

**PROJECT DOCUMENT**  
**Kingdom of Saudi Arabia**

**Project Title:** Umbrella Programme for Socio-Economic Development

**Project Number:** SAU10- 00137889

**Implementing Partner:** Ministry of Economy and Planning (MEP)

**Start Date:** 27 October 2021

**End Date:** 31 December 2024

**PAC Meeting date:** 17/08/2021

**Brief Description**

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This new umbrella Programme for Socio-Economic Development Project was designed to support mainstreaming social and economic development in the national policies in Saudi Arabia. The ultimate programme objective is to strengthen evidence-based policy planning and decision-making to support the realization of Saudi Vision 2030 and the Sustainable Development Goals (SDGs).

This new program aims to answer the need for strengthening government ability to produce high-quality and timely policies to enable achieving the development agenda envisioned under Saudi Vision 2030, and its three thematic pillars—a vibrant society, a thriving economy, and an ambitious nation.

As a result, UNDP and MEP have agreed to adopt an approach to address, simultaneously, short and long-term demands supporting effective implementation of the SDGs as well as improving policymaking and ensuring policy coherence to facilitate the achievement of the social and economic transformation in Saudi Arabia.

UNDP will support the various deputyships in MEP, prioritising the technical support needed to strengthen MEP's role related to tackling complex cross-cutting policy issues.

The programme framework will cover the following outcomes:

- Enabling the realization of the Sustainable Development Goals (SDGs)
- Sectoral, regional, and social policies in line with the priorities and the needs in the Kingdom developed
- MEP possession of the instruments', frameworks, and skills to become a reactive policy supporter.
- National Human Development Report produced and used for policy advocacy

The project duration will start in October 2021 until December 2024 to complete identified activities and deliver the outputs to enable achieving a more significant impact.



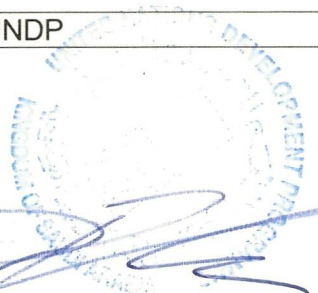
The details of the outputs, indicative activities and budget are presented in the Multi-Year Work Plan in Annex 1.

This agreement has been executed in two copies (Written in Arabic and English) one copy for each party.

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<p>Contributing Outcome (UNDAF/CPD, RPD or GPD): Improved knowledge-based equitable and sustainable development, underpinned by innovation and improved infrastructure</p> <p>Indicative Output(s) with gender marker<sup>2</sup>: National policies developed to promote economic diversification with a focus on increased employment of nationals</p>	<b>Total resources required:</b>	\$ 12,932,352		
	<b>Total resources allocated:</b>	<b>UNDP TRAC:</b>	N/A	
		<b>Donor:</b>	N/A	
		<b>Government:</b>	\$ 12,932,352	
		<b>In-Kind:</b>	N/A	
<b>Unfunded:</b>				

Agreed by (signatures)<sup>1</sup>:

Government	UNDP
 <p>Name: H.E Mr. Faisal Al Ibrahim Minister of Economy and Planning</p>	  <p>Name: Dr. Adam C. Bouloukos UNDP Resident Representative</p>
Date: 10/26/2021	Date: 26. Oct 2021

التفصيل

## I. DEVELOPMENT CHALLENGE

The Kingdom of Saudi (KSA) has witnessed remarkable economic development and significant GDP growth over the last four decades. Gross Domestic Product increased by about 100 per cent from SR1,334 billion in 1980 to SR 2640 billion in 2019 at constant 2010 prices. In the 15 years from 2000 to 2015, GDP growth averaged 4.1 per cent, putting the economy among the top global economies in terms of size; although growth slowed to 1.6 per cent in the last 5 years as oil prices declined. At the same time, a high level of macroeconomic stability and a significant improvement in the human and social development indicators were recorded: As a result, KSA is currently ranked among the highest as measured by the Global Human Development Index.

**To continue this progress especially in a post-oil age requires first and foremost a focus on increasing non-oil exports,** KSA's future national long-term development policy is clear: Vision 2030 envisions shift away from an oil revenue-dependent economy (with oil and oil products currently accounting about 90% percent of total exports) and society towards a more knowledge and know-how based one, and diversification especially by way of globally competitive export promotion constitutes the key to such a successful shift. Nonetheless, the existing or available practical answers to the question of how to make such a shift, diversification or export promotion happen have not been satisfactory enough.

A first step to support diversification of exports is identifying the most pressing constraints facing Saudi exporters. Stagnant export performances even after the onset of the nation's ambitious Vision 2030 programs and initiatives raises questions about the deeper causes of this challenge.

*Export Revenues - Excluding oil derivatives, petrochemicals, and plastics*



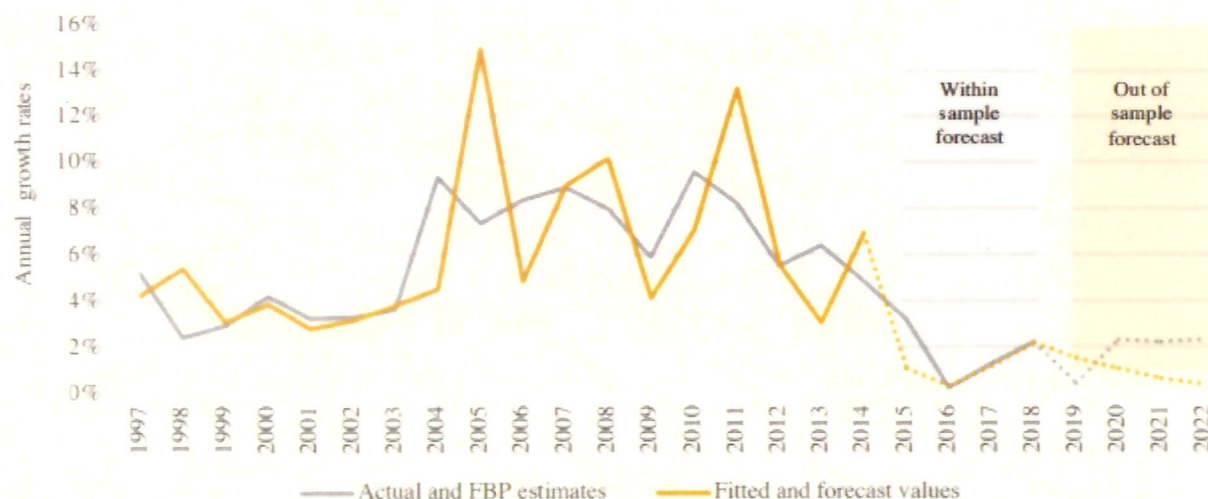
Source: MEP Research

The developmental challenge fundamentally lies in the public and private partnerships to build a multitude of globally competitive products and firms in diverse, pioneering, and preferred industrial sectors. Research at MEP shows clearly that the bias against exporters especially in the regulatory domain, remains formidable, however, and increasing stronger or faster inputs to the largely technical reform efforts within the system's logic is unlikely to bring about the systemic shift. What is needed are reforms befitting the kind of structural transformation such a shift requires.

**The second major challenge facing KSA after a decade-long oil price boom, is the low growth period that has resulted from the nature of the economy's dependence on oil.** Saudi Arabia faces challenges in facilitating sustainable growth to enhance employment opportunities consistent with Vision 2030. This in turn raises questions about macroeconomic management and the role and mandate of key institutions in facilitating structural reforms and fiscal stability.

KSA's economic dynamism has been driven by a single source: net government spending generated from oil revenues. The economic challenge in Saudi Arabia today is that the historical driver of economic dynamism—oil revenues that fuel net government spending—is unable to generate sustained growth in the current period. The reality is that even the non-oil economy in KSA is dependent on oil and has suffered from the decline in oil prices.

## Non-oil GDP growth: actual vs. forecasts of Government's Fiscal Balance Program (FBP)



The only way to maintain growth during this period of medium-term fiscal adjustment is to transform the KSA's economic model by diversifying into new exportable sectors, of increasingly greater complexity. The task at hand is to add entire sectors of the economy, and several of them, at a pace that would rank among the most rapid transformations in global history.

Achieving diversification requires nothing short of a transformation of the underlying economic model. Four constraints or distortions are often noted as preventing the creation of a knowledge-driven economy:

- **Strong Saudi preference to work in the public sector:** the distribution of oil rents via public employment at high wages, results in higher average Saudi wages in the public sector vs. the private sector, and a strong preference among Saudi workers to work in the public sector.
- **Strong firm preference in KSA to hire expat workers:** as the other side of the same coin, the public sector minimum wage and de facto minimum wage to count as a full Saudi under Nitaqat have been set above the productivity of Saudi workers, vis-à-vis expats, and the complexity of the economy, which would have to immediately be competitive with France and Ireland.
- **Restrictions on foreign ownership and expat mobility:** limits new business creation, where non-native populations start businesses at higher rates than native populations in most advanced economies, so this central driver of entrepreneurship and business creation is cut off, including many Saudis who would work in these businesses
- **Restrictions on Saudi women's entry into new sectors:** this new economic model focuses on Saudi Arabia's scarcest resource: high-skilled Saudi talent. Achieving the full potential of well-educated Saudi women remains the fastest means to increase Saudi household income. Officials deserve recognition for reforms allowing women to drive, travel, and work, as rewarded by major gains in women's employment. The challenge is now the concentration of women's employment in education and health, two sectors dependent on public spending that face strong headwinds against employment growth.

### Challenges at the macro-structural level

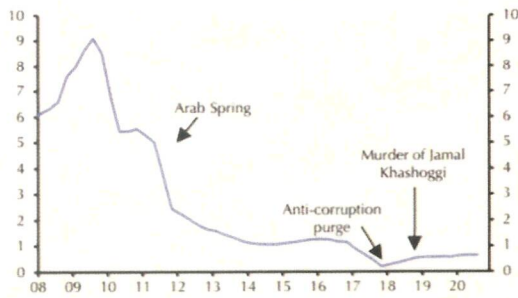
A. The government needs to take credit for steps it has taken to contain the short-term fiscal deficit including cutting expenditures and increasing the VAT rate to 15 percent. A more difficult long-term challenge, however, is the need to ensure fiscal sustainability including how to reduce the current high non-oil primary deficit of 38% - the pertinent measure for assessing the direction and sustainability of fiscal policy in oil producing countries.

B. The need to fully understand what diversification KSA is focusing on: is it in exports, or in production, or in taxation, or in incomes, or something else? This has fundamental ramifications as we KSA looks for solutions. At the same time there is a need to balance the objective of diversification in exports from the aim to enhance growth – diversification in output

C. The challenge of measures to assess intergenerational equity makes it difficult to assess the pace of reforms needed. Without this we are left with a blanket statement that KSA only has 10

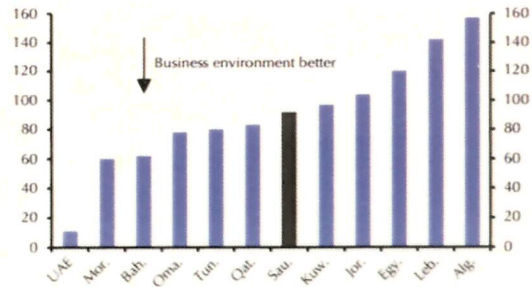
years to achieve objectives of Vision 2030. The reality and options facing decision makers are more complex.

**Chart 1: FDI Inflows (4Q Sum, % of GDP)**



Sources: CEIC, Saudi Arabian Monetary Authority

**Chart 2: Ease of Doing Business Index (Rank out of 190)**



Source: World Bank

D. For a rapid transformation of its economy (like other success stories such as South Korea, Singapore, China, Malaysia, Thailand, Vietnam, and Turkey) and develop non-oil exports it is important to consider what is feasible given KSA's circumstances, and can they be achieved? FDI to jump start the economy into high productive sectors has declined to low and almost negligible levels. Deregulation of key sectors has proved to be notoriously difficult in GCC countries as reflected in the World Bank's Ease of Doing Business indicators, See figures above. Ad-hoc regulation and deregulation scares investors. The use of investment funds from public enterprises and the PIF creates to substitute for FDI risks misallocation of resources.

## II. STRATEGY

In preparing this project, UNDP took account of internal MEP discussions to revise its strategy and mandate for policy making and planning and make its relationship with other ministries and institutions of government more effective taking account of on-going changes in the role of MEP.

A key driver of the project was the Vision 2030 theme of a thriving economy with priority among other things on:

- Enhancing growth and labour market reforms to facilitate job creation Saudi males and females
- Economic diversification through public-private partnerships to enhance non-oil exports and reduce dependence on oil revenues
- Fiscal sustainability
- Sustainable Development
- Growth of tourism to support regional development and enhance image of KSA abroad

This work plan intends to utilize the strong capabilities of the UNDP in knowledge transfer and capacity development and to forge a partnership between the MEP and the UNDP to enhance capacities for economic analysis using cutting edge tools and international best practices for policy reforms to help address the challenges noted above.

The project, which is consistent with the new UN Sustainable Development Cooperation Framework (UNSDCF) and UNDP Country Programme Document (CPD) envisages the following four outputs:

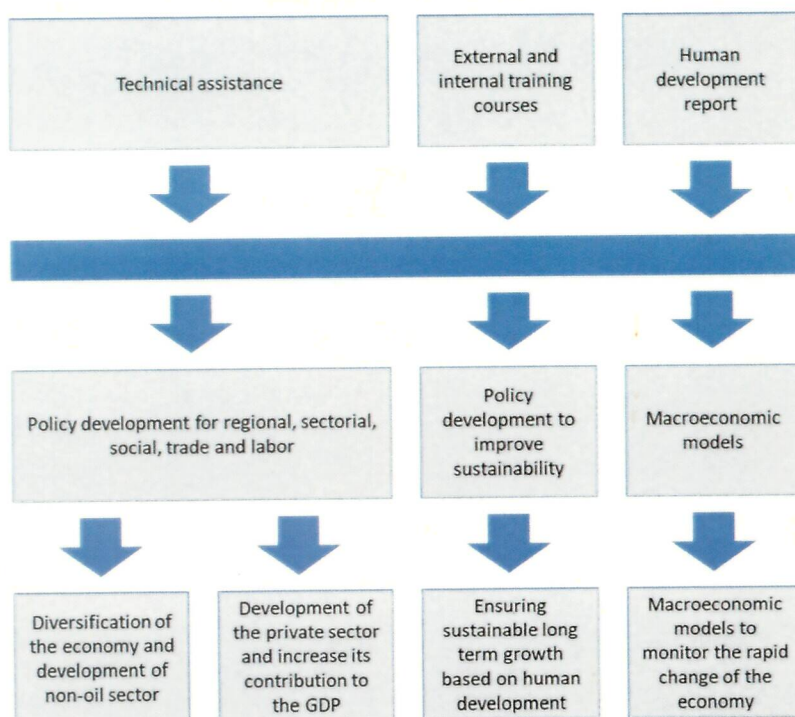
- Transformation of the assistant deputyship of sustainable development and assistance to produce SDG deliverables including voluntary national review, voluntary local reviews and deep analysis of sustainable development goals through a dedicated policy development framework



- Consistent policy development in several policy areas: regional, sectorial, social, labour, trade as well as revising the macroeconomic models used by MEP
- Capacity building of MEP capabilities, processes and tools through customized programs designed specifically to the needs of MEP teams and the development of Strategy, process and toolkits
- Producing the human development report to be used as a policy tool to inform development planning and relevant policy-making processes

### Theory of Change

- The project will focus on designing policies along three distinct thematic focuses: (a) regional, sectorial, social, labour, trade policies; (b) sustainable development policies and recommendations c) Macroeconomic models. The proposed policy support will be created whilst national capacities are nurtured and strengthened within the hosting Ministry as well as across all participating agencies (public sector's institutions, private sector actors, and the civil society). In this connection, diverse advisory services will be provided to the Government in all areas of sustainable development, as well as different capacity building outputs. The human development report will come as a support to ongoing activities to provide evidence-based guidance.



Improving data coverage and reporting will be leveraged to quickly improve the SDG ranking and score of Saudi Arabia

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### III. RESULTS AND PARTNERSHIPS

#### *Expected Results*

- UNDP assistance aims to reach the following results:
  - An improvement in the general performance of Saudi Arabia in the sustainable development index and ranking through technical assistance and capacity building
  - An increase in MEP capacity to develop policies in the areas under MEP's scope as well as other government entities through direct technical assistance, customized training programs and optimized tools and processes
- The end-result of the program is to support the government's efforts related to socio-economic development of Saudi Arabia.

#### *Resources Required to Achieve the Expected Results*

- To achieve expected results, UNDP will mobilize several resources over the course of the duration of the program of 4 years:
  - Experts in policy development
  - Experts in transformation
  - Experts in sustainable development
  - External trainers to provide customized courses
  - Experts in human development
- Experts will work under the supervision of a dedicated chief technical advisor and the support of the UNDP Riyadh office.
- A detailed work-plan for each thematic team will be designed to utilize short-term consultants (national and international). It is expected that synergies will be realized in deployment of short-term experts to lend advice to various topics simultaneously.

#### **Partnerships**

- Policy development requires building partnerships with several entities from the public and the private sector. Due to the central role of MEP in the national policy development efforts, potential partnerships can occur with virtually all government entities
- More specifically, the sustainability roadmap includes a dedicated workstream on engagement, which will focus on building partnership agreements. The objective is to identify and partner with entities that will support policy development on specific SDGs every year. An annual global event about sustainable development is planned to be organized in Saudi Arabia and will require establishing partnerships with many organizations.
- For data collection purposes, strong partnerships with both GaStat and Adaa are needed to deliver analysis
- For capacity building outputs, UNDP will partner with external training centres and professionals to deliver customized courses to MEP staff
- Moreover, UNDP will assist MEP in reaching out to foreign entities handling the sustainable development file to benefit from their best practices and experience.

## **Risks and Assumptions**

- The key risks that might delay delivery of results include the following, along with their proposed mitigation factors (detailed risk analysis is in Annex II):
  - Difficulty in smooth coordination across sectors and regions: There is a potential risk of encountering such a difficulty; however, the project's component of capacity development and the coordination advisors at the thematic teams will mitigate this risk.
  - The decision-making process can be lengthy, particularly to deliver policy recommendations for sustainable development because many stakeholders in several entities are involved. This risk is mitigated by the establishment of a dedicated governance within MEP
  - As the required change in some areas is high, the resistance to this change may lead to complete rejection of policy proposals. This risk can be mitigated by onboarding stakeholders since the beginning to get their feedback and absorb their resistance.

## **Stakeholder Engagement**

- This intervention is grounded in a host of national and international partnerships. As the overall impact of the intervention is projected to reach all population of Saudi Arabia and in terms of both the existing generation and the future ones, the public awareness campaigns will be designed to engage all citizens. Moreover, other targeted groups will be engaged as follows:
  - Policy-makers and implementation officials at the regional level: This group constitutes the core functioning body in designing and implementing the framework of regional development in Saudi Arabia. The group will be engaged through workshops designed to elicit stakeholders' views and to forge consensus around major decisions. In addition, this group will be the beneficiary of the capacity development programme.
  - As the 17 SDG cover a wide range of topics and fields, an initial list of 82 entities was identified as involved in the sustainable development agenda

## **South-South and Triangular Cooperation (SSC/TrC)**

- The project will utilize North-South and South-South Cooperation modalities in support of the intended outcomes. A South-South Cooperation arrangements will be reached jointly with identified countries of best practices in the regional development and regional competitiveness. Later, a list of possible international best practices will be compiled based on the comprehensive review of the regional development patterns.

## **Knowledge**

- The project intends to produce reports on many policy areas for the national and international audiences. So strong policy development skills and knowledge are required, as well as international best practices in sustainable development
- The human development report will require a mix of analytical and statistical skills to deliver valuable learnings to be used as input in the long-term strategy
- Capacity building will benefit from many types of knowledge including benchmarks, processes reengineering, customized courses on state-of-the-art topics
- It is intended that the lessons learned, and best practices of development will be effected in a two-way platform. That is, the development experience of Saudi Arabia will be captured and reported for wide dissemination utilizing UNDP's worldwide presence and knowledge networking.

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### **Sustainability and Scaling Up**

- This intervention is designed to ensure sustainability of development results over the long run through effective multi-sectoral partnerships, regional development planning and localization of the SDGs. This will entail engaging actors at the sub-national level by which scaling-up schemes will be designed to ensure inclusive and participatory approach.

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## **IV. PROJECT MANAGEMENT**

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

- The selected strategy of the intervention will deliver maximum results within the available funds as system-wide coordination is anticipated to reduce costs at downstream level with numerous synergies across sectors.

### ***Project Management***

- This project will be administered by MEP in addition to the UNDP's Implementation Support Services to be provided from the UN Premises and through hiring of experts and project team as required.
- Direct Project Costing (DPC) of 5% will be applied in addition to the General Management Service (GMS) of 5%.

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## V. RESULTS FRAMEWORK<sup>2</sup>

**Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:**  
Improved knowledge-based equitable and sustainable development, underpinned by innovation and improved infrastructure

**Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:**

**Output 1.1. National policies developed to promote economic diversification with a focus on increased employment of nationals**

**Indicator 1.1.1.** National diversification strategy formulated and finalized

**Baseline:** No existing national diversification strategy

**Target:** National diversification strategy finalized

**Data source, frequency:** Ministry of Economy and Planning (MEP), Council for Economic and Development Affairs (CEDA), Ministry of Municipal and Rural Affairs and Housing (MOMRA), annual reporting.

**Applicable Output(s) from the UNDP Strategic Plan:** N/A

**Project title and Atlas Project Number:** SAU10- 00137889 - Umbrella Programme for Socio-Economic Development

EXPECTED OUTPUTS	OUTPUT INDICATORS <sup>3</sup>	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)					DATA COLLECTION METHODS & RISKS	
			Value	Year 2020	Year 1	Year 2	Year 3	Year 4	Year ...		FINAL

<sup>2</sup> 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.

<sup>3</sup> 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.

<b>Output 1</b> Enabling the realization of the Sustainable Development Goals (SDGs)	<b>1.1</b> VNR and VLR reports timely produced (as per schedule) and approved by the central government	Mainly GASTAT, ADAA, other ministries, regional government	No document was produced except 1 VNR in 2018	2018	1 VNR 2 VLR	1 VNR 2 VLR	1 VNR 2 VLR	1 VNR 2 VLR	Direct contact and stakeholders' engagements GaStat reports
	<b>1.2</b> # & % of goals for which deep dive analysis completed	Mainly GASTAT, ADAA, other ministries, regional government	The policy framework hasn't been applied yet to any SDG	3	3	3	3	3	Direct contact and stakeholders' engagements
<b>Output 2</b> Structural policy reforms developed to enhance sustainable long-term growth in alignment with KSA priorities	<b>2.1</b> #/ % of policies reviewed per sector	MEP and sectorial organizations	0	At least 3 sectorial policies every year	At least 3 sectorial policies every year	At least 3 sectorial policies every year	At least 3 sectorial policies every year	At least 3 sectorial policies every year	Direct contact and stakeholders' engagements
	<b>2.2</b> #/ % of policies reviewed per region	MEP and regional governments	0	At least 3 regional policies every year	At least 3 regional policies every year	At least 3 regional policies every year	At least 3 regional policies every year	At least 3 regional policies every year	Direct contact and stakeholders' engagements

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2.3 % of regions covered by the deep analysis	MEP and regional governments		3 regions per year to cover all regions by the end of the program	70%	75%	80%	85%	3 regions per year to cover all regions by the end of the program			Direct contact and stakeholders' engagements
2.4 Satisfaction rate of regional teams	Regional Governments	N/A		70%	75%	80%	85%	3 regions per year to cover all regions by the end of the program			Survey
2.5 # of staff trained per deputyship	MEP HR	N/A		20	20	20	20	3 regions per year to cover all regions by the end of the program			Survey
2.6 # sectors covered by new policies	MEP and sectorial organizations	Currently, there are no plans to systematically review sectoral policies		3 sectors per year	3 sectors per year	3 sectors per year	3 sectors per year	3 sectors per year			Direct contact and stakeholders' engagements
2.7 Impact assessment for social, labor and trade policies				Impact assessment for 3 policies per year	Impact assessment for 3 policies per year	Impact assessment for 3 policies per year	Impact assessment for 3 policies per year	Impact assessment for 3 policies per year			Deliverables report
2.8 # of staff completing courses in CGE modelling	MEP	N/A		5	5	5	5	3 regions per year to cover all regions by the end of the program			Survey

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Output 3 MEP capacity developed, processes optimized and tools improved	2.9 Accuracy of the CGE and MTEF macro models	MEP	N/A		80%	85%	90%	95%			MEP engagement Strategy
	2.10 MTEF macro model delivered	MEP	N/A			MTEF delivered in year 2					Survey and HR records
	3.1 - # & % of Deputyships using/adopting the MEP Toolkit	External sources / centres and MEP HR	2		1	3					
	3.2 # of training courses delivered by training type				10 male and 10 female	10 male and 10 female	10 male and 10 female	10 male and 10 female			
3.3 # staff passing the training courses disaggregated by training and by gender	10 male and 10 female				10 male and 10 female	10 male and 10 female	10 male and 10 female				
Output 4: National Human Development Report produced	4.1 NHDR produced	MEP and relevant entities	1	2003	1			1			Direct contact and stakeholders' engagements
	4.2 # & % of NHDR recommendations moved to implementation	MEP and relevant entities	0			3	3	3			progress report

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## 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)
<b>Track results progress</b>	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.		
<b>Monitor and Manage Risk</b>	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	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.		
<b>Learn</b>	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
<b>Annual Project Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
<b>Review and Make Course Corrections</b>	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.		
<b>Project Report</b>	A progress report will be presented to the	Annually, and at			

	<p>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.</p>	<p>the end of the project (final report)</p>			
<p><b>Project Review (Project Board)</b></p>	<p>The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.</p>	<p>Specify frequency (i.e., at least annually)</p>	<p>Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.</p>		

**Evaluation Plan<sup>4</sup>**

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Mid-Term Evaluation						\$50,000
Final Evaluation						\$50,000

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<sup>4</sup> Optional, if needed

## VII. MULTI-YEAR WORK PLAN <sup>56</sup>

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.

Outputs	PLANNED ACTIVITIES	Planned Budget by Year				Responsible	PLANNED BUDGET			
		2021	2022	2023	2024		Funding Source	Budget Description	Total Amount	
<b>Output 1:</b> Enabling the realization of the Sustainable Development Goals (SDGs)	<b>Activity result: 1. 1 Priority SDGs initiatives to identify successes, challenges and lessons learned implemented</b>									
<b>Indicators:</b> -VNR and VLR reports timely produced (as per schedule) and approved by the central government -# & % of goals for which deep dive analysis	1.1. 1. Carry-out the Voluntary National Review	59,890		59,890		MEP	Gov.			119,780
	1.1.2. Carry-out the Voluntary Local Review (Riyadh and al Ula) in 2021 and 2 other regions in 2023	59,890		59,890		MEP	Gov.			119,780
	1.1.3. Conduct study about Education in 2021 (Deep Dive Analysis)	59,890				MEP	Gov.		Pool of experts	59,890
	1.1.4. Conduct study about Environment and Climate Change in 2021 (Deep Dive Analysis)	59,890				MEP	Gov.			59,890
	1.1.5. Conduct detailed study about gender equality (Deep Dive Analysis)	59,890				MEP	Gov.			59,890

<sup>5</sup> Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

<sup>6</sup> Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.



completed	1.1.6. Develop policy framework for 3 SDG per year	100,00	179,670	179,670	179,670	MEP	Gov.	639,010
	<b>Activity 1.2. Support MEP in fostering SDG achievements and implementing the adapted policy framework</b>							
	1.2.1. Support the implementation of SDG roadmap and internal capacity building of ADSD team	179,671	239,562	239,562	239,562	MEP	Gov.	898,357

Outputs	PLANNED ACTIVITIES	Planned Budget by Year				Responsible	PLANNED BUDGET		
		2021	2022	2023	2024		Funding Source	Budget Description	Total Amount
		<b>Activity 2.1. Regional policies development support and technical assistance</b>							
Output 2: Structural policy reforms developed to enhance sustainable long-term growth in alignment with KSA priorities"	2.1.1. Stocktaking exercise for regional policies: List of existing economic, social and environmental policies per region for 3 to 4 regions per year	19,963	19,963	19,963	19,963	MEP	Gov.	79,852	
Indicators: - #/ % of policies reviewed per sector - #/ % of policies reviewed per region. - % of regions covered by the deep analysis - Satisfaction rate of regional teams - # of staff trained	2.1.2. Regional Analysis (per region) highlighting main development needs, focusing on economic indicators, social indicators, as well as coverage and penetration of governmental services	19,963	59,890	59,890	59,890	MEP	Gov.	199,633	
	2.1.3. Develop a standard policy framework to develop regional policies	19,963				MEP	Gov.	19,963	
	2.1.4. Deliver training courses about developing regional policies	19,963	19,963	19,963	19,963	MEP	Gov.	79,852	
	2.1.5. Support in developing policies dedicated to specific regions	59,890	79,854	79,854	79,854	MEP	Gov.	299,452	

Outputs	PLANNED ACTIVITIES	Planned Budget by Year					Responsible	PLANNED BUDGET		
		2021	2022	2023	2024	Funding Source		Budget Description	Total Amount	
		2021	2022	2023	2024					
per deputyship -# sectors covered by new policies -Impact assessment for social, labor and trade policies - # of staff completing courses in CGE modelling - Accuracy of the CGE and MTEF macro models - MTEF macro model delivered	2.1.6. Data Gap Analysis: Identify main gaps in terms of data and potential sources to collect missing data	19,963	39,927	39,927	39,927	MEP	Gov.		139,744	
	2.1.7. Submit recommendations to develop the contribution of the private sector in each region	19,963	19,963	19,963	19,963	MEP	Gov.		79,852	
	<b>Activity 2.2. Sectorial policies development support and technical assistance</b>									
	2.2.1. Stocktaking exercise for regional policies: List of existing policies per sector for 3 to 4 sectors per year	19,963	19,963	19,963	19,963	MEP	Gov.		79,852	
	2.2.2. Sectoral analysis (per sector) highlighting main development needs	39,927	59,890	59,890	59,890	MEP	Gov.		219,597	
	2.2.3 Deliver training courses in developing dedicated policies for specific sectors	19,963	19,963	19,963	19,963	MEP	Gov.		79,852	
2.2.4. Support in developing policies dedicated to specific sectors 2.2.5. Data Gap Analysis: Identify main gaps in terms of data and potential sources to collect missing data 2.2.6. Submit recommendation to develop the contribution of the private sector in each economic sector	2.2.4. Support in developing policies dedicated to specific sectors	59,890	79,854	79,854	79,854	MEP	Gov.	Dedicated sectoral consultant	299,452	
	2.2.5. Data Gap Analysis: Identify main gaps in terms of data and potential sources to collect missing data	19,963	39,927	39,927	39,927	MEP	Gov.		139,744	
	2.2.6. Submit recommendation to develop the contribution of the private sector in each economic sector	19,963	19,963	19,963	19,963	MEP	Gov.		79,852	
	<b>Activity 2.3. Social policies development support</b>									

Outputs	PLANNED ACTIVITIES	Planned Budget by Year				Responsible	PLANNED BUDGET		
		2021	2022	2023	2024		Funding Source	Budget Description	Total Amount
		2.3.1. Grow an understanding of social policies in the Kingdom of Saudi Arabia and deliver adapted social policies to reach the objective outlined in Vision 2030.	103,149	160,247	197,700		197,700	MEP	Gov.
2.3.2. Undertake Economic Impact Analysis of social policies including assessment of policy coherence issues	59,890	59,890	59,890	59,890	MEP	Gov.		239,560	
<b>Activity 2.4. Labor policies development support</b>									
2.4.1. Grow an understanding of labor policies in the Kingdom of Saudi Arabia and deliver adapted labor policies to reach the objective outlined in Vision 2030.	103,149	160,247	197,700	197,700	MEP	Gov.	Dedicated Labor consultant	658,796	
2.4.2. Undertake Economic Impact Analysis of labor policies including assessment of policy coherence issues	59,890	59,890	59,890	59,890	MEP	Gov.		239,562	
<b>Activity 2.5. Trade policies formulation support</b>									
2.5.1. Grow an understanding of trade policies in the Kingdom of Saudi Arabia and deliver adapted trade policies to reach the objective outlined in Vision 2030.	103,149	160,247	197,700	197,700	MEP	Gov.	Dedicated Trade consultant	658,796	

Outputs	PLANNED ACTIVITIES	Planned Budget by Year				Responsible	PLANNED BUDGET		
		2021	2022	2023	2024		Funding Source	Budget Description	Total Amount
		2.5.2. Undertake Economic Impact Analysis of trade policies including assessment of policy coherence issues	59,890	59,890	59,890		59,890	MEP	Gov.
<b>Activity 2.6. Macroeconomics models revision and update</b>									
	2.6.1. Assess the accuracy of existing macro model: Computable general equilibrium (CGE)	79,854	99,817			MEP	Gov.		179,671
	2.6.2. Develop the medium-term Expenditure Framework (MTEF) macro model and assess its accuracy	79,854	99,817			MEP	Gov.	Dedicated Macroeconomics consultant	179,671
	2.6.3. Organize internal workshops to transfer modeling knowledge to internal teams	19,963	39,927	39,927	39,927	MEP	Gov.		139,744
	2.6.4. Training for developing new macro-economic models	99,818	99,817.5	99,817.5	99,817.5	MEP	Gov.		399,270
<b>Activity 3.1. Strategy, process and toolkits developed / revised</b>									
Output 3: MEP capacity developed, processes optimized and tools improved Indicators: - # & % of Deputyships using/adopting the MEP Toolkit - # of training	3.1.1. Simplify the policies toolkits developed by	160,000				MEP	Gov.		160,000
	3.1.2. Generalize the use and adoption of the toolkits to other deputyships	120,000				MEP	Gov.	Dedicated transformation consultant	120,000
	3.1.3. Deliver training to the staff on the new toolkits	40,000				MEP			40,000
	3.1.4. Benchmark of "MEP" like ministries in other countries based on the UNDP experience	40,000				MEP	Gov.		40,000

Outputs	PLANNED ACTIVITIES	Planned Budget by Year				Responsible	PLANNED BUDGET		
		2021	2022	2023	2024		Funding Source	Budget Description	Total Amount
		courses delivered by training type - # staff passing the training courses disaggregated by training and by gender	<p>3.1.5. Build the analysis and reporting capabilities to become the main source of economic and social analysis in KSA</p> <p>3.1.6. Support MEP in realizing transformation initiatives such as optimizing business processes, updating tools and reviewing organizational structure and functions</p>		200,000		200,000	200,000	200,000
		200,000	200,000	200,000	200,000	Gov.		600,000	
<b>Activity 3.2. Staff capacity development</b>									
	<p>3.2. 1. Delivering 4 customized technical courses per year, starting with one about Macroeconomics. Topics include the following areas:</p> <ul style="list-style-type: none"> <li>- Macroeconomics</li> <li>- Fiscal</li> <li>- Newcomer's package</li> <li>- Quantitative analysis, statistics</li> <li>- Policy assessment and impact assessment</li> <li>- Trade exports, subsidies</li> <li>- Social</li> </ul>	405,000	500,000	500,000	500,000	MEP	Gov.	External training courses	1,905,000
<b>Activity 3.3 Various technical assistance</b>									
	3.3.1 Extension of the assistance of 4 exiting UNDP consultants	204,016				MEP	Gov.	Pool of experts	204,016

Outputs	PLANNED ACTIVITIES	Planned Budget by Year				Responsible	PLANNED BUDGET		
		2021	2022	2023	2024		Funding Source	Budget Description	Total Amount
<b>Output 4: National Human Development Report produced</b>  <b>Indicators:</b> - NHDR produced. - # & % of NHDR recommendations moved to implementation	<b>Activity 4.1. National Human Development Report produced</b>								
	4.1.1. Theme identification and methodology development		39,427			MEP	Gov.	Dedicated consultant for 8 months	39,427
	4.1.2. NHDR report: Research, analysis and report writing		117,781		157,208	MEP	Gov.		274,989
	4.1.3 Design and printing of the report		20,000		20,000	MEP	Gov.	Printing costs	40,000
	<b>Activity 4.2.. Advocacy and follow-up plan implemented</b>								
	4.2.1. NHDR key messages, policy recommendations used for communication & advocacy.		19,963		19,963	MEP	Gov.	Dedicated consultant for 2 months	39,926
	4.2.2 Follow-up action plan informed by monitoring data on the effect of the NHDR		19,963		19,963	MEP	Gov.		39,926
	<b>Program Evaluation</b>		50,000		50,000	MEP	Gov.	External cabinet	100,000
	<b>Audit</b>		45,000		45,000	MEP	Gov.	External cabinet	180,000
	<b>Total Project cost</b>		2,721,088	3,110,281	2,875,651	3,023,005			11,730,025
Direct project cost (5% of project cost)		130,054	155,514	143,783	151,150			586,501	
<b>Sub total</b>		2,857,143	3,265,795	3,019,433	3,174,155			12,316,526	
General management services (5% of project cost)		142,857	163,290	150,972	158,708			615,827	
<b>Final total</b>		3,000,000	3,429,084	3,170,405	3,332,863			12,932,352	

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**SCHEDULE OF PAYMENT 2021 - 2024**

**Project: SAU10- 00137889-Umbrella Programme for Socio-Economic Development**

<b>Payments</b>	<b>Amount in US\$</b>	<b>Contributor</b>
Payment upon signature	3,000,000	Government of Saudi Arabia
Payment due in second half of 2022	3,429,084	
Payment due in second half of 2023	3,170,405	
Payment in due in second half of 2024	3,332,863	
<b>Total</b>	<b>12,932,352</b>	

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## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The project management structure includes a main body of consultation and decision, the Project Board. It also includes a level of daily management, implementation and monitoring through the project manager and a technical and administrative unit.

The Project board will be set up to supervise the implementation of the project. It will involve the representatives of the technical and financial partners contributing to the project. The project board will be co-chaired by UNDP and MEP.

The project will follow a National Implementation Modality (NIM). This entails one of the two following arrangements: 1) Direct Payment and 2) Support Services. In both cases, payments are made from the UNDP bank account, but in direct payments, the government assumes responsibility for the contracting process, performs advisors selection or procurement, and signs the contract according to its own rules and regulations. UNDP assumes this responsibility for support services, based on UNDP rules and regulations. The arrangement can be decided upon by the Project Board and it will be implemented consistently across all project cycle.

The MEP acknowledges that UNDP will not pre-finance Activities. If the Contribution, or any part of it, is not received in a timely manner, the Activities may be reduced or suspended by UNDP with immediate effect.

The Contribution will be paid into the following account:

**Bank Name:** Bank of America

**Account :**3752220753

**Account Name:** UNDP REPRESENTATIVE IN SAUDI ARABIA

**ABA NO:** 111000012

**Swift Code:** BOFAUS6S

When making such transfers MEP will notify UNDP, for the Attention (Ms. Sarah Al Hajri) by e-mail (sarah.alhajri@undp.org) of the following: (a) the amount transferred; (b) the value date of the transfer; (c) that the transfer is from MEP pursuant to this Agreement.

### **Project Board**

The Project Board is the group responsible for making on consensus-basis management decisions for a project when guidance is required by the National Project Manager, including recommendation for approval of project revisions. Project reviews by this group are made at biannual basis in Riyadh, or as necessary when raised by the National Project Manager. This group is consulted by the National Project Manager for decisions when management tolerances (i.e. constraints normally in terms of time and budget) have been exceeded. This group contains three roles: executive representing the project ownership to chair the group, senior Supplier role to provide guidance regarding the technical feasibility of the project, and senior Beneficiary role to ensure the realization of project benefits from the perspective of project beneficiaries.

The Project Board has the following members: the National Project Manager (Executive and Senior Beneficiary), Resident Representative, United Nations Development Programme, Saudi Arabia (as Senior Supplier). MEP, UNDP and UN Agencies must always be present in the project board which works on a consensus basis and final decision making on project activities and accountability in accordance with its applicable regulations, rules, policies and procedures.



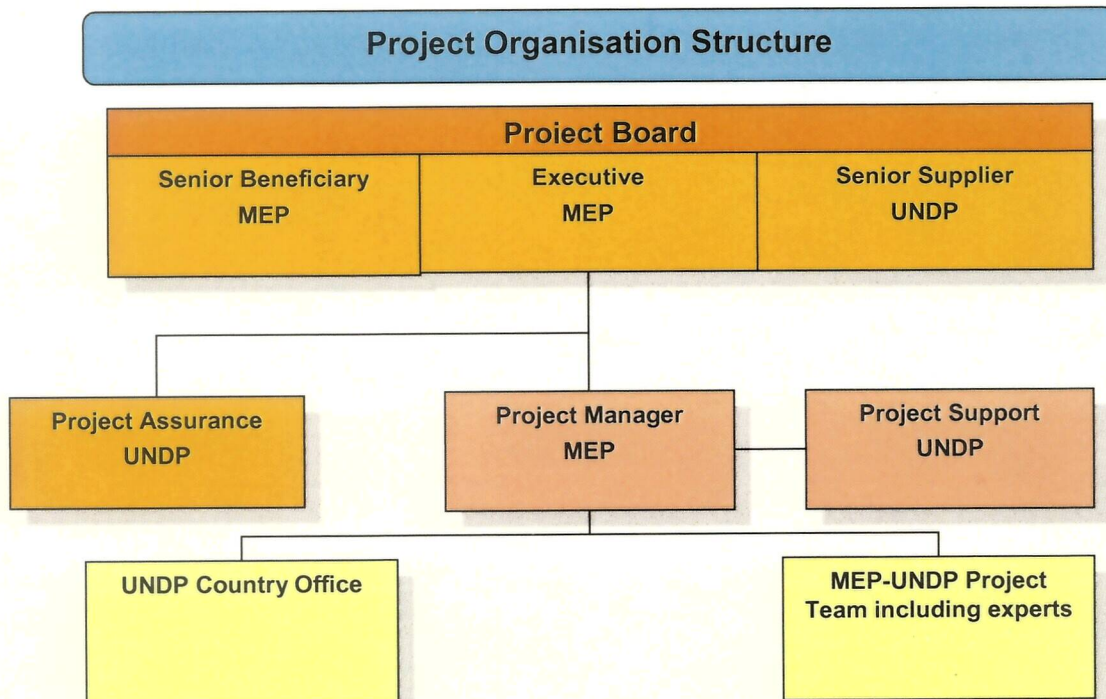


## Project Assurance

Project Assurance is the responsibility of each Project Board member, but the role can be delegated to staff within each agency. The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. The Programme Analyst at UNDP Saudi Arabia will hold the Project Assurance role for the UNDP, and a similar level government representative would undertake this role for MEP. The National Project Manager and Project Assurance roles will never be held by the same individual in MEP.

## National Project Manager

The National Project Manager will have the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Project Board. The National Project Manager is responsible for day-to-day management and decision-making for the project. The National Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The National Project Manager is appointed by the Ministry of Economy and Planning through letter to UNDP. MEP will also provide counterpart staff, offices facilities and necessary office equipment (including computers) for project staff, other project support facilities as required including for project related seminars, workshops and training facilities; other support in kind.



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## IX. LEGAL CONTEXT

### 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 Saudi Arabia and UNDP, signed on 4 January 1976. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by The Ministry of Economy and Planning ("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.

The two parties agreed the Ministry of Economy and Planning shall be entitled to terminate or suspend this Agreement at any time after the first year thereof, should there be no budget for the project, or at the sole discretion of the Ministry without objections by the UNDP, provided that the UNDP shall be paid for the works it will have accomplished at the time.

In case the parties (The Ministry of Economy and Planning and the UNDP) wish to make amendments or additions to the provisions of this Agreement, such amendments or addition shall be approved via a written document signed by the two parties; such a document shall be deemed as an inseparable part of this Agreement.

This agreement is written in Arabic and English. In case of any dispute, conflict, or contradiction in the language, Arabic text shall prevail.

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## X. RISK MANAGEMENT

### Option a. Government Entity (NIM)

1. Consistent with the Article III of the SBAA *[for the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
  - a) 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;
  - b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml).
4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.



(a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

(b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

5. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

- i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
- ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;
- iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;
- iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
- v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. 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>).

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

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8. 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.
9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
10. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
11. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
12. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

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

13. UNDP shall be entitled to a refund from the Implementing Partner 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 Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the Implementing Partner 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 the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

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

14. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
15. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

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

**Special Clauses.** In case of government cost-sharing through the project, the following clauses should be included:

1. The schedule of payments and UNDP bank account details.
2. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.
3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
4. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
5. All financial accounts and statements shall be expressed in United States dollars.
6. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavours to obtain the additional funds required.
7. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph [] above is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
8. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

- (a) 5% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
  - (b) Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.
9. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
  10. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP."

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## 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 Register template](#). Please refer to the [Deliverable Description of the Risk Register](#) for instructions
4. **Project Board Terms of Reference and TORs of key management positions**

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