



United Nations Development Programme
Country: El Salvador
Project Document

Project Title: A New Social Contract: Second Generation Agreements for Democratic Governance in El Salvador.

UNDAF Outcome: G3: Political system at national and local level strengthened

Expected CP Outcome: 1.2: Improved capacity of the system of political representation to guarantee the functioning of a democratic system in which all citizens participate.

Expected CPAP Output: 1.2.1: Political dialogue fostered

Implementing partner: United Nations Development Programme - El Salvador.

Narrative

Critical situation of the country urgently calls out for a new social contract that consolidates the advances in governance, thus contributing to reinstate a scenario of economic growth, development and pacific living conditions. Aware of this necessity in October 2009, President Funes created the Social and Economic Council (CES, by its acronym in Spanish) designed to "facilitate dialogue and consensus about public policies related to economic and social agenda".

It is needed to consolidate this dialogue space through the definition of a structure with a dynamic Secretariat to support the Council operations. In that sense, the project aimed at creating and strengthening a mechanism for inclusive dialogue and celebration of agreements, through (1) its establishment and operationalization, (2) strengthening technical and dialogue capacities of the sectors represented; particularly union and social sectors; and (3) the generation of knowledge and quality information to nurture dialogue and public policy proposals.

This contribution is expected to be made by attaining three outputs in four key areas:

- Production of information: Production of necessary information and analysis on the issues that are part of the Council in order to guarantee the quality of the discussions and a decision making process based on strong technical elements and considering gender mainstreaming.
- Capacity development: An opportunity for Technical Secretariat of the Presidency staff members to strength on their management capabilities to promote democratic governance, including their knowledge about gender mainstreaming. The same is true for the sectors that participate in the CES.
- Promotion of meetings: Facilitation and coordination of the study and discussions spaces of the council.
- Executive management: Operational facilitation of the Council.

To this end, four main activities anticipated are: (1) thematic essays and studies on topics of the CES' agenda; (2) implementation of a Goals Module from a Management System; (3) facilitation of CES's meetings; and (4) technical assistance to the CES Executive Secretariat and to the social sectors representation.

| | |
|------------------------------|-----------------|
| Estimated annualized budget: | \$ 852,100.00 |
| Total resources required: | \$ 1,620,700.00 |
| Total allocated resources: | \$ 150,000.00 |
| • Regular: | \$ |
| • Other: | \$ |
| • DGTF: | \$ 150,000.00 |
| Unfunded budget: | \$ 1,150,700.00 |
| In-kind Contributions: | \$ 320,000.00 |

| | |
|-----------------------------------|--------------------------------------|
| Programme Period: | 2007-2011 |
| Key Result Area (Strategic Plan): | 1.1; 2.1 and 2.2 |
| Atlas Award ID: | 00059340 |
| Output Project ID: | 00074175 |
| Start date: | April 2010 |
| End date: | March 2012 |
| Management Arrangement: | Direct Implementation Modality (DIM) |

Agreed by UNDP:

I- Situation Analysis
1.1. General Context

Lack of capacity to build country-level consensus among key stakeholders has historically been the rule, rather than the exception in El Salvador. Moreover, for different reasons, there is a generalized lack of trust in institutions which represents a barrier for building strong interpersonal and social connections.

The many challenges that El Salvador faces today demand the need to remove such barriers. The international experience shows how other countries have created successful institutions for the purpose of building consensus on key national issues. The Netherlands, Spain, Ireland, are among those countries that have succeeded in the creation of dialogue spaces with the participation of government, civil society, unions, and private sector.

In 2010 El Salvador celebrated 18 years from the Peace Agreements that ended the 12-year civil war. A new generation of accords with the participation of civil society is needed and UNDP's objective is to support the consolidation of democratic governance, which requires a new way to build consensus on key national issues. Participation and inclusion of different sectors, particularly those that have been traditionally excluded from public policy discussions, is key for achieving this goal.

Critical situation of the country urgently calls out for a new social contract that consolidates the advances in governance, thus contributing to reinstate a scenario of economic growth, development and pacific living conditions. Aware of this necessity in October 2009, President Funes created the Social and Economic Council (CES, by its acronym in Spanish) designed to "facilitate dialogue and consensus about public policies related to economic and social agenda". This Council reflects an important aim already contained in the Peace Accords. In the Accords, the consensus on the importance to constitute participation spaces for the inclusion of social sectors in the sociopolitical and economic life of the country is declared.

This aspiration has significant relevance in the current historic and sociopolitical context of El Salvador. The triumph of the left wing party FMLN in the presidential election of March 2009 is an unprecedented event in the country's history and has opened the opportunity for strengthening the democracy. The orientation of the current Administration has created the expectation among different sectors and stakeholders of new social participation spaces that did not exist before. This is why the CES represents an extraordinary opportunity in this new era. In his inaugural speech the President promised a new way of making policies and the CES is the vehicle for that purpose. The objective of the current Administration is to institutionalize this dialogue mechanism and to design and implement better public policies by incorporating the perspective of different social sectors.

It is a good sign that private sector (usually representing large and medium size firms in El Salvador) has showed their interest and commitment to actively participate in the CES. This sector now recognizes the importance of more open participation and inclusion of other sectors in the discussion of public policies.

There were previous experiences in dialogue instances in El Salvador, but the common problem are that they were short lived and even when in some occasions produced relevant recommendations, their impact was very modest. Nonetheless, the CES should take those experiences into account and many of the proposals made in the past continue to be valuable inputs for the CES. In summary, in spite of the historical and current difficulties, the CES seems to represent -for the first time- a dialogue space in which the different sectors are willing to invest effort and time in order to contribute to a more open and balanced debate of El Salvador key challenges and opportunities

The Council is integrated by representatives of the social, business, academic and government sectors. (76% men and 24% women). For a special request of the President of the Republic, through its Technical Secretary, UNDP have been asked to assume the Executive Secretariat for the first two years and it was reflected into the CES Presidential Decree (see annex). Nevertheless the good intentions, CES is still a fragile initiative that demands an important amount of effort in order to be able to deliver the expected results. The role of UNDP serving as Technical Secretariat cannot be overestimated and is expected to be essential for the institutionalization and success of the CES.

It is needed to consolidate this dialogue space through the definition of a structure with a dynamic Secretariat to support the Council operations. In that sense, the project is aimed at creating and strengthening a mechanism for inclusive dialogue and celebration of agreements, through (1) its establishment and operationalization, (2) strengthening technical and dialogue capacities of the sectors represented; particularly union and social sectors; and (3) the generation of knowledge and quality information to nurture dialogue and public policy proposals.

It is important to mention that the National Human Development Reports consistently have pointed out to the need to create a broad dialogue space; and to that extent the UNDP support to the CES is consistent with this objective.

1.2. Project Goal and strategies

It is needed to consolidate this dialogue space through the definition of a structure with a dynamic Secretariat to support the Council operations. In that sense, the project is aimed at creating and strengthening a mechanism for inclusive dialogue and celebration of agreements, through (1) its establishment and operationalization, (2) strengthening technical and dialogue capacities of the sectors represented; particularly union and social sectors; and (3) the generation of knowledge and quality information to nurture dialogue and public policy proposals.

This contribution is expected to be made by attaining three outputs in four key areas:

- Production of information: Production of necessary information and analysis on the issues that are part of the Council's agenda in order to guarantee the quality of the discussions and a decision making process based on strong technical elements and that takes into account gender mainstreaming.
- Capacity development: An opportunity for Technical Secretariat of the Presidency staff members to strengthen their management capabilities to promote democratic governance, including their knowledge about gender mainstreaming. The same is true for the sectors that participate in the CES.
- Promotion of meetings: Facilitation and coordination of study and discussions spaces of the council.
- Executive management: Operational facilitation of the Council.

To this end, four main activities anticipated are: (1) thematic essays and studies on topics of the CES' agenda; (2) implementation of a Goals Module from a Management System; (3) facilitation of CES' meetings; and (4) technical assistance to the CES Executive Secretariat and to the social sectors representation.

Highlights of these activities: The structuring and implementation of a goals module from a Management System with the UNDP SIGOB Regional Project (specifically the goal module to follow up on the working plan of the CES), along with the production of information and political analysis with the UNDP PAPER regional and local projects. Finally, project implementation will be carry on through coordinated work between the areas of Democratic Governance and Human Development and MDG, from the country office.

The funds provided by DGTTF and the UNDP office are the seed capital that will help to start the process. It has been reflected in the Annual Work Plan with detailed information about funding source, including in-kind contributions that reflect the UNDP office investment. As part of the exit strategy, this project has a two years vision and it will be used as a resource mobilization tool, including Government contributions, in order to consolidate the Council and the Executive Secretariat to be assumed by a national actor when the project ends.

I. ANNUAL PROJECT WORK PLAN

Year 1

| EXPECTED OUTPUTS | ACTIVITIES | CALENDAR | | | | RESPONSIBLE ENTITY | BUDGET PLANNING | | |
|--|--|----------|----|---------|-------------------------|----------------------------------|-------------------------|--|---------|
| | | Q1 | Q2 | Q3 | Q4 | | Funding Source | Itemized Budget | Amount |
| <p>1. Space for dialogue composed of social, unions, business and government sectors, established and operating.</p> <p>Baseline: Economic and Social Council, convened, launched and first meeting for its establishment held.</p> <p>Indicators: Regular meetings planned and conducted with the presence of the sectors of the Council. # of meetings prepared effectively Issues of country's political economic and social agenda, discussed. Perception Indicators from Council members about CES relevance.</p> <p>Targets: At the end of 2010, relevant issues of the country's political economic and social agenda, have been discussed and reached agreements on, at least, 2 of them, between representatives of the different key social sectors of the country that are members of the Economic and Social Council. Majority of the Council considered CES is relevant for country At least 8 minutes prepared (one by meeting) Related CP Outcome: 1.2</p> | <p>1.1 Conformation and Installation of the Executive Secretariat:</p> <ul style="list-style-type: none"> - Coordinating Council's Executive Secretariat - Technical and administrative management of the Council - Technical assistance - Installation expenses - Operating expenses <p>1.2. Develop a communication strategy</p> <ul style="list-style-type: none"> - Council's website (design and maintenance) - Edition, design and printing communicational documents (work plan, annual report, press statements, etc.) <p>1.3 Operation of the Council:</p> <ul style="list-style-type: none"> - Organizing and conducting a workshop for strategic planning. - Organization and facilitation of the plenary sessions of the Council and those of special committees | X | X | X | X | UNDP-SV | DGTF | Activity Subtotal | 81,500 |
| | | X | X | X | X | UNDP-SV | OTHER CONTRIBUTIONS (*) | Activity Subtotal | 85,350 |
| | | X | X | X | X | UNDP-SV | UNFUNDED BUDGET | 71400 National personnel | 70,000 |
| | | X | X | X | X | UNDP-SV | UNFUNDED BUDGET | 71300 International consultant | 2,000 |
| | | X | X | X | X | UNDP-SV | UNFUNDED BUDGET | 72500 Stationary and other office supplies | 137,650 |
| | | X | X | X | X | UNDP-SV | UNFUNDED BUDGET | 72300 National personnel | 115,150 |
| | | X | X | X | X | UNDP-SV | UNFUNDED BUDGET | 71300 National consultants | 15,000 |
| | | X | X | X | X | UNDP-SV | UNFUNDED BUDGET | 72500 Stationary and other office supplies | 7,500 |
| | | X | X | X | X | UNDP-SV | DGTF | Activity subtotal | 5,000 |
| | | X | X | X | X | UNDP-SV | UNFUNDED BUDGET | 74200 Document reproduction cost | 2,500 |
| | | X | X | X | X | UNDP-SV | UNFUNDED BUDGET | 74200 Communications costs | 2,500 |
| | | X | X | X | X | UNDP-SV | DGTF | Activity Subtotal | 72,000 |
| | | X | X | X | X | UNDP-SV | OTHER CONTRIBUTIONS (*) | 74200 Communications costs | 2,000 |
| X | X | X | X | UNDP-SV | OTHER CONTRIBUTIONS (*) | 74200 Document reproduction cost | 70,000 | | |
| X | X | X | X | UNDP-SV | OTHER CONTRIBUTIONS (*) | Activity Subtotal | 27,500 | | |
| X | X | X | X | UNDP-SV | OTHER CONTRIBUTIONS (*) | 75700 Training, workshops & Conf | 20,000 | | |
| X | X | X | X | UNDP-SV | OTHER CONTRIBUTIONS (*) | 71300 National consultants | 7,500 | | |
| X | X | X | X | UNDP-SV | OTHER CONTRIBUTIONS (*) | Activity Subtotal | 57,500 | | |
| X | X | X | X | UNDP-SV | OTHER CONTRIBUTIONS (*) | 75700 Training, workshops & Conf | 57,500 | | |

| EXPECTED OUTPUTS | ACTIVITIES | CALENDAR | | | | RESPONSIBLE ENTITY | Funding Source | BUDGET PLANNING | | Amount |
|---|---|----------|----|----|----|--------------------|-----------------|-------------------|---------|---------|
| | | Q1 | Q2 | Q3 | Q4 | | | Itemized Budget | | |
| 2. Social sectors members of the Council, strengthened. Baseline: # of issues with key inputs from social sectors improved # of members from Council with gender mainstreaming knowledge improved # of members that received training on issues related to the CES Indicators: # of issues with key inputs from social sectors improved # of members from Council with gender mainstreaming knowledge improved # of members that received training on issues related to the CES Targets: At the end of 2010 the inputs presented to be discussed with in Council from social sectors have technical support. At least 50% of the Council members increased their knowledge in gender mainstreaming Related CP Outcome: 1.2 | 2.1 technical assistance for each of the groups that comprise the social sector of the Council for items to be part of the Council agenda considering gender mainstreaming 2.2 Workshops and seminars for each social sector represented in the Council, including surveys to measure learning improvement 2.3 Workshops about gender mainstreaming in public policies and human rights with social surveys to measure learning improvement | | | | | UNDP-SV | DGTF | Activity Subtotal | 36,000 | |
| | | X | X | X | X | UNDP-SV | UNFUNDED BUDGET | Activity Subtotal | 36,000 | |
| | | | | | | UNDP-SV | UNFUNDED BUDGET | Activity Subtotal | 100,000 | 100,000 |
| 3. Knowledge and quality information to nurture dialogue and construction of public policy proposals, generated. Baseline: # Studies that includes gender mainstreaming # proposals that address the institutionalization of CES Indicators: Type and quantity of agreements based in technical proposals # Studies that includes gender mainstreaming # proposals that address the institutionalization of CES Targets: At the end of 2012, the Council's discussions and celebration of agreements around the political, economic and/or social issues of the national agenda are made on the basis of proposals technically based and considering gender mainstreaming. 1 proposals to address the institutionalization of CES, including budget for Government Related CP Outcome: 1.2 | 3.1 Studies and other inputs for Council's discussions, considering gender mainstreaming and including a proposal to CES institutionalization 3.1 Participation in international meetings and conferences; and knowledge sharing: 3.1 Project systematization: | | | X | X | UNDP-SV | UNFUNDED BUDGET | Activity Subtotal | 50,000 | |
| | | | | | | UNDP-SV | UNFUNDED BUDGET | Activity Subtotal | 65,000 | |
| | | | | | | UNDP-SV | UNFUNDED BUDGET | Activity Subtotal | 5,000 | 5,000 |
| TOTAL | | | | | | | | | | 852,100 |
| TOTAL DGTF2010 | | | | | | | | | | 150,000 |

Year 2

| EXPECTED OUTPUTS | ACTIVITIES | CALENDAR | | | | RESPONSIBLE ENTITY | BUDGET PLANNING | | |
|--|--|---|---|----|----|--------------------|-----------------|---|--------------------|
| | | Q1 | Q2 | Q3 | Q4 | | Funding Source | Itemized Budget | Amount |
| | | <p>1. Space for dialogue composed of social unions, business and government sectors, established and operating.</p> <p>Baseline: Economic and Social Council, convened, launched and first meeting for its establishment held.</p> <p>Indicators: Regular meetings planned and conducted with the presence of different sectors convened / members of the Council. # of meetings prepared effectively Issues of country's political economic and social agenda, discussed and agreements in respect celebrated. Perception Indicators from Council members about CES relevance.</p> <p>Targets: At the end of 2011, relevant issues of the country's political economic and social agenda, have been discussed and reached agreements on, at least, 2 of them, between representatives of the different key social sectors of the country that are members of the Economic and Social Council. Majority of the Council considered CES is relevant for country At least 8 minutes prepared (one by meeting) Related CP Outcome: 1.2</p> | <p>1.1 Operation of the Executive Secretariat:</p> <ul style="list-style-type: none"> - Coordinating Council's Executive Secretariat - Technical and administrative management of the Council - Communications Management of the Council - Technical assistance - Installation expenses - Operating expenses <p>1.2 Develop a communication strategy</p> <ul style="list-style-type: none"> - Council's website (maintenance) - Edition, design and printing communicational documents (work plan, annual report, press statements, etc.) <p>1.3 Operation of the Council:</p> <ul style="list-style-type: none"> - Organizing and conducting a workshop to following strategic planning. - Organization and facilitation of the plenary sessions of the Council and those of special committees | X | X | | X | X | UNDP-SV |
| <p>2. Social sectors members of the Council, strengthened.</p> <p>Baseline: Number of proposals from social sectors, discussed and agreed in plenary. # of members from Council with gender mainstreaming knowledge improved Targets: At the end of 2011, the inputs presented to be discussed with in Council from social sectors have technical support. At least 50% of the Council members increased their knowledge in gender mainstreaming Related CP Outcome: 1.2</p> | <p>2.1 technical assistance for each of the groups that comprise the social sector of the Council for items to be part of the Council agenda considering gender mainstreaming</p> <p>2.2 Workshops and seminars for each social sector represented in the Council:</p> | X | X | X | X | UNDP-SV | UNFUNDED BUDGET | Activity Subtotal 71300 National consultants | 136,000 136,000 |
| <p>2.3 Operation of the Council:</p> <ul style="list-style-type: none"> - Organizing and conducting a workshop to following strategic planning. - Organization and facilitation of the plenary sessions of the Council and those of special committees | | X | X | X | X | UNDP-SV | UNFUNDED BUDGET | Activity Subtotal 75700 Training, workshops & Conf | 57,600 57,600 |

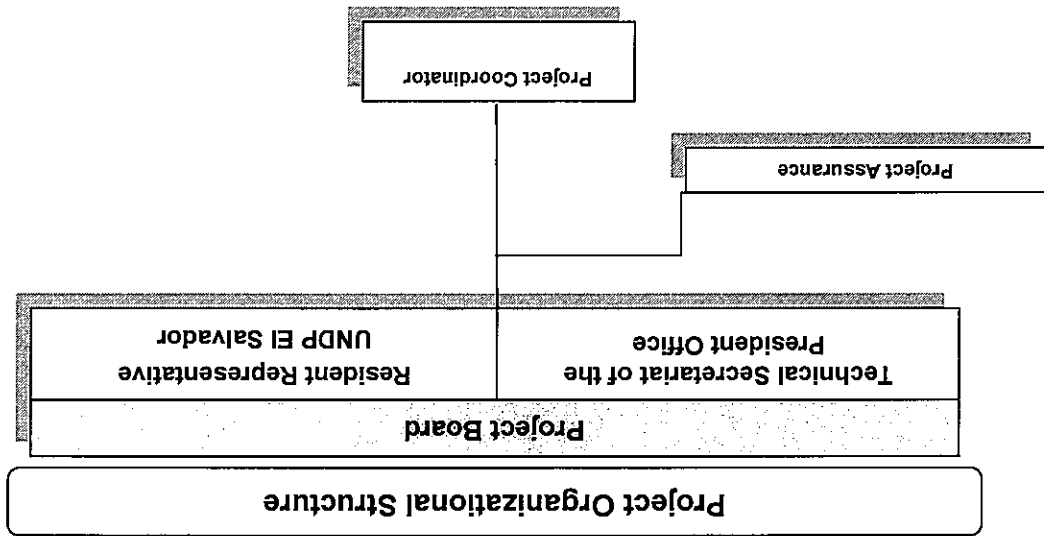
Year 2

| EXPECTED OUTPUTS | ACTIVITIES | CALENDAR | | | | RESPONSIBLE ENTITY | BUDGET PLANNING | | Amount |
|---|--|----------|----|----|----|--------------------|-----------------|---|------------------|
| | | Q1 | Q2 | Q3 | Q4 | | Funding Source | Itemized Budget | |
| 3. Knowledge and quality information to nurture dialogue and construction of public policy proposals, generated. <i>Baseline:</i> <i>Indicators:</i> Type and quantity of agreements based in technical proposals #Studies that includes gender mainstreaming <i>Targets:</i> At the end of 2011, the Council's discussions and celebration of agreements around the political, economic and/or social issues of the national agenda are made on the basis of proposals technically based and considering gender mainstreaming. <i>Related CP Outcome:</i> 1.2 | 3.1 Studies and other inputs for Council's discussions including specific issues related woman situation 3.1 Participation in international meetings and conferences; and knowledge sharing: 3.1 Project systematization: | | | | | UNDP-SV | UNFUNDED BUDGET | Activity Subtotal 71300 National Consultants | 50,000 |
| | | | | | | UNDP-SV | UNFUNDED BUDGET | Activity Subtotal 71600 Travel | 40,000 |
| | | | | | | UNDP-SV | UNFUNDED BUDGET | Activity Subtotal 71300 National Consultants | 20,000 |
| TOTAL | | | | | | | | | 766,600 |
| PROJECT TOTAL | | | | | | | | | 1,620,700 |

(*) Democratic Governance Area at HQ level, DGTTF 2009, UNDP El Salvador in-kind contributions.

II. PROJECT ADMINISTRATIVE ARRANGEMENTS

2.1 Project Organizational Structure



The Project Board is the group responsible for making by consensus, management decisions, including recommendation for UNDP (implementing partner) approval and project plans and revisions. In order to ensure UNDP's ultimate accountability, the Board's decisions on the project should be made in accordance with standards that shall ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition. The Project reviews by this group are made at designated decision points during the running of the project, or as necessary when raised by the Project Coordinator. Based on the approved annual work plan (AWP), the Project Board may review and approve project quarterly plans when required and authorizes any major deviation in them. Furthermore, it is responsible for ensuring that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the projects and external bodies. In addition, it approves the appointment and responsibilities of the Project Coordinator and any delegation of its Project Assurance responsibilities.

This group has two functions:

- **Executive:** The UNDP Resident Representative shall chair the group as the highest authority in the implementing entity.

- **Consultative,** representing the interests of those who will ultimately benefit from the project. The consultative function will be carried out by Technical Secretariat of the President Office as the Senior Beneficiary, whose primary function within the Board is to ensure the realization of project outcomes from the perspective of project beneficiaries (see annex A, "Decreto Ejecutivo de creacion del CES")

On the other hand, the SIGOG project will constitute the main tool for monitoring CES achievements, through the operation of the Results Based Management System

In this sense, the PAPER project represents a valuable tool for identifying the challenges and opportunities. With the support of PAPER a round of in-depth surveys have been conducted with the participation of members of the different sectors represented in the CES. The purpose of the interviews has been to identify the visions, objectives and expectations regarding the CES, which is helping to have a better understanding of potential areas or agreements as well as potential conflictive issues.

The project will coordinate with other ongoing UNDP initiatives, particularly with projects of the Governance office and Human Development and MDG office. The project will also have the support of regional UNDP projects.

2.4. Related Projects

According to the Presidential Decree for CES constitution, UNDP will assume the Executive Secretariat for two years. The objectives of this project is to assure, during the first two years: a consolidation of the role of the Executive Secretariat, strengthening of the CES members, and develop a proposal to address the institutionalization for CES. It includes developing a learning strategy with workshops and advisors to the social sectors, and negotiation with Technical Secretariat to create a specific budget for CES operations, since the end of the first year.

2.3. Exit strategy

The Senior beneficiary for this project is the Technical Secretariat of the President Office, considering it has the main responsibility as CES General Coordination. Nevertheless, all the Council members will be direct beneficiaries too with the strengthening of their abilities to discuss, negotiate and build agreements. Salvadoran society is the indirect beneficiary having a new form to elaborate public policies related with social and economic issues, where the several interest have been considered.

2.2. Direct and indirect beneficiaries

With regard to the UNDP cost recovery policy, all country offices (CO) are obligated to recover the cost of service delivery. Following this guideline, Implementation Support Services (ISS) shall be charged for all services rendered.

UNDP shall make direct payments to the contractors and suppliers for the activities in the framework of the Programme and its documents and in conformity with UNDP regulations, standards and procedures. The nature and scope of the services shall be described in annexes to the Project Document/Annual Work Plan.

Project Coordinator, has the authority to run the project on a day-to-day basis on behalf of UNDP within the constraints laid down by the Board. The Project Coordinator's prime responsibility is to ensure that the project produces the outcomes specified in the project document, to the required standards of quality and within the specified constraints of time and cost. UNDP appoints the person who shall function as the Project Coordinator based in term of reference that includes specific issues related with gender mainstreaming. Project Coordinator has to define a coordination mechanism with UNDP gender area.

Project Assurance role, supports the project Board by carrying out objective and independent supervision and oversight. This function ensures appropriate project management, guaranteeing attainment of the expected outcomes. Given that Project Assurance has to be independent of the Project Coordinator, the Board cannot delegate any of its responsibilities to the Project Coordinator.

2.5 Lessons learned

In the last few years, UNDP El Salvador has participated in important citizen dialogue and negotiation processes geared towards the creation of agreements on priority issues for the strengthening of governance, advancement of human development and Millennium Development Goals achievement.

The Programme has served as Technical Secretariat for the National Commission on Public Safety and Social Peace, composed of representatives of all political parties, universities, trade-unions and churches. The Commission's mandate was to contribute to the development of public policy proposals aimed towards the prevention and reduction of violence, delinquency and insecurity, based on a rigorous technical analysis. In addition, the Commission elaborated a consensus document with inputs to establish the basis of a Comprehensive Public Safety Policy, which will allow for advances in the achievement of better coordination and effectiveness of initiatives seeking to reduce violence, delinquency and insecurity.

UNDP has also served as Executive Secretariat for the Multidisciplinary Commission for study, analysis and recommendation of mitigating the adverse effects generated by the economic situation. The Commission was composed of a Group of 28 citizens with different occupations, from different sectors of society, and different political affiliations. The Commission assumed as a challenge studying from different angles of the national economic environment in the Framework of a global situation and formulated a consensus for public policy incorporating concrete measures to protect the population.

UNDP's participation in the aforementioned processes contributed to its positioning as an important reference in guaranteeing the dialogue process and agreement development. In interviews conducted under the PAPER Project framework to support the Economic and Social Council, different social and entrepreneurial sectors expressed UNDP is a reference of vital importance as a guarantee to these processes, as well as in technical support and neutrality.

2.6 Administrative Arrangements

The project is part of the new country programming that began in early 2007 and that the Ministry of Foreign Affairs, representing the Government of El Salvador, acts as National Coordinating Counterpart. The programmatic and financial accountability is the responsibility of UNDP.

The Government of El Salvador through the Ministry of Foreign Affairs, instance that will be considered the National Coordination Counterpart, has overall responsibility for the activities supported by United Nations. Their responsibility is for the overall achievement of results pursued through United Nations support to country.

In particular, the Ministry of Foreign Affairs as the National Coordinating Counterpart would act in consultation with UN agencies in El Salvador, to coordinate external assistance and determine the management arrangements for the projects and programs.

Based on the context in which this project is being implemented, it is considered to be politically sensitive. Thus, in consideration of Section IV (6.2) of the Country Programme Action Plan 2007-2011 (CPAP), which regulates the circumstances in which UNDP may implement projects directly, in the present case 6.2(2) establishes that this modality may be used in "politically sensitive projects, in which the impartiality of UNDP may lead to greater credibility for the attainment of the outcomes, especially with regard to consensus-building and dialogue in the area of democratic governance."

Based on the foregoing, and considering the impartiality, capacity and experience in similar initiatives that UNDP El Salvador has, the project shall be implemented using the Direct Implementation Modality (DIM).

Also, the President of the Republic, through its Technical Secretary, request to UNDP assume the Executive Secretariat for the first two years.

The national coordinating counterpart is the Ministry of Foreign Affairs.

2.7 Funds Management Modality

The El Salvador UNDP office shall provide oversight to and support for project implementation in accordance with standard UNDP procedures. The funds management modality shall be Direct Payment to suppliers and third parties for obligations contracted in support of the activities agreed in the annual work plans and at the written request of the Project Coordinator who shall be delegated to authorize said outlays.

2.8 Payment of Taxes

Through UNDP's privileges, purchasing of goods and services done through the Project shall be exempt from payment of the Value Added Tax (VAT) and import taxes. Notwithstanding the foregoing, this does not exempt project personnel paid with project funds, nor the consultants or businesses contracted for the delivery of goods and services, or their fiscal obligations to the competent Government authority.

2.9 Purchasing and Contracts

All contracts for personnel, services, works and procurement entered into in the framework of the present project shall follow the purchasing and contracts rules described in the UNDP Programme and Operations Policies and Procedures (POP). And the resulting documentation for the establishment of said commitments shall be signed by UNDP by virtue of its position as Project Implementing Partner.

2.10 Audit Arrangements

The project shall be executed under the Direct Implementation Modality (DIM), and therefore it shall be subject to the Audit Procedures for DIM projects defined by the UNDP Audit Office (OAPR).

2.11 Administrative Costs

UNDP shall provide the project with the services of supervision, management and quality control. The cost of these services shall be debited from all contributions with regard to the expenditures that the project presents (GMS), which shall be 7% of the scheduled budget.

All the contributions to this project are subject to the UNDP cost recovery policy, which shall be applied to the direct expenditures related to the project in the category of implementation support services (ISS) included directly in the budget.

2.12 Interest

The interest earned on the financial resources deposited into the project shall be credited to the UNDP shared expense account and used in accordance with the policies that govern its functioning.

2.13 Cost sharing

This project aims to contribute to the installation and institutionalization of Economic and Social Council, in this sense is understood to be part of a larger strategy of the UNDP Country Office in El Salvador, oriented to consolidate democratic governance by contributing to the celebration of a second generation accords in order to improved capacity of the political and representation system to guarantee the functioning of a democratic regime in which all citizens participate. Consequently, management will seek to co-fund financing for it, which if achieved may be added to this through revisions of budget, activities or/and results, with the previous consent of the donor, if applicable.

III. MONITORING AND EVALUATION FRAMEWORK

A. Planificación

The annual operating plan project work is an instrument that is used to set the goals to be reached in the period determined according to the strategy for maximizing project resources. The activities will be schedule for obtaining the products specified in the results matrix, reflecting the respective inputs and costs.

The project will last 12 months for implementation and 4 months for project closure. Any modification to the agreed project deadline will result in a change in the term of this project through a review of the

The implementing partner, in agreement with UNDP, make changes to the project at any time and as appropriate, in response to changes in the context of development or to adjust the design and allocation of resources to ensure that the project operates effectively in a changing environment. The changes to the project that do not affect their scope, their determination date or the estimated total cost of the document do not require a signed review, unless such redistribution is in conflict with the financial agreements with donors acquired.

The allowable tolerance of sub-performances in project time and resources will be defined by the Board in extraordinary session, taking into account the agreements with the cooperating.

Revisions may be:

- Changes in the immediate objectives;
- Changes in the activities and results;
- Changes in the institutional framework;
- Extensions, rescheduling, cancellations;
- Other changes that merit special consideration

This project will end: 1) by expiration of the term provided for durability, 2) by meeting their immediate objectives sooner or later than planned, 3) unforeseeable circumstances or force majeure.

The obligations assumed under this project document would remain after its expiration to the extent necessary to permit the orderly conclusion of the activities, the withdrawal of personnel, allocation of funds and assets, closure of accounts between the parties and settlement of contractual obligations stipulated with regard to personnel, contractors, consultants or suppliers, in compliance with UNDP on project closure and recognition of eligible expenses.

If needed, the implementing partner may request the reallocation of financial resources from one budget line to another, provided that does not change the delivery of expected results and that is not higher than 10% of budget. If required to reallocate percentages above 10%, a review of the project shall be conduct.

In accordance with the planning policies and the procedures described in the UNDP User Guide, the project shall be subject to the following oversight:

Within the annual cycle

➤ Quarterly quality assessment that records progress towards the completion of expected outcomes, using the quality criteria and data collection methods defined in the Quality Management table below.

➤ An Issues Log shall be activated in Atlas and updated by the Project Coordinator to facilitate tracking and resolution of potential problems or needs for change.

➤ Based on the initial risk analysis (Annex 1), a Risks Log shall be activated in Atlas and will be regularly updated using the assessment of the context that may affect project implementation.

➤ Based on the above information recorded in Atlas, Quarterly Progress Reports (QPR) shall be prepared by the Project Coordinator through Project Assurance, using the standard report format available in the Executive Snapshot.

➤ A Project Lessons-learned Log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project.

➤ A Monitoring Schedule shall be activated in Atlas and regularly updated to track key management actions/events.

Annually

➤ **Annual Report.** An annual report shall be prepared by the Project Coordinator and shared with the Project Board. As a minimum requirement, the annual report shall consist of the Atlas standard QPR format, covering the whole year with updated information for each above element of the QPR, as well as a summary of outcomes achieved against pre-defined annual targets at the output level.

➤ **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to the expected outcomes.

The expected activities may be modified and updated in the Annual Work Plan (AWP) to better reflect the needs of the project. The indicators in the AWP shall measure financial and substantive progress. A joint meeting will be held to prepare and review the final report.

Considering this innovative experience the process will be systematized – it includes activities, strategic moments, methodologies and lessons learned – to be shared through UNDP knowledge management network.

Quality Management of Project Activity Outcomes

| Activity 1 Outcome (Atlas Activity ID) | | Objective | Description | Quality Criteria | Quality Method | Evaluation Date |
|--|---|---|---|---|---|--|
| Start Date: 01 April 2010 End Date: 31 March 2012 | Space for dialogue composed of social, trade union, business and government sectors, established and operating. | Contribute to the creation and maintenance of a permanent and functional space that allows dialogue and the celebration of high-level political agreements. | Conformation and installation of the Executive Secretariat, workshop for the definition of the Council's agenda for 2010 and general operating regulations, and facilitation and moderation of the plenary sessions of the Council and those of special committees. | Executive Secretariat is operating effectively Workshop products allow preparing strategic and operational plans of the Council for 2010, which makes possible the achievement of the goals agreed for the year. | Planning and minutes for meetings Participant evaluation and satisfaction surveys and products obtained. Evaluations surveys between Council members and between beneficiaries of its work. | July 2010 October 2010 January 2010 April 2011 July 2011 October 2011 January 2012 April 2012 |

| Activity 2 Outcome (Atlas Activity ID) | | Objective | Description | Quality Criteria | Quality Method | Evaluation Date |
|--|--|---|---|--|---|--|
| Start Date: 01 April 2010 End Date: 31 March 2012 | Social sectors members of the Council, strengthened. | Contribute to capacity building for the formulation of public policy proposals technically based, and considering gender mainstreaming, in the different sectors that comprise the Council. | Hiring specialists to review and/or preparation of support documentation of public policy proposals around the themes of the political, economic and social national agenda considering gender mainstreaming which are discussed in the Council, prepared by the social sectors that comprise it. | Socials sectors Traditional excluded from the spaces for dialogue and public policy making process, improve their capacity to formulate and discuss policy proposals with other social sectors, academia and government. | Technical assistance for the formulation of public policy proposals by the own social sector and/or review of the proposals made by the others social sectors comprise in the Council, the government, other stakeholders not comprise in the Council and the Executive Secretariat itself. The proposals will be accompanied in each case for the materials and information that support it, properly referenced, as well as those utilized for explanatory purposes. | July 2010 October 2010 January 2010 April 2011 July 2011 October 2011 January 2012 April 2012 |

| Activity 2 Outcome (Atlas Activity ID) Knowledge and quality information to nurture dialogue and construction of public policy proposals, generated. | Start Date: 01 April 2010 End Date: 31 March 2012 | Objective Quality the debate from having substantive elements in the various items on the agenda of the Council. | Description Development of studios and other inputs for discussion within the Council, considering gender mainstreaming |
|--|--|--|---|
| Quality Criteria | | Quality Method | Evaluation Date |
| The discussions and celebration of agreements around the political, economic and/or social issues of the national agenda within the Council are made on the basis of proposals technically based, including gender mainstreaming | The discussions exercises will be based on comparative and/or explanatory materials for each of the proposals submitted. | July 2010 October 2010 January 2010 April 2011 July 2011 October 2011 January 2012 April 2012 | |

IV. LEGAL FRAMEWORK

This project document, the CPAP and the AWP are instruments referred to in Article 1 of the Agreement between the Government of El Salvador and the United Nations Development Programme, signed on 25 March 1975 and ratified by Legislative Decree No. 261, published in the Official Gazette, issue No. 89, Volume 247, of 16 May 1975.

The present document and the CPAP signed by the Government of El Salvador and UNDP (http://www.pnud.org.sv/2007/index.php?option=com_content&task=view&id=12&Itemid=62) constitute part of the Project Document as referred to in the Standard Basic Assistance Agreement (SBA), and therefore the provisions of the CPAP are applicable to the present document.

V. RISK ASSESSMENT

Four potential political and strategic risks have been identified: (1) lack of political will of the Council's members to discuss and/or take decisions regarding the political, economic and social issues of the national agenda within it; (2) discredit and/or loss of confidence in the Council, its form of integration, organization and objectives, and government leadership; (3) lack of interest or resources available from other donors to support the Council; and (4) lack of political will of the Government to CES institutionalization, including special budget for its operations

If these occur, the impact of the political risks identified tends to be high, and therefore various mitigation measures have been determined. It is important to mention that the implementation of this project will be under the direct supervision of the Resident Representative, who will, in turn, work closely with the Regional PAPEP project for Latin America, which, in turn, will be working with the support of the Department of Political Affairs (DPA) of UN, and also with the UNDP Democratic Governance Cluster, both in New York.

This accompanied by permanent and monitoring and periodic analysis of the political, economic and social situation, and consequently the potential positioning of key sectors and actors to democratic governance.

It will also seek close and permanent accompaniment to the Council's general coordination and also communications channels with each of the sectors that comprise it.

Likewise, strategic alliances will be ensured that will enable minimizing the risk, along with building bridges that make project implementation viable (partnerships with other regional projects, national and international universities, think tanks, among others).

Other mitigation measures include providing effective and professional advice to the Executive Secretariat of the Council, from each of the areas of expertise of the country office, as from the rest of de UNDP.

As was set forth in the monitoring and evaluation framework, a Risks Log shall be activated in Atlas and will be regularly updated using the assessment of the context that may affect project implementation.

ANNEX 1: RISK ASSESSMENT MATRIX

Project Title: A New Social Contract: Second Generation Agreements for Democratic Governance in El Salvador

Award ID:

Date:

| # | Description | Date Identified | Type | Impact and Probability | Risk Mitigation Measures | Person In Charge | Person In Charge of Updates | Most Recent Update | Status |
|---|---|---|---------------------|------------------------|--|--|---|--------------------|--------|
| 1 | lack of political will of the Council's members to discuss and/or take decisions regarding the political, economic and social issues of the national agenda within it | From the actual start date of the project | Strategic | P = 3 I: 5 | <ul style="list-style-type: none"> - Facilitation of work groups to discuss specific issues and products - Building an strategic agenda, agreed by CES - Development of partnerships with other regional projects, national and international universities, think tanks, among others | Democratic Governance and Human Development and MDG Areas Coordinators | Programme Officers from Democratic Governance and Human Development and MDG Areas | | |
| 2 | Discredit and/or loss of confidence in the Council, its form of integration, organization and objectives, and government leadership | During project implementation | Political | P = 3 I: 4 | <ul style="list-style-type: none"> - Consolidation of Executive Secretariat as the mechanism to facilitate the CES operation - Development of an strategic communication plan and mechanisms - Strength members technical capacities | Democratic Governance and Human Development and MDG Areas Coordinators | Programme Officers from Democratic Governance and Human Development and MDG Areas | | |
| 3 | Lack of interest or resources available from other donors to support the Council | During project implementation | Financial | P = 1 I: 4 | <ul style="list-style-type: none"> - Development of a strategic project to funds mobilization - Assurance government commitment to provide resources for CES operation | Democratic Governance and Human Development and MDG Areas Coordinators | Programme Officers from Democratic Governance and Human Development and MDG Areas | | |
| 4 | lack of political will of the Government to CES institutionalization, including special budget for its operations | During project implementation | Strategic Political | P = 3 I: 5 | <ul style="list-style-type: none"> - Develop of a proposal to address the institutionalization for CES - Develop of a proposal within budget for CES to be included in the Government general Budget | Democratic Governance and Human Development and MDG Areas Coordinators | Programme Officers from Democratic Governance and Human Development and MDG Areas | | |