

United Nations Development Programme
Country: Uzbekistan
Project Document

Project Title Capacity building and strengthening of development aid coordination institutions in Uzbekistan

UNDAF Outcome(s): Strengthened national and local capacity to develop, implement and monitor strategies for improving living standards and reducing poverty

Expected CP Outcome(s): Sustainable human development policies to improve livelihoods and access to social services by the poor developed
(Those linked to the project and extracted from the CPAP)

Expected Output(s): Strengthened capacity of the government in cross sectoral policy analysis and formulation
(Those that will result from the project and extracted from the CPAP)

Implementing Partner: Ministry of Finance

Responsible Parties: UNDP, all international donors, Ministry of Economy, Ministry of Foreign Affairs, other government agencies

Brief Description

The main goal of the project is to strengthen the Government's capacity to coordinate the process of elaboration and implementation of technical assistance projects and to better align donor assistance with the government's reform priorities. This will result in improved external resources management, and effective use of foreign assistance in supporting development priorities of the country towards achievement nationalized MDGs.

Programme Period:	2005 - 2009	2009 AWP budget:	USD 56,743.1
Key Result Area (Strategic Plan):	Promoting inclusive growth, gender equality and MDG achievement	Total resources required	USD 243,127.3
Atlas Award ID:	<u>00057769</u>	Total allocated resources:	USD 243,127.3
Start date:	June, 2009	• Regular	USD 243,127.3
End Date:	Dec, 2011	○ Government	in-kind
PAC Meeting Date	June 17, 2009		
Management Arrangements	NIM		

Agreed by the Ministry of Finance:

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Agreed by UNDP:

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I. SITUATION ANALYSIS

According to the "Development Cooperation Report: Uzbekistan, 2004-2007"¹, grants and technical assistance provided to the Republic of Uzbekistan amounted to approximately USD 525 million. This roughly is equivalent to 3.9% to the state budget expenditures² for the same period. This is a sizable contribution and is intended to complement country's efforts in reforming the economy and addressing the social needs of the population.

There were several attempts to analyze and coordinate aid flows in the country. During 1998-2001 Asian Development Bank (ADB) financed project on "Improving Coordination and Management of Foreign Aid". Within the ADB project, an automated database to coordinate and manage foreign aid was created. Initiative was later transferred to UNDP's Development Support Service Program in 2002, most effective product of which was issuance of the above referred Development Cooperation Reports (DCRs) in cooperation with the Cabinet of Ministers of Uzbekistan. Starting from 2006 development aid coordination was supported within the framework of joint UNDP, ADB and WB Welfare Improvement Strategy formulation process. As a result, an interactive, publicly available database on development assistance projects (www.dad.uz) and the national portal on aid coordination issues (www.devoid.uz) were created. The aim of the database was to provide an opportunity to place and share information on development projects classified by activities, MDGs, sectors, sub-sectors, location by region, as well as on the volume of commitments and disbursements. However, in practice these web-based products need re-visiting and refining for ensure better adaptation to users' needs and priorities³.

The substance of the projects included in the database indicates duplication of efforts on the part of donors and little coordination on the Government part. The database does not appear to reveal any pattern of cooperation among donors/projects, or interlink results achieved by one project into efforts of the following ones. When information is available at project activity level, the database also reveals duplication of specific activities. There is no analysis about the results achieved by the projects and their sustainability over time.

Moreover, the following observations seem to affect the effectiveness of assistance provided to the country including:

- Lack of comprehensive knowledge about the donors, their mission and procedures;
- Lack of comprehensive analysis about the targets planned and results achieved of grants and technical assistance projects;
- Lack of capacity to systematically conduct effective monitoring and evaluation of donor-supported projects;
- Lack of effective dialogue and coordination within the donor community, between donors and the Government and civil society.

The Government of Uzbekistan recognizes the importance of grants and technical assistance in building its institutional capacity, civil society institutions and in addressing important issues for which state does not have adequate resources. To address aid coordination issues more effectively, as well as to align them with national priorities and to ensure targeted use of incoming financial resources the Government issued resolution #PP-1005 "On creating the Department for coordination and control of targeted use of humanitarian aid and technical assistance under the Ministry of Finance". The main functions of this Department include the following:

- developing proposals for establishing cooperation with donors on promoting technical assistance to the country;
- coordination of the process of elaboration and implementation of technical assistance projects;
- monitoring over the targeted use of humanitarian aid and the resources under technical assistance projects.

The newly created department has been entrusted to coordinate and facilitate flow of aid into the country, fully account for all aid, monitor and ensure targeted and effective use of aid on behalf of the Government. However, in view of the diverse and complex nature of external aid, there is strong need to enhance the capacity of the Department to fulfill its mission.

In order to build the government's capacity to coordinate the process of elaboration and implementation of technical assistance projects, more effectively use humanitarian aid and in general to better align donor assistance with government's reform priorities, the following areas of support were identified:

¹ available at UNDP website <http://www.undp.uz/publications> or from the national foreign aid coordination portal <http://www.devoid.uz>.

² does not include State special purpose funds (like State Pension Fund etc.)

³ the website is available but not regularly updated. It contains segmented development project data starting 1995, whereas some areas remain completely blank. The descriptors of sectors and subsectors at <http://www.dad.uz> are too complicated for information search and analysis-making by potential users.

- **Strengthening the capacity of the Government to coordinate the process of elaboration and implementation of technical assistance projects, more effectively use humanitarian aid and better align donor assistance with government's reform priorities.** Newly created department of the Ministry of Finance will be supported in creating effective system of coordination among different government ministries and other parties in initiation of technical assistance with international donors.
- **Creating effective dialogue platform between the Government, development community, private sector and the civil society institutions on main development issues.** This platform will make sure that ultimate beneficiaries will be engaged in identifying needs, prioritizing them and developing their implementation strategies.

The Government on its part has officially requested UNDP to provide technical assistance to support this newly established department. Taking into account that UNDP has already similar successful experience in a number of other countries, where lessons learned and best practices from those projects could be applied to significantly strengthen the Government's capacity to attract and effectively use donor aid.

This initiative is in line with recommendations of Paris declaration⁴ and Accra Agenda for Action⁵ which called among other things for aid to be aligned with national priorities, increasing the country ownership and achieving development results. Creation of such coordination does not mean that donors will play a passive role in relation to the Government, on the contrary it creates opportunity for them to make faster progress towards achieving Paris declaration targets, namely, aid becoming more united, develop results-oriented framework, create mutual accountability and reliable country systems for project implementation. This will also increase transparency and public awareness about the aid, and will help to achieve national MDGs through establishment of effective aid coordination monitoring and reporting tool.

II. STRATEGY

The project will contribute towards achieving UNDP's Country Programme output on *strengthened capacity of the government in cross-sectoral policy analysis and formulation*. The ultimate goal of the project is enhanced institutional capacity of the Ministry of Finance to coordinate the process of elaboration and implementation of technical assistance projects, more effectively use humanitarian aid and apply participatory approach on the part of beneficiaries in identifying their needs, prioritizing them and formulating policy goals to fulfil them.

Project aims to achieve its goal in consolidated efforts of all stakeholders including relevant government agencies and support of international donor and financial institutions under a single project by:

1. **Strengthening the capacity of the Government to coordinate the process of elaboration and implementation of technical assistance projects, more effectively use humanitarian aid and align donor assistance with government's reform priorities.**

- Providing training to the staff of the newly created Department of the Ministry of Finance and other ministries and agencies through workshops and study tours on developing effective system of elaboration and implementation of technical assistance projects and ensuring more effective use of humanitarian aid; on applying different tools of analysis of the effectiveness of aid, its alignment with government priorities and nationalized MDG targets;
- Further improve and update the development aid database and transfer its ownership to the Ministry of Finance. Provide relevant training for the staff of the Ministry on maintaining and further developing the database;
- Preparation and dissemination of annual Development Cooperation Reports.

2. **Creating effective dialogue between the Government, development community, private sector and civil society institutions on main development issues.**

- Establishing high level dialogue platform between the Government of Uzbekistan and international partners to agree on major directions of cooperation. The department for coordination and control of targeted use of humanitarian aid and technical assistance of the Ministry of Finance would serve as the Secretariat of such meetings;
- Conducting workshops and presentations for the line ministries and agencies on donor profiles, their mission, goals and procedures to give better understanding about the available assistance and the optimal ways of its utilization.

⁴ Paris Declaration on Aid Effectiveness was adopted at The Paris High Level Forum was held on February 28 - March 2, 2005. Available at <http://www1.worldbank.org/harmonization/Paris/FINALPARISDECLARATION.pdf>.

⁵ At the Third High Level Forum on Aid Effectiveness held in Accra, Ghana from September 2-4, 2008, the Accra Agenda for Action (AAA) to deepen implementation of the Paris Declaration and respond to emerging aid effectiveness issues was endorsed. Available at <http://siteresources.worldbank.org/ACCRAEXT/Resources/4700790-1217425866038/AAA-4-SEPTEMBER-FINAL-16h00.pdf>.

3. Partnership strategy. The project will facilitate dialogue among donors and between donors and the government on aid coordination mechanisms. As such the project in cooperation with the Department for coordination and control of targeted use of humanitarian aid and technical assistance under the Ministry of Finance will closely work with all international donors to create better aid environment and results oriented aid framework in the country. On the government side the project will support effective dialogue between the above mentioned department and the Institute of forecasting and macroeconomic research, Institute for social studies, Ministry of Economy, and other agencies on better aligning the assistance received with country's development needs.

III. RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Country Programme Results and Resource Framework:				
Outcome 1. Strengthened national and local level capacities to develop, implement and monitor strategies for improving living standards and reducing poverty				
Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:				
<i>Indicators:</i> National strategy for improving living standards launched with clear national and regional targets for poverty reduction and achievement of MDGs				
<i>Baseline:</i> Government has created an inter-agency committee to coordinate the elaboration of a mid-term strategy for improving of living standards				
<i>Target:</i> MDGs integrated into national strategy for improvement of living standards				
Applicable Key Result Area (from 2008-11 Strategic Plan): Promoting inclusive growth, gender equality and MDG achievement				
Partnership Strategy: Implementing partner – Ministry of Finance; other partners – UNDP, UN Agencies, Ministry of Economy, Ministry of Foreign Affairs, Institute of forecasting and macroeconomic research, Institute of social research, WB, USAID, ADB				
Project title and ID (ATLAS Award ID): Capacity building and strengthening of aid coordination institutions in Uzbekistan – # 00071485 (award # 00057769)				
INTENDED OUTPUT(S)	OUTPUT TARGETS (YEARS)	INDICATIVE ACTIVITIES (YEARS)	RESPONSIBLE PARTIES	INPUTS
<p>Output 1: Strengthened capacity of the Government to improve the coordination of the process of elaboration and implementation of technical assistance projects and more effective use of humanitarian aid.</p> <p>Baseline 1: Low Government capacity to coordinate the process of elaboration of technical assistance projects and aid flows</p> <p>Indicators:</p> <p>1.1. Number of trained representatives from partner government agencies on aid-related issues</p> <p>1.2. Number of new project initiatives developed for cooperation with international donors.</p> <p>1.3. Number of technical assistance projects covered and monitored under the development aid database.</p> <p>1.4. Number of policy papers and reports on effective aid coordination issues.</p>	<p>Y2009</p> <p>1.1. At least 20 government specialists and non-government representatives are trained on methodological and conceptual issues of technical assistance and aid coordination.</p> <p>1.2. At least 2 government representatives participated in Regional workshop on International Aid Transparency Initiative in Montenegro.</p> <p>1.3. Development aid database updated to cover all technical assistance projects implemented up to year 2009</p>	<p>Activity result 1: Strengthening the capacity of the Government to coordinate the process of elaboration and implementation of technical assistance projects, more effectively use humanitarian aid and better align donor assistance with the government reform priorities.</p> <p>Y2009</p> <p>1.1.1. Identifying training needs related to coordination of foreign assistance (M&E; policy analyses; strategic planning).</p> <p>1.1.2. Identification of adequate curriculum and trainers/training institution. Identification of key government specialists and non-government institutions (CCI, associations and others) responsible for technical assistance projects.</p> <p>1.1.3. Organizing trainings and workshops for selected participants.</p> <p>1.2. Based on invitation from UNDP Montenegro identifying participants who are responsible officials in aid coordination issues and organizing the trip.</p> <p>1.3.1. Based on M&E criteria request is sent to all donors to provide most up to date information on the projects implemented and in progress. The database updated.</p> <p>1.3.2. Procurement of PCs, office equipment and</p>	<p>UNDP Ministry of Finance Other partner government and donor organizations</p>	<ul style="list-style-type: none"> - workshop and training seminar logistics; - resource persons / consultants - printing; - communications; - staff time <p>Total for Activity 1 – \$ 81,518.0</p> <p>2009: \$ 27,766.0</p> <p>2010: \$ 28,086.0</p> <p>2011: \$ 25,666.0</p>

	<p>Y2010</p> <p>1.1. At least 5 mid-level government officials and leading specialists participated in study tour to learn best practices in donor coordination.</p> <p>1.2. Report on needs assessment for technical assistance and humanitarian aid with specific project proposals aligned to donor profiles prepared.</p> <p>1.3. Development aid database updated to cover all technical assistance projects implemented up to year 2010 and corresponding web platform is improved.</p> <p>1.4. Report on monitoring and evaluation of donor assistance published.</p> <p>Y2011</p> <p>1.2. Report on needs assessment for technical assistance and aid with specific project proposals aligned to donor profiles updated. All new technical assistance project initiatives and humanitarian aid efforts are communicated.</p> <p>1.3. Web based interactive aid coordination platform developed.</p> <p>1.4. Analytical report is published on overview of</p>	<p>furniture for the project.</p> <p>Y2010</p> <p>1.1.1. Identifying the country of visit, based on the scope and effectiveness of donor coordination framework developed and operational. Identifying the list of government specialists in donor coordination units and preparing the TOR for the study tour.</p> <p>1.1.2. Organizing study tour.</p> <p>1.2.1. Analysis of strategic documents (Government reform priorities, analytical reports and donor assessment reports);</p> <p>1.2.2. Mapping donor priority areas and ongoing assistance. Analysing existing gaps;</p> <p>1.2.3. Identifying and formulation of specific needs for donor assistance. Preparation of reports and new project initiatives.</p> <p>1.3.1. Redefine sectoral breakdown of TA and aid projects in accordance with commonly accepted definitions. Identify M&E criteria of the projects. Redesign the database on a more powerful platform.</p> <p>1.3.2. Redesign the web-site in accordance with modified database and M&E framework, make it more user-friendly.</p> <p>1.4. Based on data collected and donor meetings preparing M&E report on technical assistance projects implemented and humanitarian aid provided to the country.</p> <p>Y2011</p> <p>1.2.1. Analysis of strategic documents taking into account changing external and internal socio-economic conditions. Mapping donor priority areas and ongoing assistance;</p> <p>1.2.2. Identifying and formulating specific needs for donor assistance. Preparation of report and new project proposals.</p> <p>1.2.3. The department and the project staff work closely with donors based on prepared reports and new project initiatives to better align donor financing with development needs of the country.</p>		
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	technical assistance and aid projects implemented in the country and their impact on the development.	<p>1.2.4. Monitoring and evaluation of progress against indicators is regularly conducted.</p> <p>1.3. Web-site is developed with new tools, which allow donors to update information on their ongoing projects and discussion forums and bulleting boards are added to allow free exchange of information between donors and the government.</p> <p>1.4.1. Thematic and sectoral reports on technical assistance projects implemented and aid provided are disseminated.</p> <p>1.4.2. Comprehensive analytical report on technical assistance projects and humanitarian aid provided and their impact on development prepared and published.</p>		
<p>Baseline 2: Lack of regular dialogue and low coordination of efforts within donor community, between the government, donors and civil society</p> <p>Indicators:</p> <p>2.1. Number of organized presentations and roundtables on technical assistance projects and humanitarian aid and their linkages with national development goals/programs.</p> <p>2.2. Number of annual high level donor-government meetings.</p> <p>2.3. Mechanism for regular working meetings between designated government agency and donors is established.</p>	<p>Y2009</p> <p>2.1. At least 1 presentation on donor profiles is conducted for at least 25 government specialists.</p> <p>2.2. A high-level meeting between donor agency heads and government representatives conducted.</p> <p>2.3. At least 1 meeting between donor community representatives and head of the Department of the Ministry of Finance held (before high level meeting).</p> <p>Y2010</p> <p>2.1.1. At least 2 presentations on donor profiles and technical assistance projects are conducted for at least 40 government specialists.</p> <p>2.1.2. 2 round-tables are held with beneficiaries to discuss technical assistance and aid effectiveness.</p>	<p>Activity result 2. Dialogue platform for facilitating cooperation and coordination between the Government and donor community is established.</p> <p>Y2009</p> <p>2.1.1. Preparing together with donors presentations on major categories of assistance by involved donors.</p> <p>2.1.2. Conducting presentation and establishing working network of donors and government specialists.</p> <p>2.2.1. Preparing presentations and agenda based on the results of the meeting held with the Head of the Department of the Ministry of Finance (see 2.3.).</p> <p>2.2.2. Meeting between donor agency heads and government representatives is organized (list of participants identified, all organizational issues, including with the MFA are settled).</p> <p>2.3. Preparing agenda of the meeting between donor community representatives and the head of the Department of the Ministry of Finance held (before high level meeting). As a result of the meeting establishing working contacts between the department, the project and donors. Organizing technical follow-up.</p> <p>Y2010</p> <p>2.1.1. Based on accumulated information about technical assistance projects and best international practices preparing presentations on technical assistance, its impact and untapped opportunities based on international experience.</p> <p>2.1.2. 2 round-tables are held with beneficiaries to</p>		<ul style="list-style-type: none"> - workshop and training seminar logistics; - resource persons / consultants; - printing; - communications; - staff time <p>Total for Activity 2 - \$ 70,120.00</p> <p>2009: \$ 12,980.0 2010: \$ 27,420.0 2011: \$ 29,720.0</p> <p>Project Administration – \$91,489.3</p> <p>2009: \$ 15,997.1 2010: \$ 36,771.1 2011: \$ 38,721.1</p> <p>TOTAL – \$ 243,127.3</p> <p>2009 – \$ 56,743.1 2010 – \$ 92,277.1 2011 – \$ 94,107.1</p>

	<p>2.2. At least 2 high-level meetings between donor agency heads and government representatives conducted.</p> <p>2.3. Quarterly meetings between donor community representatives, aid beneficiaries and the head of the Department of the Ministry of Finance are organized on a systematic basis.</p> <p>Y2011</p> <p>2.1. 2 round-tables are held with beneficiaries to discuss technical assistance and aid effectiveness.</p> <p>2.2. At least 2 high-level meetings between donor agency heads and government representatives conducted.</p> <p>2.3.1. Quarterly meetings between donor community representatives, aid beneficiaries and the head of the Department of the Ministry of Finance are organized on a systematic basis.</p> <p>2.3.2. Project exit strategy developed and discussed with national counterparts.</p>	<p>discuss technical assistance and aid effectiveness.</p> <p>2.2. Based on lessons learned from previous year's meeting and on information gathered during quarterly meetings the list of issues and related set of recommendations are identified. High-level meetings between donor agency heads and government representatives organized (list of participants identified, all organizational issues are settled).</p> <p>2.3. Presentation by the project staff on results achieved, pending issues and set of recommendations are prepared. Quarterly meetings between donor community representatives, aid beneficiaries, ministries and agencies and the head of the Department of the Ministry of Finance organized and presentations are conducted. Based on the suggestions list of pipeline proposals and recommendations are developed and presented to government agencies.</p> <p>Y2011</p> <p>2.1. 2 round-tables are held with beneficiaries to discuss technical assistance, aid effectiveness, new ways of cooperation among donors and better align donor assistance with country's development needs.</p> <p>2.2. Based on lessons learned from previous year's meeting and on information gathered during quarterly meetings the list of issues and related set of recommendations are identified. High-level meetings between donor agency heads and government representatives organized.</p> <p>2.3.1. Presentation by the project staff on results achieved, pending issues and set of recommendations are prepared. Quarterly meetings between donor community representatives, aid beneficiaries, ministries and agencies and the head of the Department of the Ministry of Finance organized and presentations are conducted. Based on the suggestions list of pipeline proposals and recommendations are developed and presented to government agencies.</p> <p>2.3.2. Project exit strategy with recommendations on ensuring the sustainability and Government ownership of the project results is prepared, discussed and approved within the quarterly meetings.</p>		
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IV. MANAGEMENT ARRANGEMENTS

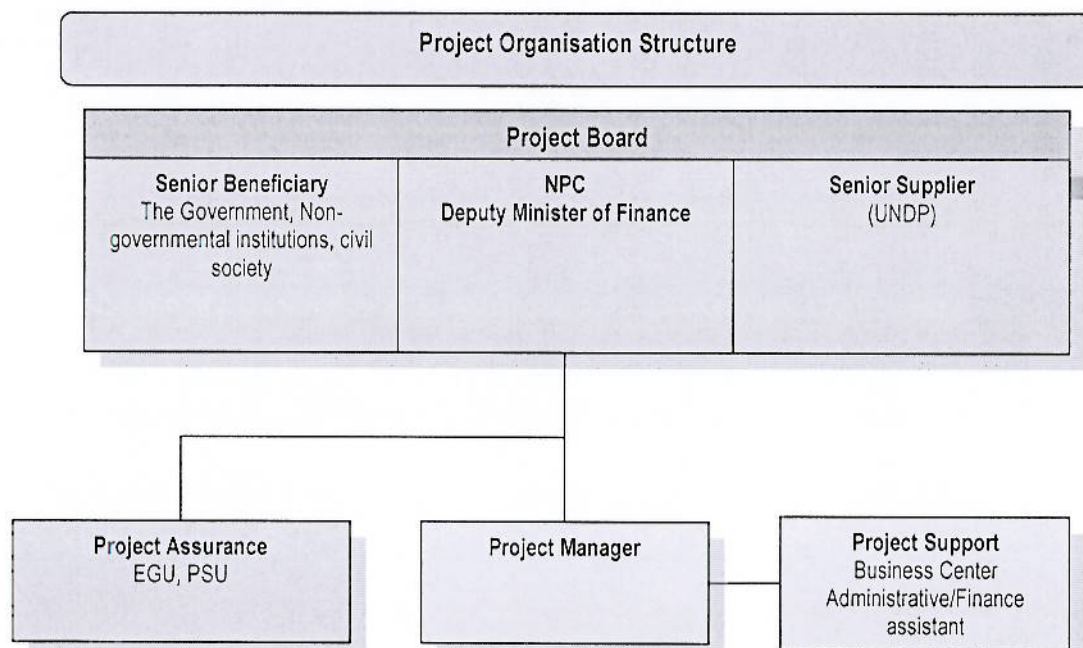
The project activities will be implemented according to the UNDP procedures for national implementation (NIM). The project will be nationally implemented by the Ministry of Finance as the implementing partner. Ministry of Finance will appoint a **National Project Coordinator (NPC)** who will be responsible for providing strategic recommendations as well as coordinating the Project activities. She/he will approve the annual work plans which will provide the basis for the implementation of the activities of the Project.

The Project Board is the group responsible for making by consensus management decisions for a project when guidance is required by the Project Manager (PM), including recommendation for UNDP/Ministry of Finance approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance to standards that shall ensure best value for money, fairness, integrity, transparency and effective international competition. Project reviews by this group are made at designated decision points during the running of a project, or as necessary when raised by the PM. This group is consulted by the PM for decisions when PM tolerances (normally in terms of time and budget) have been exceeded.

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 from these agreed quarterly plans. It is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next quarterly plan. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies. In addition, it approves the appointment and responsibilities of the PM and any delegation of its Project Assurance responsibilities. The Project Board's composition is reviewed and recommended for approval during the LPAC meeting. In particular, the Executive role will be held by NPC, the Senior Supplier role is held by UNDP, and the Senior Beneficiary role is held by a group of representatives from partner government agencies and civil society (see Annex B1 for details).

Project Manager has 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 Board. The PM is responsible for day-to-day management and decision-making for the project. The 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 (see Annex B2 for details).

Project Assurance is the responsibility of each Project Board member; however the role can be delegated. 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. Project Assurance has to be independent of the Project Manager; therefore the Project Board cannot delegate any of its assurance responsibilities to the Project Manager. A UNDP Programme Officer (Economic Governance Unit) and Programme Support Unit (PSU) will hold the Project Assurance role (see Annex B3 for details).



Direct UNDP Country office Support Services to the Programme Implementation

The UNDP and the Ministry of Finance have agreed that the UNDP Country Office will provide the following support services for the project activities at the request of the Ministry of Finance:

- (a) Identification and/or recruitment and solution of administrative issues related to the project personnel;
- (b) Procurement of commodities, labour and services;
- (c) Identification and facilitation of training activities, seminars and workshops;
- (d) Financial monitoring and reporting;
- (e) Processing of direct payments;
- (f) Supervision of project implementation, monitoring and assistance in project assessment.

The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Ministry of Finance is strengthened to enable it to carry out such activities directly.

When providing the above support services, the UNDP Country Office will recover the costs for providing Implementation Support Services on the basis of actual costs and transaction fee based on the Universal Price List. According to the corporate guidelines, these costs are an integral part of project delivery and, hence, will be charged to the same budget line (account in AWP) as the project input itself.

The procurement of goods and services and the recruitment of project personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. If the requirements for support services by the country office change during the life of a project, the list UNDP country office support services is revised with the mutual agreement of the UNDP resident representative and the Ministry of Finance.

The relevant provisions of the Standard Basic Assistance Agreement (SBAA) between the Government of Uzbekistan and the UNDP, signed by Parties on 10th June 1993, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services.

The Ministry of Finance shall retain overall responsibility for this nationally managed project and will appoint the National Project Coordinator (NPC). Direct responsibility of the NPC will be provision of strategic advice, as well as coordination of the project activity taking into account interests of the Government. He/she will approve Annual Work Plan of the Project, according to which the whole project activity will be carried out.

Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this document shall be handled pursuant to the relevant provisions of the SBAA.

V. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see Annex A), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Quarterly Progress Reports (QPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-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 Plan shall be activated in Atlas and updated to track key management actions/events

Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results 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 appropriate outcomes.

Quality Management for Project Activity Results

Output 1: Strengthened capacity of the Government to improve the coordination of the process of elaboration and implementation of technical assistance projects and more effective use of humanitarian aid.		
Activity Result 1	Strengthening the capacity of the Government to coordinate the process of elaboration and implementation of technical assistance projects, more effectively use humanitarian aid and better align donor assistance with the government reform priorities.	Start Date: June 2009 End Date: December 2011
Purpose	The department for coordination and control of targeted use of humanitarian aid and technical assistance under the Ministry of Finance needs to improve its capacity to coordinate the work of the government agencies in application to technical assistance projects and humanitarian aid, to increase agencies' accountability in using assistance funds, and better targeting aid flows to country's development needs. The agencies will better prioritize their needs and align them with overall strategic development agenda, and finally donors will be able to coordinate their assistance among themselves and with the government in order to achieve Paris declaration targets.	
Description	The key government specialists and representatives of non-government institutions responsible within their agencies for attraction of foreign assistance will be trained through workshops, study visits and round-table discussions.	
Quality Criteria	Quality Method	Date of Assessment
* Annual development aid reports published.	* Produced and published reports	* On annual basis
* Thematic and other reports published.	* Produced and published reports	* On annual basis
* Database and corresponding web site is updated to include all new technical assistance projects.	* Database and website operational	* October, 2010
* About 50 mid-level government officials and leading specialists are trained.	* Mission reports and comments provided by consultants	* On annual basis
* Free dissemination of the PR-products help to improve awareness about donor assistance beyond the direct beneficiaries.	* Printed and disseminated leaflets and posters	* On quarterly basis
* All publications are developed on the basis of participatory approach (leading specialists from key partner agencies are involved in the process).	* Mission reports and comments provided by consultants	* On annual basis

Activity Result 2	Dialogue platform for facilitating cooperation and coordination between the Government and donor community is established.	Start Date: June 2009 End Date: December 2011
Purpose	It is important to establish a dialogue platform in the form of annual meetings, round-tables and workshops to discuss technical assistance and humanitarian aid, their impact on development of the country, better coordination of efforts of donors and the government in attracting the assistance for development needs.	
Description	Annual high level meetings of the Government representative and heads of agencies will outline overall development aid strategy for one year period. Whereas, quarterly working meetings will be directed at better targeting of aid at project and activity level in order to avoid duplication of efforts and create synergies between projects. Presentations and workshops will give overview of the donor profiles, their mandate and strengths in specific development areas, they will also help better align donor activities with needs of the aid recipients.	

Quality Criteria	Quality Method	Date of Assessment
* Quarterly consultative meetings of donors and government on technical assistance (at least 4 meetings per year).	* Minutes of the meetings, set of proposals developed	* On quarterly and annual basis
* At least 7 customized training workshops, seminar and round-tables are organized.	* Participant opinion/evaluation/perception polls (during roundtables, workshops and presentations)	* After each training and on annual basis
* Participants of trainings and seminars are satisfied with the workshop program and trainer's qualifications.	* Participant opinion/evaluation/perception polls (during roundtables, workshops and presentations)	* On annual basis

VI. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of Uzbekistan and UNDP, signed on June 10, 1993.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency 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 executing agency's security, and the full implementation of the security plan.

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 this agreement.

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

VII. ANNEXES

Annex A: OFFLINE RISK LOG

Project Title: Capacity building and strengthening of development aid coordination institutions in Uzbekistan	Award ID: 000071485	Date: April 2009
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#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Management response	Owner	Submitted, updated by	Last Update	Status
1	Lack of coordination and difficulties in inter-agency activity planning and execution	April 2009	Strategic	May hinder or delay the implementation of project activities P = 3 I = 3	The project will closely cooperate with the Ministry of Economy, the Institute of Forecasting and Macroeconomic research, other agencies in order to get overall picture of development needs and prioritize aid flows	Project team	Project Assurance	June, 2009	No change
2	Lack of incentives for cooperation among donors. Most donors have their own niche and they do not clearly see advantages of cooperation with others	April 2009	Strategic	May hinder or delay the implementation of project activities P = 3 I = 4	Regular donor consultative meetings, as well as initiating and launching joint initiatives / synergies.	Project team	Project Assurance	June, 2009	Slightly reducing

Annex B1: TERMS OF REFERENCE

PROJECT BOARD

Composition and organization: The Project Board contains three roles, including (1) **an executive**: individual representing the project ownership to chair the group; (2) **senior supplier**: individual or group representing the interests of the parties concerned which provide funding and/or technical expertise to the project; and (3) **senior beneficiary**: individual or group of individuals representing the interests of those who will ultimately benefit from the project.

I. Specific responsibilities

1. Initiating a project:

- Agree on PM's responsibilities, as well as the responsibilities of the other members of the Project Management team;
- Delegate any Project Assurance function as appropriate;
- Review and appraise detailed Project Plan and AWP, including Atlas reports covering activity definition, quality criteria, issue log, updated risk log and the monitoring and communication plan.

2. Running a project:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the Project Manager;
- Provide guidance and agree on possible countermeasures/management actions to address specific risks;
- Agree on Project Manager's tolerances in the Annual Work Plan and quarterly plans when required;
- Conduct regular meetings to review the Project Quarterly Progress Report and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Review Combined Delivery Reports (CDR) prior to certification by the Implementing Partner;
- Appraise the Project Annual Review Report, make recommendations for the next AWP, and inform the Outcome Board about the results of the review.
- Review and approve end project report, make recommendations for follow-on actions;
- Provide ad-hoc direction and advice for exception situations when project manager's tolerances are exceeded;
- Assess and decide on project changes through revisions;

3. Closing a project:

- Assure that all Project deliverables have been produced satisfactorily;
- Review and approve the Final Project Review Report, including Lessons-learned;
- Make recommendations for follow-on actions to be submitted to the Outcome Board;
- Commission project evaluation (only when required by partnership agreement)
- Notify operational completion of the project to the Outcome Board.

II. Executive

The Executive is ultimately responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Executive has to ensure that the project gives value for money, ensuring a cost-conscious approach to the project, balancing the demands of beneficiary and supplier. Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Ensure that there is a coherent project organisation structure and logical set of plans
- Set tolerances in the AWP and other plans as required for the Project Manager
- Monitor and control the progress of the project at a strategic level
- Ensure that risks are being tracked and mitigated as effectively as possible
- Brief Outcome Board and relevant stakeholders about project progress
- Organise and chair Project Board meetings

III. Senior Beneficiary

The Senior Beneficiary is responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. The role represents the interests of all those who will benefit from the project, or those for whom the deliverables resulting from activities will achieve specific output targets. The Senior Beneficiary role monitors progress against targets and quality criteria. Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Ensure the expected output(s) and related activities of the project are well defined
- Make sure that progress towards the outputs required by the beneficiaries remains consistent from the beneficiary perspective
- Promote and maintain focus on the expected project output(s)
- Prioritise and contribute beneficiaries' opinions on Project Board decisions on whether to implement recommendations on proposed changes
- Resolve priority conflicts

The assurance responsibilities of the Senior Beneficiary are to check that:

- Specification of the Beneficiary's needs is accurate, complete and unambiguous
- Implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are progressing towards that target
- Impact of potential changes is evaluated from the beneficiary point of view
- Risks to the beneficiaries are frequently monitored

IV. Senior Supplier

The Senior Supplier represents the interests of the parties which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing). The Senior Supplier's primary function within the Board is to provide guidance regarding the technical feasibility of the project. The Senior Supplier role must have the authority to commit or acquire supplier resources required. Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Make sure that progress towards the outputs remains consistent from the supplier perspective
- Promote and maintain focus on the expected project output(s) from the point of view of supplier management
- Ensure that the supplier resources required for the project are made available
- Contribute supplier opinions on Project Board decisions on whether to implement recommendations on proposed changes
- Arbitrate on, and ensure resolution of, any supplier priority or resource conflicts

The supplier assurance role responsibilities are to:

- Advise on the selection of strategy, design and methods to carry out project activities
- Ensure that any standards defined for the project are met and used to good effect
- Monitor potential changes and their impact on the quality of deliverables from a supplier perspective
- Monitor any risks in the implementation aspects of the project

Annex B2: TERMS OF REFERENCE

PROJECT MANAGER

The PM has 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 Board. The PM is responsible for day-to-day management and decision-making for the project. The PM'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.

PM will be recruited, and s/he cannot be the Implementing Partner's representative in the Outcome Board. Prior to the approval of the project, the Project Developer role is the UNDP staff member responsible for project management functions during formulation until the PM from the Implementing Partner is in place.

Specific responsibilities would include:

1. Overall project management:

- Manage the realization of project outputs through activities;
- Provide direction and guidance to project team(s)/ responsible party (ies);
- Liaise with the Project Board or its appointed Project Assurance roles to assure the overall direction and integrity of the project;
- Identify and obtain any support and advice required for the management, planning and control of the project;
- Responsible for project administration;
- Liaise with any suppliers;
- May also perform Team Manager and Project Support roles.

2. Running a project

- Plan the activities of the project and monitor progress against the initial quality criteria.
- Mobilize goods and services to initiative activities, including drafting TORs and work specifications;
- Monitor events as determined in the Monitoring & Communication Plan, and update the plan as required;
- Manage requests for the provision of financial resources by UNDP, using advance of funds, direct payments, or reimbursement using the FACE (Fund Authorization and Certificate of Expenditures);
- Monitor financial resources and accounting to ensure accuracy and reliability of financial reports;
- Manage and monitor the project risks as initially identified in the Project Brief appraised by the LPAC, submit new risks to the Project Board for consideration and decision on possible actions if required; update the status of these risks by maintaining the Project Risks Log;
- Be responsible for managing issues and requests for change by maintaining an Issues Log.
- Prepare the Project Quarterly Progress Report (progress against planned activities, update on Risks and Issues, expenditures) and submit the report to the Project Board and Project Assurance;
- Prepare the Annual review Report, and submit the report to the Project Board and the Outcome Board;
- Based on the review, prepare the AWP for the following year, as well as Quarterly Plans if required.

3. Closing a Project

- Prepare Final Project Review Reports to be submitted to the Project Board and the Outcome Board;
- Identify follow-on actions and submit them for consideration to the Project Board;
- Manage the transfer of project deliverables, documents, files, equipment and materials to national beneficiaries;
- Prepare final CDR/FACE for signature by UNDP and the Implementing Partner.

Administrative Finance Assistant

Duties and responsibilities:

Under the guidance and direct supervision of Project Manager, the Administrative Finance Assistant performs the following duties and responsibilities:

- Be responsible for office logistics, travel arrangements as well as recruitment/extension/separation of the project personnel;
- Based on consultations with Project Manager and UNDP Business Center to perform procurement related operations in accordance with UNDP rules and procedures;
- Prepare all financial and administrative documents related to the project implementation in accordance with the UNDP rules and procedures, maintain project's expenditures and commitments shadow budget;
- Develop quarterly and annual budget plans for recruitment of personnel; maintain financial records and monitoring systems to record and reconcile expenditures, balances, payments and other data for day-to-day transaction and reports;
- Advise and assist Project staff, experts and consultants on all respects of allowances, salary advances, travel claims and other financial and administrative matters, and calculates and authorizes payments due for claims and services;
- Prepare detailed cost estimates and participates in budget analysis and projections as required to handle all financial operations of the project office, make cash payments and reconcile all accounts in required time frame;
- Maintain, update and transmit inventory records of non-expendable equipment in accordance with UNDP rules;
- Perform cash custodian's duties being primarily responsible for project's cash disbursements and maintain project's petty cash book and payrolls related to the regional offices;
- Ensure leave monitoring of project staff, check the accuracy and proper completion of monthly leave reports;
- Analyze the potential problems concerning administrative-financial issues and take respective measures to provide adequate project's resources in time for implementation of the project activities;
- Define the cost-effective measures for optimal use of resources of the project;
- Ensure full compliance of administrative and financial processes and financial records with UNDP rules, regulations, policies and strategies;

Qualifications:

1. University degree in economics, business administration and other related fields;
2. At least 2 years of experience in the area of finance and administration, experience with UNDP-funded projects is an asset;
3. Initiative, analytical judgment, ability to work under pressure, ethics and honesty;
4. Ability to use IT;
5. Proficiency in English, Uzbek and Russian.
6. Familiarity with the techniques of business development and private sector promotion issues;
7. Strong organizational and communication skills, ability to work in a team;
8. Ability to meet deadlines under pressure in a result-oriented environment;
9. Ability to learn and adapt quickly.

Annex B3: TERMS OF REFERENCE

PROJECT ASSURANCE

Overall responsibility: Project Assurance is the responsibility of each Project Board member; however the role can be delegated. 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.

Project Assurance has to be independent of the PM; therefore the Project Board cannot delegate any of its assurance responsibilities to the PM. A UNDP Programme Officer typically holds the Project Assurance role.

The implementation of the assurance responsibilities needs to answer the question "What is to be assured?" The following list includes the key suggested aspects that need to be checked by the Project Assurance throughout the project as part of ensuring that it remains relevant, follows the approved plans and continues to meet the planned targets with quality.

- Maintenance of thorough liaison throughout the project between the members of the Project Board.
- Beneficiary needs and expectations are being met or managed
- Risks are being controlled
- Adherence to the Project Justification (Business Case)
- Projects fit with the overall Country Programme
- The right people are being involved
- An acceptable solution is being developed
- The project remains viable
- The scope of the project is not "creeping upwards" unnoticed
- Internal and external communications are working
- Applicable UNDP rules and regulations are being observed
- Any legislative constraints are being observed
- Adherence to RMG monitoring and reporting requirements and standards
- Quality management procedures are properly followed
- Project Board's decisions are followed and revisions are managed in line with the required procedures

Specific responsibilities would include:

1. Initiating a project

- Ensure that project outputs definitions and activity definition including description and quality criteria have been properly recorded in the Atlas Project Management module to facilitate monitoring and reporting;
- Ensure that people concerned are fully informed about the project
- Ensure that all preparatory activities, including training for project staff, logistic supports are timely carried out

2. Running a project

- Ensure that funds are made available to the project;
- Ensure that risks and issues are properly managed, and that the logs in Atlas are regularly updated;
- Ensure that critical project information is monitored and updated in Atlas, using the Activity Quality log in particular;
- Ensure that Project Quarterly Progress Reports are prepared and submitted on time, and according to standards in terms of format and content quality;
- Ensure that CDRs and FACE are prepared and submitted to the Project Board and Outcome Board;
- Perform oversight activities, such as periodic monitoring visits and "spot checks".
- Ensure that the Project Data Quality Dashboard remains "green"

3. Closing a project

- Ensure that the project is operationally closed in Atlas;
- Ensure that all financial transactions are in Atlas based on final accounting of expenditures;
- Ensure that project accounts are closed and status set in Atlas accordingly.