Project Document

Formulation of Capacity Development Strategy for the Prime Minister Office's (PMO) coordination and communication with other government institutions

Brief narrative:

The Prime Minister Office deals with political and public operation issues of sensitive nature submitted to the Prime Minister in his official capacity as the Executive Head of the Palestinian Authority. The need to ensure that comprehensive analysis of the situation or submissions from all aspects requires great thoroughness and coordination with all interested or concerned parties. Based on this, and after the PMO approached UNDP for supporting them in developing the capacity of the PMO to carry out its mandate in a more efficient and effective way, UNDP team jointly with PMO team agreed on UNDP support to develop a five-year capacity development strategy for the PMO.

In line with and under the umbrella of UNDP/PAPP capacity development initiative project, this project is aiming at supporting the development of institutional, organizational, and human capacities needed for Prime Minister Office to execute its core public management functions required to sustain the building of a national public services, within an environment of open , structured, reliable, and accountable government. More particularly, the program aims to support the PMO in the following three areas:

1. Construction and finishing of an additional floor and roof on top of the existing PMO building.
2. Technical support and provision of IT equipment for the office of advisor to the PM for Arab and Islamic Funds Affairs.
3. Developing a three year capacity development strategy and action plan for the PMO's coordination and communication with other government institutions.

Programme Period: <u>two years</u>
Programme Component: <u>Capacity Development towards Strengthening governing institutions</u>
Project Title: <u>Formulation of Capacity Development Strategy for the (PMO) coordination and communication with other government institutions</u>
Project ID: _____
Project Duration: <u>One year</u>
Management Arrangement: <u>Dex</u>

Budget: Total budget minus the General Management Support Fees
General Management Support Fee: <u>0</u>
Total budget: <u>US $ 570,000</u>
Allocated resources:
- Government   _____
- Regular   _____
- Other:
  - o UNDP   <u>570,000</u>
  - o Donor _____
  - o Donor _____
- In kind contributions _____
Unfunded budget: _____

Agreed by (UNDP): _____

The Palestinian public sector is facing serious challenges, the most important and determinant one is the Israeli occupation which is having severe impact, not just on the Palestinian economy and growth of the productive sectors, but also it is weakening state institutions and undermining the capacity of the Palestinian Authority (PA) to develop and sustain effective institutions. The other challenges which are affecting the efficiency and effectiveness of government institutions and the services they provide to the people are a manifestation of unclear mandates, lengthy bureaucratic administrative procedures, lack of accountability and transparency, excessive centralization in decision making, inadequate legislations, non-merit based recruitment and promotion process, low-paid civil servants, and relative absence of incentive system and motivation.

The Palestinian public sector has also encountered severe difficulties in performing its key functions. This was reflected in the preparation of the Palestinian Reform Development Plan (PRDP) for the period 2008-2010 which, in contrast to the previous development plans, associates specific reform and development goals to objectives, performance indicators and targets, and calls for the implementation of a monitoring and evaluation (M&E) process to measure, report and evaluate performance. Despite its finalization, the preparation of the PRDP was in fact a challenging painful process, due to capacity deficits in many of the Palestinian Authority (PA) institutions that hinder them to engage in strategic planning, budgeting and transparent financial management, clear policy formulation, and effective project proposals development. There is also lack of national systems particularly in monitoring and evaluation that would allow standardization and uniformity across all government institutions.

International experience suggests that an effective public management depends to a large extent on setting up facilitating structures and mechanisms as well as consistent processes and systems. For this purpose, the proposed project will focus on developing PMO capacities in the rebuilding of effective, responsive, and accountable public institution that would facilitate the provision of effective, efficient and transparent services to its citizens. This would necessitate that the PMO embarks on the formulation of its strategy on capacity development[1] and the design of systems and processes, tools and methods for capacity development that is in line with the recommendations of the Capacity Development Initiative programme, and at the same time ensures including ongoing CD projects for the PMO within a comprehensive framework, and that the whole picture of CD is integrated, sensible, implementable, and sequenced properly.

Link with PRDP and UNDP strategic framework

The proposed project is in line with PRDP which focuses on capacity development of public sector institutions with the view to enhancing the efficiency and effectiveness of government and strengthening public institutions through the reform of the public sector legislative framework, organizational and institutional development and civil service management. The project also contributes to the strengthening of responsive governing institutions, which is one of the outcomes stated in UNDP/PAPP Mid-Term Strategic Framework for the period 2008-2012. It would support the achievement of one of the main objectives of the strategic framework related to: "Enhancing the development of efficient, responsive and accountable institutions through democratic governance interventions". Capacity development and good

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[1] See Annex 1 on the concept of capacity development

governance practices would provide the "enabling environment" for the realization of the MDGs and contribute to the advancement of human development.

Reasons for assistance from UNDP :

The PA has requested from UNDP to assist them in developing a national capacity development Initiative programme that will support the development of the institutional, organizational and human capacities needed for executive government institutions to execute their core public management functions required to sustain the building of a national public services within an environment of open, structured, reliable, and accountable government . UNDP jointly with the Ministry of Planning and the General personnel Council is in the process of developing this national CD Initiative programme. The capacity development for the PMO's coordination and communication with other government institutions is of critical importance not only to assist the PMO to carry out its mandate in a more effective and efficient way but also to empower them with the needed oraganizational, institutional, and human resources necessary for exercising their role in the advisory board of the CDI and for monitoring the compliance of the government institutions with the approved national policies and implementation of national plans.

Part II. Strategy

The guiding principle for the approach to project implementation is that it will be based on the National Reform Development Plan and in coordination with the ongoing Capacity Development Initiative programme. The approach will start from the organizational capacity as the point of entry, but to ensure sustainability it will assess human capacities as well as the enabling environment. The process will build on existing consultative and participatory process to ensure the national ownership.

This project has three major components stand out which have to be handled separately but virtually simultaneously. These components are:

1. Construction and finishing of an additional floor and roof on top of the existing PMO building. The proposed approach for this component would be that after PMO approval for the architectural design and obtaining the needed licensing for implementation, UNDP /PAPP will be responsible for the implementation (as per the attached designs).
2. Technical support and provision of IT equipment for the office of advisor to the PM for Arab and Islamic Funds Affairs. This includes UNDP support for the advisor in having competent staff to support his office in fulfilling their responsibilities
3. Developing a three year capacity development strategy and action plan for the PMO's coordination and communication with other government institutions . The approach for the development of capacity development strategy will fully integrate the capacity assessment process. The project will identify priority areas to focus on and design the assessment in such a way to begin generating insight immediately into capacity development strategies needed to deliver on the country's priorities. This approach will have the following four phases:

   a. Launching the project: this phase will focus on reaching consensus on the approach and securing commitment of stakeholders and developing the self assessment instrument

b. Capacity assessment: this phase will focus on conducting the capacity assessment and identifying options for capacity development strategies

c. Analysis of results: this phase will focus on analyzing results of the assessment and further preliminary capacity development strategy definition.

d. Formulation of three year capacity development strategy and action plan for the PMO

3. Implementation of identified priority areas as per the assessment and in line with the developed strategy.

Part III. Management Arrangements

The project will be directly executed by UNDP following the direct execution procedures (DEX). Under this modality UNDP takes full responsibility for implementation, management and achievement of project objectives. This project will be part of the Capacity Development Initiative technical and management structure.

UNDP/PAPP will provide technical support to the PMO through funding of the project personnel needed for the implementation of the programme UNDP/PAPP, together with the Prime Minister Office, will mobilize the needed resources to support the implementation of programme activities.

Whereby the Prime Minister Office will support UNDP/PAPP and facilitate UNDP/PAPP's role as the executing and implementing agency for the success and smooth implementation of the project.

Prior obligations and pre-requisites

There are serious risks that may hinder the implementation of the programme, or may affect the achievement of expected results and outcomes. These risks are related to:

- Deterioration of the security situation and inability of project personnel to carry out their duties

- Instability of the government and change in the management of the PMO, since a new management may come with different priorities than the actual programme on capacity development

- Lack of willingness and political will to carry out the required reform and change, as recommended by the findings of the capacity assessments

- Lack of willingness from the PMO to make available the required government staff to assist in programme implementation

- Difficulties in mobilizing the needed resources for the programme

Advisory group

An advisory group will be established. It comprises of: the Prime Minister Office, the Ministry of Planning, the General Personnel Council, the Ministry of Finance and UNDP/PAPP. The advisory group

will be chaired by the PMO. It will quarterly review and discuss progress, advice on actions to be taken and facilitate the process of implementation whenever needed.

Duration of the project

During the first phase of the project the infrastructure and the formulation of capacity assessment and strategy will be completed . The time frame for this phase will be five months.

During the second phases the capacity development strategy will be implemented. The time frame for the second phase will be determined after the action plan for implementing the strategy is finalized.

General Responsibilities of the Parties

1. The Parties agree to join efforts and to maintain close working relationships based on mutual commitment to partnership;
2. The Parties agree to carry out their respective responsibilities in accordance with the provisions of the present agreement, and to undertake the intervention in accordance with UNDP policies and procedures as set out in the UNDP Programming Manual, which forms an integral part of the present agreement
3. The Parties shall, on a regular basis, keep each other informed of and consult on matters of common interest, which in their opinion are likely to lead to mutual collaboration. Additionally, the Parties shall keep each other informed of all activities pertaining to the CD project and shall consult a minimum once a month on matters that may have a bearing on the status of the "Parties" in the country or that may affect the achievement of the objectives of the project with a view to reviewing the project annual Work Plans and Budget.
4. Each Party shall inform the other Parties of the person having the authority and responsibility to represent the party for the Project on its behalf.
5. The Parties shall undertake the appropriate activities in order to ensure proper visibility of the UNDP in supporting the state building process for the Palestinians.
6. The Parties shall cooperate with each other in obtaining any licenses and permits required by national laws, where appropriate and necessary for the achievement of the Objectives of the Programme. The parties shall also cooperate in the preparation of any reports, statements or disclosures, which are required by national law.
7. PMO may use the name and emblem of the United Nations or UNDP only in direct connection with the Programme, and subject to prior written consent of the UNDP/PAPP Special Representative in the occupied Palestinian Territories.
8. The Parties shall cooperate in any public relations or publicity exercises, when the UNDP/PAPP Special Representative deems these appropriate or useful.

Responsibilities of UNDP/PAPP

UNDP acts as the Executing Agency for the CDF Programme responsible thereinafter for the following:

1. The establishment and administration of the CD Project, achievement of Project outcomes and outputs.

2. To lead the technical and operational aspects of the CD project while ensuring proper documentation and supervision of subcontractors.
3. To prepare the CD project overall work-plans and provide regular progress reports to the steering board of the project.
4. To appoint competent staff and experts for the management of the project in close collaboration with the PMO, and according to UNDP recruitment procedures.
5. To provide continuous technical assistance to the PMO throughout the life of this agreement utilizing its internal and external pool of experts, while tapping on international good practices in this field.

Responsibilities of PMO

The PA through the PMO is the overall owner of the Programme responsible thereinafter for the following:

1. To form and lead a Steering Board that will comprise of donors, ministries and other key Palestinian institutions and a representative of UNDP as a non-voting member;
2. To ensure overall coordination of capacity development support to the PMO with the CD planned policies and strategies on national and local level;
3. To facilitate and coordinate communication and interaction with other government institutions pertaining the implementation of the project recommendations;
4. To provide access to necessary data and needed information for carrying out the programme activities;
5. To provide copies of all previous capacity development reports and studies that has been done to the PMO (i. e. development plan , organizational chart and functions of the PMO,
6. Provide official written and verbal comments on various products and/or important decisions developed or taken by the project.
7. To appoint a senior staff member to represent PMO and serve as a counterpart to the UNDP/PAPP Project manger and to identify the team that will be assigned to the project;
8. To provide the office space for the project.

Personnel Requirements

1. PMO shall be fully responsible for all services performed by its personnel, agents, employees, or contractors (hereinafter referred to as "Personnel").
2. PMO personnel shall not be considered in any respect as being the employees or agents of UNDP.
3. PMO shall ensure that all relevant national labor laws are observed.
4. UNDP does not accept any liability for claims arising out of the activities performed under the present Memorandum, or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by PMO personnel as a result of their work pertaining to the programme. It is understood that adequate medical and life insurance for PMO personnel, as well as insurance coverage for service-incurred illness, injury, disability or death, is the responsibility of PMO.
5. PMO shall ensure that its personnel meet the highest standards of qualification and technical and professional competence necessary for the achievement of the Objectives of the Programme, and that decisions on employment related to the Programme shall be free of discrimination on the basis of race, religion or creed, ethnicity or national origin, gender, handicapped status, or other similar factors.

Responsibility for Claims

1. PMO shall indemnify, hold and save harmless, and defend at its own expense, UNDP, its officials and persons performing services for UNDP, from and against all suits, claims, demands and liability of any nature and kind, including their cost and expenses, arising out of the acts or omissions of PMO or its employees or persons hired for implementing the present Memorandum and the Programme.
2. PMO shall be responsible for, and deal with all claims brought against it by its Personnel, employees, agents or subcontractors.

Part IV. Monitoring and Evaluation

The project will adhere to UNDP's standards and procedures for review, monitoring and evaluation. The annual work plans will be prepared with the active involvement of the technical team and shared with the project board for promoting transparency of operations and integrity of the project commitments. The Results Framework will be adjusted as necessary and such adjustments will be shared with the project board.

Reporting on the progress of this project will be done jointly with the reporting on the capacity development project (mother project0

Part V. Legal Context (standard text)

The project brief document shall be the instrument referred to as such in the standard basic assistance agreement signed between the Prime Minister Office (P<O) and the United Nations Development Programme.

The following types of revisions to the project brief document can be made with the sole signature of the UNDP Resident Representative or the UNDP Country Director.

Part VI. Project Result and Resources Framework

PROJECT RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Strategy/Results and Resource Framework: Responsive Governing Institutions are strengthened (Outcome 2 of Objective II of UNDP Country Programme

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

Partnership Strategy:
- Coordinate with the Capacity Development Initiative programme .
- Coordinate with ongoing donor funded programs for the PMO
- Foster complementarity of activities and resources.

Project title and ID (ATLAS Award ID): Formulation of Capacity Development Strategy for the Prime Minister Office's (PMO) coordination and communication with other government institutions

Intended Outputs	Indicative Activities	Responsible parties	Input	Q3-08	Q4-08	Q1-09	Q2-09
1.1 Construction and finishing of the last floor and the roof of PMO building completed	1.1.1 Procure contracting company for building and finishing the last floor and the roof of PMO building completed	UNDP	350,000	X	X	X	
1.2 In-depth capacity assessment of the PMO's functions, process, and procedures for coordination and communication with other government institutions prepared	1.2.1 Conduct CD/CA training	UNDP		X			
	1.2.2 Scoping mission and engagement of stakeholders to secure ownership and commitment to follow up with the CD response preparation and implementation.	UNDP		X			
	1.2.3 Review and assessment of earlier capacity building initiatives and lessons learned	UNDP		X			
	1.2.4 Inventory of ongoing and planned capacity building initiatives	UNDP	100,000	X			
INDICATORS 1. A report on the capacity assessment produced	1.2.5 Write TOR for the CA	UNDP		X			
	1.2.6 Develop the CA tool & undertake CA	UNDP		X	X		
2. Consensus achieved with regard the findings of the capacity assessment	1.2.7 Analyze the results, vet with stakeholders to get their buy-in on findings.(*Workshop with staff of the PMO and stakeholders to discuss the findings of the assessment and achieve consensus*)	UND& PMO			X		
	1.2.8 Formulation of the advisory board(before end of Oct,2008)	PMO			X		
1.3 Formulation of interventions/response strategies	1.3.1 Develop CD responses (short-term; mid-term and long-term), define activities, targets, indicators, cost		50,000		X	X	

	activities, identify partners		
in terms of institutional reform and organizational development of the PMO's functions, process, and procedures for coordination and communication with other government institutions
INDICATORS
1. Capacity Development response strategies and work plan developed
2. Consensus achieved by the management of PMO to implement strategies and action plan		70,000	.
1.4 Technical support and provision of IT equipment for the office of advisor to the PM for Arab and Islamic Funds Affairs is provided	.	.	X

ANNEX 1: CAPACITY DEVELOPMENT CONCEPT

What is Capacity Development?

Capacity is defined as the ability of individuals, organizations and societies to perform functions, solve problems, and set and achieve their own development objectives in a sustainable manner. Capacity development (CD) is thereby the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time. Capacity development is a means towards reaching development outcomes. For UNDP it is the "how" of development, and is at the heart of the organisation's mandate and functions.

Over the past few years it has become evident that a more rigorous approach to CD is required if its impact is to be fully realized. Capacity development (CD) is critical for the achievement of the MDGs, and more generally, long-term economic and societal development. Against the backdrop of a global commitment to fighting poverty and pledges to increase the volume of aid, the development of national capacities to utilize development finance efficiently and effectively for human development ends has acquired even greater urgency. The Millennium Declaration, the Paris Declaration on Aid Effectiveness, the UN TCPR resolution and an increasing number of National Development Strategies reflect this prominence.[2]

A country's capacity resides on three levels:

- Organizational Level: systems, procedures, institutional framework

- Individual level: experience, knowledge, technical skills

- Enabling environment: policies, legislations

Capacity assessment and capacity development strategies need to be therefore addressed across these three levels.

UNDP engages on capacity development in four defined areas of support: capacity assessment, capacity development response strategies, costing capacity development strategies, and capacity development monitoring and evaluation. UNDP has identified these four capacity development areas and drawn together case evidence in each of the areas to support countries in responding better to national and local capacity needs, and for making effective use of their capacity assets. These areas have been also prioritized based on undertaking study of norms and standards, good practices and data sources where available, and thus, this informs us that these strategies have a positive and sustainable impact on the development and retention of endogenous capacity at the national and local levels. The strategies cut across thematic and sector specificity and in that sense is "practice neutral."

What is Capacity Assessment?

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2 Resolution 59/250 of the Triennial Comprehensive Policy Review 2004

Capacity assessment (CA)is the analysis of current capacities against desired future capacities; this assessment generates an understanding of capacity assets and needs leading to the formulation of CD strategies

Capacity assessment is a dynamic and ongoing process (not a one-time event). It provides a systematic analysis of what key capacities exist, and a point of dialogue and negotiation on what additional capacities may be required to reach a desired development outcome. CA helps to establish capacity baselines against which to measure, monitor and evaluate progress and performance in capacity development. The desired capacities have to be defined prior to undertaking the assessment. Capacity assessment provides valuable input into policy and strategy formulation work and on what needs to improve, and the financial requirements to fund the interventions.

Objectives of the CA:

- To produce an initial "capacity baseline" grounded in an agreed set of performance standards meeting international good practice criteria.

- Help analyze and recommend areas of intervention, through strategic capacity development initiatives and targeted quick impact actions

- To derive "areas for improvement" across all areas of operation,

- To identify a small set of priorities for initial systemic CD that could enable the achievement of a credible platform on which performance improvements at all levels could be predicated.

The Capacity Assessment Framework is composed of three dimensions:

- **Points of Entry:** UNDP recognises that a country's capacity resides on different levels – enabling environment, organisation and individual – and thus needs to be addressed across these levels. A capacity assessment team selects one level as its point of entry, and may "zoom in" or "zoom out" from that level as needed.

- **Core Issues:** These represent the issues upon which UNDP is most often called to address. Not all of these issues will necessarily be analysed in any given assessment, but they provide a comprehensive set of issues from which a capacity assessment team may choose as it defines its scope: 1) leadership; 2) policy and legal framework; 3) mutual accountability mechanisms; 4) public engagement; 5) human resources; 6) financial resources; 7) physical resources; and 8) environmental resources. The issue of a human rights based approach serves as an "overlay" on any capacity assessment (it can either overlay all selected cross-sections or act as a stand-alone core issue).

- **Cross-Cutting Functional Capacities:** Specific functional capacities are necessary for the successful creation and management of policies, legislations, strategies and programmes. UNDP has chosen to prioritise the following functional capacities, which exist at all three

points of entry and for all core issues: 1) engage in multi-stakeholder dialogue; 2) analyse a situation and create a vision; 3) formulate policy and strategy; 4) budget, manage and implement; and 5) monitor and evaluate.

Capacity development strategies

The formulation of capacity development strategies is based on the findings of a capacity assessment. These capacity development strategies may be applied to address capacity needs in a variety of sectors, and are predicated on integrated approaches to development:

- Institutional Reform and Incentives: Process facilitation for change management; functional reviews; salary schemes; incentive systems; and business processes (project management and procurement).
- Leadership Capacities: Negotiation and visioning skills; coaching and mentoring; ethics; and advocacy.
- Education, Training and Learning: Training methods; tertiary education curricula and investments; vocational education; and on-the job skills transfer.
- Accountability and Voice Mechanisms: Peer reviews; citizen watch; M&E; stakeholder feedback; and public information campaigns.