementation of the 11th Malaysia Plan)

<input type="checkbox"/>	
Yes	
Contribution to 11 th Malaysia Plan's Strategic Thrusts:	
STRATEGIC THRUSTS (Mandatory)	
	Enhancing inclusiveness towards an equitable society
	Improving wellbeing for all
	Accelerating human capital development for an advanced nation
	Pursuing green growth for sustainability and resilience
	Strengthening infrastructure to support economic expansion
	Re-engineering economic growth for greater prosperity
GAME CHANGERS (If Applicable)	
	Unlocking the potential of productivity
	Uplifting B40 households towards a middle-class society
	Enabling industry-led Technical and Vocational Education and Training (TVET)
	Embarking on green growth
	Translating innovation to wealth
	Investing in competitive cities
<input type="checkbox"/>	
No	

2.2 Awareness/Understanding/Convening on Key Thematic Issues

(Note: Please indicate in the narrative the overall awareness and education on the thematic issues)

<input type="checkbox"/>	
Yes	<p><i>(Please attach as an annex a full list of consultation/training/workshop events. Please include the following details:</i></p> <p><i>Location & Date:</i></p> <p><i>Topic:</i></p> <p><i>Objective:</i></p> <p><i>No of Participants: (Total and gender breakdown)</i></p> <p><i>Affiliations (Name the Ministries involved and indicate the number of private sector, civil society organizations and academia who participated):</i></p> <p><i>Feedback from participants: (in percentage of the combined overall ratings and</i></p>

	<i>relevance; and notable comments)</i>
<input type="checkbox"/> No	

2.3 Capacity Development and Institutional Arrangements (Mandatory response)
(Note: Please indicate if capacities are being built to implement or sustain systemic changes.)

<input type="checkbox"/> Yes	
<input type="checkbox"/> No	

2.4 Development and/or Application of New Datasets, Statistics or Models
(Note: Please indicate if datasets, statistics or models have been generated or improved/ updated. Please also indicate on how these have been utilized by the Implementing Partner to strengthen national evidence based policy making.)

<input type="checkbox"/> Yes	
<input type="checkbox"/> No	

2.5 Mainstreaming of Gender Equality
(Note: Please specify aspects of project activities and outputs that have contributed to gender equality. E.g: gender disaggregated data have been produced; activities was gender inclusive; gender analysis of outputs have been generated; outputs have been utilized in state/national/agency policies in gender sensitive ways; and/or stakeholder capacity in collecting, retrieving, and analyzing data with a gender perspective have been supported.)
(New in 2017: please specify project team's reflections in their contribution to gender equality especially if it's unchanged from last reporting period)

<input type="checkbox"/> Yes	
<input type="checkbox"/> No	

2.6 Pilot Initiative/Demonstration of New/Innovative/Other Approaches or Solutions
(Note: Please indicate if pilot initiative or demonstration of new/innovative/other approaches or solutions were undertaken and how outputs have contributed to inform decision-making and/or national policy and also if it has led to actual/ planned upscaling or replication.)

<input type="checkbox"/> Yes	
---------------------------------	--

<input type="checkbox"/>	
No	

2.7 Review of Risk Analysis and Action

(Note: Upon reviewing the Risk Analysis stated in the Project Document, please indicate if the risks status were monitored and updated regularly. Please also highlight mitigation steps undertaken, if applicable.)

<input type="checkbox"/>	
Yes	
<input type="checkbox"/>	
No	

2.8 Areas of Improvement for Project Management and Implementation

(Note: Please indicate any additional comments on areas of improvement that should be taken into consideration by EPU and UNDP Malaysia in the implementation of future projects.)

--

Section 3: Project Extension into 20XX

(NOTE: APPLICABLE ONLY TO PROJECTS ORIGINALLY SCHEDULED FOR COMPLETION IN 20XX)

Please indicate reasons for the project extension
Proposed duration of project extensions XX Months
Agreement by National Steering Committee: Date of Meeting: Minutes Attached: <input type="checkbox"/> Yes <input type="checkbox"/> No

Annual Progress Report 20XX approved by:

.....
Name
Designation

FOR UNDP USE
UNDP Observations and Assessment

For UNDP Programme Management to comment on the reported contributions and activity progress by IP as Quality Assurance assessment

Section 1: Overall Implementation of Project Outputs as per Signed Annual Work Plan 20XX

Output 1:

Output 2:

Output 3:

Section 2: Project Progress/Contribution towards National Development Agenda in 2017

Prepared by:

[Programme Manager]

B. Mid-Year Progress Report (MYPR) Template



COUNTRY PROGRAMME

ACTION PLAN 2016-2020



Empowered lives.
Resilient nations.

MID-YEAR PROGRESS REPORT 20XX

SECTION A: TO BE COMPLETED BY UNDP MALAYSIA

1. PROJECT DETAILS

Project Title: Implementing Partner:	Award ID: Project ID: Project Period (Project Document): Revised Project End Date (If Any):
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2. FINANCIAL MANAGEMENT

2016 AWP Budget: USD 2016 Expenditure - As of 30 June: USD 2016 Expenditure - As of 30 June (%):	Total Cumulative Expenditure: USD Total Cumulative Expenditure (%):
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3. PROJECT MANAGEMENT

NSC: <input type="checkbox"/> Yes <input type="checkbox"/> No Minutes (Attached): <input type="checkbox"/> Yes <input type="checkbox"/> No	NSC Date (Actual/ Scheduled): NSC Chair & Designation:
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4. RISK LOG MANAGEMENT AND MONITORING

Risk Log Reviewed: <input type="checkbox"/> Yes <input type="checkbox"/> No Risk Log Amended: <input type="checkbox"/> Yes <input type="checkbox"/> No	Last Log Update: Last Log Amendment:
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5. AUDIT AND EVALUATION

NIM Audit: <input type="checkbox"/> Yes <input type="checkbox"/> No	Project Evaluation: <input type="checkbox"/> Yes <input type="checkbox"/> No
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Report (Attached): <input type="checkbox"/> Yes <input type="checkbox"/> No	Report (Attached): <input type="checkbox"/> Yes <input type="checkbox"/> No
Rating:	Rating:

SECTION B: TO BE COMPLETED BY IMPLEMENTING PARTNER

1. 2016 OUTPUT TARGETS AND STATUS	
Output 1: Name	
Target:	Status: <input type="checkbox"/> On Track <input type="checkbox"/> Off Track Details:
Output 2: Name	
Target:	Status: <input type="checkbox"/> On Track <input type="checkbox"/> Off Track Details:
Output 3: Name	
Target:	Status: <input type="checkbox"/> On Track <input type="checkbox"/> Off Track Details:
Output 4: Name	
Target:	Status: <input type="checkbox"/> On Track <input type="checkbox"/> Off Track Details:

2. ISSUES AND CHALLENGES
Description:
Action Taken By implementing Partner:
Additional Support Requested from UNDP/ EPU:

Mid Year Progress Report 20XX approved by:

.....

Name:

Designation:

Date:

ANNEX II: RISKS AND MITIGATION

Description	Type	Impact & Probability	Mitigation Measures
Risk 1 Failure to secure adequate project funding	Financial Risk	Probability: Low Impact: High	Reduce project outputs
Risk 2 Staff turnover within Sabah and Sarawak State Governments affects continuity and sustainability of the project beyond project cycle.	Operational Risk	Probability: High Impact: High	Ensure knowledge transfer, supported by complete documentation of project implementation, and structured hand over is done properly.
Risk 3 The value of US Dollars foreign exchange against the ringgit may reduce during the project cycle.	Financial Risk	Probability: Medium Impact: Medium	Regularly monitor the exchange rate to ensure that it does not affect the budget of the project. If there are major changes, the budget will be adjusted accordingly and approved by NSC.
Risk 4 There may be some delays in the project timeline due to challenges faced in finding the right candidate with the necessary experience for suitable consultants for the project.	Other Risk	Probability: Medium Impact: Medium	Mitigation via advertising consultancies in various mediums based on the budget and extensive sharing of the TORs with UNDP's network to receive a wide pool of applicants to choose from.
Risk 6 Caveat imposed by donors in setting terms and conditions on specific project output	Operational Risk	Probability: Low Impact: High	Negotiate for consensus on caveat imposed (achieve win-win situation)

ANNEX III: PROJECT BUDGET

TOTAL – USD200,000 (Funding Window)

TOTAL BUDGET AND WORKPLAN

Award ID:	00	Project ID:	00110460
Award Title:	SDG Localisation in Sabah and Sarawak		
Business Unit:	MYS10		
Project Title:	SDG Localisation in Sabah and Sarawak		
Implementing Partner	UNDP (DIM)		

Outcome/ Atlas Activity[1]	Responsible Party	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Q3 2018	Q4 2018	Q1 2019	Q2 2019	TOTAL (USD)
Component 1: SDG Localisation in Sabah	UNDP Sabah State Government		UNDP Funding Window	71300	Local Consultants	USD10,000	USD30,000	USD10,000	USD10,000	USD60,000
				75700	Workshops / Trainings			USD10,000	USD13,000	USD23,000
				64300	UNDP Policy Advisory Services (DPC) Including Monitoring Costs		USD10,000			USD10,000
					Subtotal			USD10,000		

Outcome/ Atlas Activity[1]	Responsible Party	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Q3 2018	Q4 2018	Q1 2019	Q2 2019	TOTAL (USD)
Component 2: SDG Localisation in Sarawak	UNDP Sarawak State Government		UNDP Funding Window	72100	Service Companies		USD10,000	USD30,000	USD10,000	USD50,000
				71300	Local Consultants	USD8,000				USD8,000
				75700	Workshops / Trainings		USD 25,000			USD25,000
				64300	UNDP Policy Advisory Services (DPC) Including Monitoring Costs		USD10,000			USD10,000
					Subtotal	USD10,000	USD45,000	USD30,000	USD10,000	USD93,000
			GMS @ 7%					USD14,000		
				PROJECT TOTAL					USD200,000	

ANNEX IV: TERMS OF REFERENCE: PROJECT STEERING COMMITTEE (PSC)

The Project Steering Committee (PSC) will provide strategic guidance and direction to the project implementation. The PSC will be chaired by **UNDP Resident Representative** or his/her alternate.

UNDP Malaysia will act as the Secretariat to the PSC. Members of the PSC will consist of representatives from the relevant Ministries, State Governments, UNDP, CSO/NGO and other relevant stakeholders to be determined by the Committee to ensure inclusive and balanced representation among state and non-state stakeholders.

The PSC will meet after the receipt of each project deliverable or at least once a year, whichever greater. Meeting quorum is achieved when 50% of PSC membership is in attendance via physical presence or telephone conference. The change of chairperson or project leadership, however, will require full quorum in attendance via physical presence or telephone conference and full consensus amongst the members.

The PSC will have the following duties and responsibilities:

- Provide policy guidance on matters pertaining to the project implementation;
- Monitor and evaluate the implementation of the project towards fulfilment of the objectives and/or outcomes stated in the project document;
- Review, approve and endorse annual work plan and budget, and changes to a project budget affecting the scope (outputs) or completion date, budget re-allocation between project components/outputs, or total estimated project costs require a formal budget revision;
- Review and approve relevant changes to the project result framework;
- Coordinate the roles of the various organizations/entities involved in the project execution and ensure coherence among the relevant outputs and activities;
- Review and approve all related reports or deliverables produced by the project;
- Advise and provide direction on the long-term sustainability strategy of the project; and
- Initiate remedial actions to overcome constraints in the project implementation.

ANNEX V: TERMS OF REFERENCE: TEAMS A & B IN SABAH & SARAWAK

The Teams A & B will act as the technical adviser to the PSC to provide technically sound inputs and information, where applicable, to the development and implementation of project activities, in order to successfully deliver the project outputs.

The Teams will be represented by the Sabah and Sarawak State Governments respectively, with UNDP who acts as Secretariat to the Teams. The members of the Teams will consist of technical experts from relevant technical government agencies, CSO/NGO and private sector to be determined by the PSC.

The Teams will be specifically responsible for:

- Provide technical guidance and decisions on matters pertaining to the technical aspects of the project where applicable, to ensure that they meet with the objectives set in the project document and with international best practices and standards;
- Monitor and evaluate the technical implementation of the project towards fulfilment of the objective/ outcomes stated in the project document;
- Review and comment on the proposed technical work plan and budget;
- Review and technically endorse the project deliverables; and
- Regular monitoring of the progress of the project and recommend approved technical reports to the PSC.

