# United Nations Development Programme Country: Azerbaijan Project Document

**Project Title:** Global Compact Local Network (GCLN) Azerbaijan and Support to Entrepreneurship Development

**UNDAF Outcome(s):** UNDAF 2011-2015 Outcome 1: By 2015, non-oil development policies result in better economic status, decent work opportunities and a healthier environment in all regions and across all social groups

**Expected CP Outcome(s):** CP 2011-2015 Outcome 1: National policies and institutions are strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing the vulnerability of the economy and population to external shocks.

**Expected Output(s):** Global Compact Local Network is legally institutionalised, expanded and contributes to the developmental agenda

**Executing Entity:** Civil Society Organization (CSO) - The National Confederation of Entrepreneurs (Employers) Organizations of Azerbaijan Republic (AEC)

Implementing Agency: UNDP Azerbaijan

# **Brief Description**

Project will continue promoting UNDP's partnership for development with the business sector in Azerbaijan. The Project will undertake advocacy and awareness-raising events to promote the engagement of the private sector in UN/UNDP advocated development principles, notably the Millennium Development Goals and the Global Compact. The project will support the establishment of the Global Compact Local Network Azerbaijan within its period. The project will facilitate dialogue between business and other key development stakeholders in particular governments and civil society, in order to build trust and social capital, and stimulate and develop partnership activities. The Project will intend to attract key influencers about Corporate Social Responsibility (CSR) at the local level, emerging economic and social issues such as the role and responsibility of private sector/businesses in society.

Programme Period:	2011-2015
Key Result Area (Strategic Plan)	
Atlas Award ID:	
Start date: End Date:	July 2012 July 2013
PAC Meeting Date	
Management Arrangements: NEX services	X with UNDP support

Total resources required	USD 124,000
Total allocated resources:	
<ul><li>Regular</li><li>Other:</li><li>o Government</li><li>Unfunded budget:</li></ul>	
In-kind Contributions	

Agreed by (AEC):	July	
Agreed by (UNDP):	MA	

# I. SITUATION ANALYSIS

The Global Compact (GC) is a United Nations inter-agency initiative championed by UN former Secretary-General Kofi Annan to challenge businesses around the world to take greater responsibility in society and act upon a set of universally recognized principles in the areas of human rights, labor rights and the environment. It also encourages businesses to engage with the United Nations and other organizations concerned with peace and development in concrete projects to promote the principles and broader societal challenges, <a href="http://www.unqlobalcompact.org">http://www.unqlobalcompact.org</a>

Launched in July 2000, the UN Global Compact (GC) is a leadership platform for the development, implementation and disclosure of responsible and sustainable corporate policies and practices. Endorsed by chief executives, it seeks to align business operations and strategies everywhere with ten universally accepted principles in the areas of human rights, labour, environment and anticorruption.

The GC process was initiated in Azerbaijan in 2006, when a number of private enterprises and aid organizations indicated their interest in participating in the GC. During the past period UNDP, in partnership with AZPROMO (<a href="http://www.azpromo.az/default.html">http://www.azpromo.az/default.html</a>) and with funding from Statoil <a href="http://www.statoil.com/en/about/worldwide/azerbaijan/pages/default.aspx">http://www.statoil.com/en/about/worldwide/azerbaijan/pages/default.aspx</a>) has supported awareness-raising of GC and CSR among private sector and civil society organizations and participation of Azerbaijani GC members in global forums and networks.

At the corporate level, Azerbaijani's private sector participation in the Global Compact is nonexistent. At the company/business member level participation has been secured (6 business signatories) through the committed work of AZPROMO and UNDP country office. UNDP introduced Global Compact Chapter to a private sector audience in Azerbaijan in 2006.

By the present time number of signatories of the Network is 18, 6 of them are representatives of business sector, 11 are Civil Society Organizations and 1 is the academic sector representative.

# Main Achievement of the project:

**On November 30<sup>th</sup>, 2011** Official Launch of the Global Compact Local Network Azerbaijan took place. GCLN Azerbaijan officially launched, national representative chosen and Memorandum of Understanding between UN Global Compact HO and GCLN Azerbaijan signed.

Below is the short summary of overall project achievements during the period of June 21, 2011 – April 30, 2012:

About 30 individual meetings aimed to refresh the Global Compact Azerbaijan (GC) among its members were conducted with GC members during the period of June 21-August 31, 2011;

- About 20 individual meetings with the potential members to the GC Azerbaijan were conducted by the management of the project;
- UNDP Regional Centre in Bratislava was invited to contribute to the learning and commitment-building in the GC pre-launch activities and to highlight the GC membership benefits to the Government, civil society and companies (September, 2011);

- Two articles describing general information on Global Compact Initiative, its principles, procedures, benefits, and CSR, was published in the "Impact Azerbaijan", official publication of AMCHAM Azerbaijan:
- Refresher pre-launch seminar was organized on September 22, 2011, with the participation of more than 40 representatives of the private sector and civil society for sharing local case studies and international experiences on CSR among existing and potential members of the GC;
- Mission for the Network Task Force Team was organized and conducted in Turkey with support of Istanbul International Center for Private Sector in Development (IICPSD) and UNDP Turkey Country Office in April May, 2012. Mission's aim was to benefit from the Turkey's Global Compact on the governance structure, responsibilities, key functions, business membership recruitment and retention and on advocacy/promoting efforts of the Local Network.

However, transnational corporations and holdings, which are the signatories of the Global Compact globally presented in the country (e.g. Coca-Cola, BP, Hewlett Packard, Holiday Inn, Lufthansa, Microsoft, SOCIETE GENERALE, Deloitte & Touche, and Ernst & Young etc.) there, are not the signatories at the local level yet.<sup>1</sup>

Some of businesses consider the principles underpinning by the Global Compact to be irrelevant to the commercial bottlenecks or opportunities that private sector may have. Similarly, while the MDGs globally concern the private sector, the governments and civil society alike, in Azerbaijan the MDGs relevance to the private sector is not adequately investigated, nor much discussed.

Consequently, while many private sector entities subscribe to good governance principles as a matter of their own commercial ethics or organizational behavior, systematic reflection of what such global initiatives as the Global Compact and MDGs could mean in the day to day strategy setting and behavior of companies is not attempted.

# II. STRATEGY

This Project builds on the prior approaches and achievements. The overall strategy of this project is to contribute to the private sector development through ensuring sustainable presence of GC in Azerbaijan and strengthening its capacity as a mechanism for stronger CSR and social participation. Through establishment of GC Local Network project aims at 1) promoting and advocating CSR through the commitment of the key companies to the GC principles, 2) boosting the competitiveness of local businesses by meeting international standards of modern business practice.

The Project contributes to the expected achievement of the objectives set out in the United Nations Development Assistance Framework (UNDAF) for Azerbaijan and will be implemented within the UNDP Country Programme for Azerbaijan for the period 2011-2015. The project falls within the CPD 2011-2015 Outcome 1: "National policies and institutions are strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing the vulnerability of the economy and population to external shocks."

The project is also designed along the key priorities of UNDP Strategic Plan for 2008-2015, particularly echoing one of the main expected outcomes: "7. Enhanced national capacities to integrate into the global economic system and to compete internationally, consistent with the achievement of the MDGs and other internationally agreed development goals whit following priority directions for economic development"<sup>2</sup>

### **Project Goal and Objectives**

Overall goal:

Azerbaijan Country Profile 2009, World Bank, IFC

<sup>&</sup>lt;sup>2</sup> UNDP strategic plan, 2008-2011, Addendum 1

Entrepreneurship development through further support to Global Compact Local Network Azerbaijan (LN)

# Concrete Objectives:

- Elaborate governance and operational structure of the GCLN.
- Approve and apply both governance and operational structures in order to guide network through the process of formally committing to, assessing, defining implementing, measuring, and communicating a corporate sustainability strategy based on the Global Compact and its principles.
- Expand LN network business members by the end of 2012.
- Elaborate and implement Corporate Responsibility (CR) Assessment/Snapshot and CR Toolkit.

The project will itself be the medium for UNDP to consult with the private sector and business through the networking of NGO (to be defined)/PwC/ILO on various development issues. PwC Azerbaijan (http://www.pwc.com/az/en/index.jhtml) to be one of the champion members (Sustainability Champion) of the LN recently joined to the Network and very eager to support GC principles and CSR strategy at the local level. Examples of policy areas where the perspective of the business sector could be sought by the project are; Azerbaijan's MDG performance as related to the private sector; creating the favorable policy environment for private sector development with a focus on employment creation and foreign investments as well as an enabling environment for SMEs and entrepreneurs; addressing the issues of the Global Compact, including labour rights and child labor; formulating environmental policies; promoting transparency and anti-corruption; and other policy issues that are identified as relevant.

The Project consists of 4 components:

Component 1. Institutionalization of the Global Compact Local Network Azerbaijan (LN)

Component 2. Participation in policy dialogues on development issues.

**Component 3.** Expansion of GCLN members by involving business participants and stimulating existing members for more active participation.

Component 4. Corporate Responsibility (CR) Assessment/Snapshot and CR Toolkit

# III. EXPECTED OUTPUT

In accordance with its overall goal and concrete objectives the Project will generate following deliverables by component:

**Component 1:** Supporting GCLN institutionalization: governance and operational structure development, approval and appliance

The Component aims to the assistance in establishing the governance structure of the LN, institutionalizing its legal background and creating the framework for the network day-by-day activity.

<u>Activity 1.1</u> Elaboration of the Charter for the GCLN, approval and appliance of the Charter in the Network day by day work.

<u>Activity 1.2</u> With the active participation of the Network members prepare, approve and start to implement governance and operational mechanisms based on the Charter of the LN

Component 2: Participation in policy dialogues on development issues.

This component will entail convening policy dialogues among business, government and other stakeholders on aspects concerning the GCLN role in development and on the creation of an enabling environment for business. At the inception phase of this component conducting of the mutual UNDP/ILO/PwC/UNICEF event (workshop-conference) is intended. This outreach event will aim to promote, advocate and raise awareness on GC and CR principles among the businesses and corresponding national institutions

<u>Activity 2.1</u> Conduct Workshop/Conference on the Global Compact principles, CR principles and Corporate Governance principles

**Component 3:** Expansion of GCLN members at the expense of business participants and stimulating existing members for more active participation.

Through this component the project will undertake a variety of activities to contribute to the development of the GCLN in its local context expanding its membership at the expense of business signatories and encouraging of existing members for more active participation

<u>Activity 3.1</u> Translating GC and CR related documents and producing learning materials in local language (Azerbaijani)

<u>Activity 3.2</u> Attracting new members through participation of the GC representatives at all local outreach and awareness – raising activities (all kind of fairs, exhibitions etc. anyhow related to the private sector)

Activity 3.3 Creating website for the GCLN

Component 4: Corporate Responsibility (CR) Assessment/Snapshot and CR Toolkit

Having in mind total absence of the systemized data on CR/CSR activities in the country it is crucially important to approach to the CSR issue in view of assessment of the situation, trends and major challenges for Corporate Social Responsibilities (CSR) activities of individual companies, including multinationals, large domestic firms and SMEs by the present moment.

<u>Activity 4.1</u> Preparation of the Terms of References (TOR) on the CR Assessment/Snapshot, announcing the bid for the task and choosing the implementing partner

Activity 4.2 Performance of the CR Assessment/Snapshot;

<u>Activity 4.3</u> Developing the CR Toolkit taking account of the conclusions and bottlenecks defined by the snapshot.

### Dissemination:

Apart from the website formation, information on project activities and outputs will be disseminated to the public on a continuous basis through normal and e-mail correspondence, publications, and information kits. The activities of the companies joining the GC will be supported via media mediums as well. Also,

UNDP through this project will ensure visibility for the role of private sector, including entrepreneurs and SMEs, through public launches, publications, and projects as a means to bring the messages and objectives of the MDGs and Global Compact to a wider audience.

**Target Beneficiaries:** The beneficiaries of the project are national businesses that will improve their market integration, competitiveness and longevity through applying global principles (such as Global Compact and MDGs) into their way of doing business.

### **Partners of Project**

Through this project UNDP will be working in partnership with the following organizations to achieve the project's output:

- Statoil is the largest operator on the Norwegian continental shelf, and a license holder in numerous oil and gas fields. Its onshore facilities in Norway are active within such areas as gas treatment, crude oil reception, refinement and methanol production. Together with the State Oil Company of The Azerbaijan Republic (SOCAR) and other international companies, have worked both industrially and socially to build a solid basis for its investments in Azerbaijan, <a href="http://www.statoil.com/en/about/worldwide/azerbaijan/pages/default.aspx">http://www.statoil.com/en/about/worldwide/azerbaijan/pages/default.aspx</a>
- Center on Economic Policy and Development/Khazar University. Center on Economic Policy and Development (CEPD) at the Khazar University entered UN Global Compact family in 2010 and since then issues of PRME are in our permanent focus. Adhering to the principles of UN Global Compact and PRME CEPD/Khazar University have organized several events on Corporate Social Responsibility issues where students had chance to meet with local and foreign business and government representatives, academia, NGOs and experts of international organizations.
- International Labour Organization. The ILO is the international organization responsible for drawing up and overseeing international labour standards. It is the only 'tripartite' United Nations agency that brings together representatives of governments, employers and workers to jointly shape policies and programmes promoting Decent Work for all. This unique arrangement gives the ILO an edge in incorporating 'real world' knowledge about employment and work, <a href="http://www.ilo.org/global/lang--en/index.htm">http://www.ilo.org/global/lang--en/index.htm</a>
- PwC Azerbaijan. PwC Azerbaijan is one of the first international professional services firms, established in Azerbaijan in 1995. Since then, the Firm has made significant investments in the local economy and community and is committed to growth. Having started with only 10 employees in 1995, Firm now has more than 120 experts from more than 5 countries, serving one goal excellence in everything they do. They are a part of the Eurasia region of the PwC Network, fully integrated with the Central and Eastern Europe and CIS countries sharing thinking, experience and solutions with around 7,000 people in practices in 29 countries and 48 offices, <a href="http://www.pwc.com/az/en/index.jhtml">http://www.pwc.com/az/en/index.jhtml</a>

# RESULTS AND RESOURCES FRAMEWORK

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Intended Outcome as stated in the Country Program Results and Resource Framework: CP 2011-2015 Outcome 1. National policies and institutions are strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing the vulnerability of the economy and population to external shocks.

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

Number of GC LN members

Applicable Programme Component: Private sector development and achievement of internationally agreed development goals, including MDGs

Partnership Strategy: Non-Governmental Organization (NGO) - to be defined, Statoil, CEPD, ILO, PwC Azerbaijan

Project title and ID (ATLAS Award ID):

INPUTS	
RESPONSIBLE	PARTIES
TARGETS FOR 2012- INDICATIVE ACTIVITIES	
OUTPUT TARGETS FOR 2012-	2013
INTENDED OUTPUTS	

Output. Global Compact Local Network is legally institutionalised, expanded and contributes to the developmental agenda

Component 1 : Supporting GCLN inst	Component 1: Supporting GCLN institutionalization: governance and operational structure development, approval and	nd USD
appliance		21,000 \$
Baseline 1.1	Targets 1.1 (2012-2013)	International Consultants: 6,000 \$
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Baseline 1.1	Targets 1.1 (2012-2013)		UNDP, AEC	International Consultants: 6,000 \$
The GCLN lacks efficient governance and operational mechanism for day by day work, as well as the legal framework for further activities and development Indicator 1.1:  Charter for GCLN elaborated, approved and applied (yes/no)	Elaboration of Charter approval and appliance	for GCLN, 1.1 Elaborate Charter for GCLN, approve and apply it		Local consultants: \$ 5,000  Travel: \$ 3,000  Supplies: \$ 2,000  Audio Visual and Printing Costs: \$ 1,000  Miscellaneous: \$ 2,000
Baseline 1.2	Target 1.2 (2012 - 2013)		UNDP, AEC	Local Consultant: 2,000 \$
There is no any governance and Governance operational mechanisms applicable to the mechanisms newly launched GCLN	and operational (on the basis of the oared and implemented	operational 1.2 Prepare, approve and apply asis of the governance and operational mechanisms nplemented of the GCLN.		

Indicator 1.2 Governance and operational mechanisms of the GCLN prepared, approved and applied (yes/no).	in the frames of the GCLN				
Component 2: Participation in policy dialogues on development issues	dialogues on development issue.	S		\$15,500	
Baseline 2.1  Lack of awareness on GC principles, CR activity and MDG among business circles. Need in policy dialogues among business, government and other stakeholders on aspects concerning the GCLN role in development and on the creation of an enabling environment for business.  Indicator 2.1  Workshop/Conference on the Global Compact Principles, CR principles and Corporate Governance principles prepared and conducted (yes/no).	Target 2.1 (2012)  Develop  Workshop/Conference on the Global Compact Principles, CR principles and Corporate Governance principles	2.1 Design and conduct Workshop/Conference on the Global Compact Principles, CR principles and Corporate Governance principles	UNDP, AEC	international Consultant: 5,000 Travel: 3,000 Contractual Services Companies: 5,000 Miscellaneous: 2,500	.:
Component 3. Expansion of GCLN m for more active participation.	embers at the expense of busine	Component 3. Expansion of GCLN members at the expense of business participants and stimulating existing members for more active participation.	g members	\$27,500	
Presently there are 18 members in the GCLN Indicator 3.1 Number of new signatories	Target 3.1 (2012-2013) At least 10 business signatories join the GCLN	3.1.1 Translate GC and CR related Uldocuments and produce learning materials in Azerbaijani and provide its dissemination correspondingly 3.1.2 Promote and advocate for CSR principles at all events anyhow involving the private sector (fairs, exhibitions etc.)	UNDP, AEC	Contractual Services Companies: 5,000 \$ Travel: 2,500 Contractual Services Companies: 10,000 \$ Miscellaneous: 5,000	es:
Baseline 3.2 There is need in creation of the website for the GCLN to use it as one of the instruments for promoting and advocating GC principles, sharing	Target 3.2 (2012)	3.2 Creating website for the GCLN Develop, elaborate and provide the Network with website		Contractual Services Companies: 5,000 \$	es:

information and awareness-raising  Indicator 3.2 Website has been created, administrated and made available for the GCLN (yes/no)	Provide GCLN with the website		
Component 4. Corporate Responsibility (CR) Assessment/Snapshot and CR Toolkit. (2012-2013)	lity (CR) Assessment/Snapshot a	nd CR Toolkit.(2012-2013)	\$34,000
Baseline 4.1  Having in mind total absence of the systemized data on CR/CSR activities in the country it is crucially important to approach to the CSR issue in view of assessment of the situation, trends and major challenges for Corporate Social Responsibilities (CSR) activities of individual companies, including multinationals, large domestic firms and SMEs by the present moment.  Indicator 4.1  Systemized data on CR/CSR available	Target 4.1 (2012 -2013) The CR Assessment/Snapshot and CR Toolkit produced	4.1 Prepare ToR on the CR Assessment/Snapshot, announce bid and choose the implementing partner 4.2 Perform CR Assessment/Snapshot 4.3 Develop CR Toolkit on the basis of the CR Assessment performed	UNDP, AEC International Consultant: 18,000 \$ Audio Visual and Printing Production Costs: 4,000 Contractual Services Companies: 12,000 \$
Project Management			USD 26,000
		5.1 Establishment of project management UNDP, AEC unit 5.2 On-going project management, monitoring and reporting	Contractual Services – Individuals (Salaries): Project Manager \$2,000/month x 12mons = \$24,000 Travel 1,000\$
Total Cost:			124,000

# V. MANAGEMENT ARRANGEMENTS

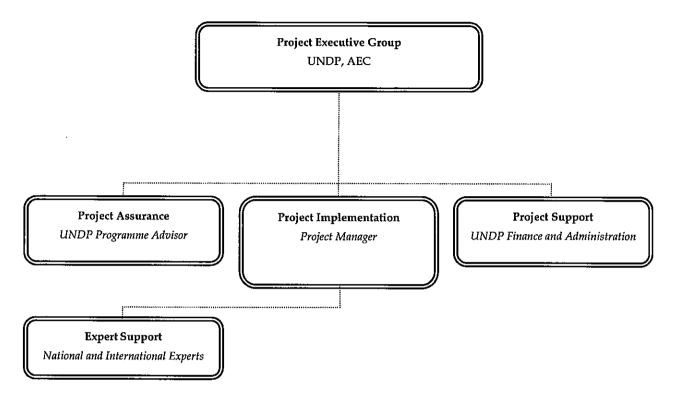
- A. CSO Execution. The project will be CSO executed by The National Confederation of Entrepreneurs (Employers) Organizations of Azerbaijan Republic (AEC). Implementation support will be provided by the UNDP Country Office (see Project Governance Arrangements below). In its capacity as Implementing Partner, CSO will be responsible for the facilitation of all project activities such as international consultant missions, project events, trainings, ensuring appropriate access to project sites, relevant data, records, agencies and authorities. UNDP will provide support and services including procurement and contracting in accordance with the relevant UNDP Rules and Procedures for procurement and human resources management and RBM guidelines.
- B. Project Governance Arrangements. The project will have a governance structure, aligned with UNDP's new rules for Results Based Management (see Figure: Project Governance Arrangements below).
- I. Project Executive Group. The Project Executive Group will be the executive decision making body for the project, providing guidance to the Project Manager, and approving project revisions. It will be responsible for reviewing and updating the project risk log, issue log, lessons learnt log and the project monitoring and communication plan. The Project Executive Group will consist of three members:
- The Executive (Implementing Partner) will convene the Project Executive Group. This position will be held by the representative of the AEC;
- The Senior Supplier. This position will be held by the UNDP DRR, or a designated UNDP Development Advisor.
- The Senior Beneficiary. This position will be held by the national representative of the GCLN

### II. Project Management.

The Project Manager will be responsible for project implementation and will be guided by Annual and Quarterly Work Plans and follow the RBM standards. The Project Manager will prepare Quarterly Work plans in advance of each successive quarter and submit them to the Project Executive Group for approval. Project Manager is responsible for day-to-day management and decision-making for the project. PM's prime responsibility is to ensure that the project produces the planned outputs by undertaking necessary activities specified in the project document to the required standard of quality and within the specified constraints of time and cost.

- III. <u>Project Assurance</u>. UNDP will designate a Development Advisor to provide independent project oversight and monitoring functions, to ensure that project activities are managed and milestones accomplished. The UNDP Development Advisor will be responsible for reviewing Risk, Issues and Lessons Learned logs, and ensuring compliance with the Monitoring and Communications Plan.
- IV. <u>Project Support.</u> UNDP will provide financial and administrative support to the project including procurement, contracting, travel and payments.

### **Project Governance Arrangements**



**C.** <u>Inputs to the project.</u> To ensure successful implementation of the project the Government of Azerbaijan and UNDP will make the following contributions to the project:

# **AEC inputs:**

- Free office premises for the project related activities and facilitating access to any information necessary for the consultants to complete their missions. The Government should provide with the necessary premises for implementation of training courses, or the project reserves a right to rent respective premises;
- Overall support in preparation of the training courses, including selecting, in consultation with UNDP, the persons to participate in training activities.
- Assistance in identification of the most appropriate national experts. Such experts should have a clear understanding of the Government's policies related to the sector.

# **UNDP** inputs:

- Amount of USD \_\_\_\_\_ to the budget of the project;
- Support services in selecting international/local training consultants and staff to be recruited under the project;
- Support services in procurement;
- Briefing for selected international and local consultants;
- Participation in the organization of training activities, selection of equipment suppliers and organization of training courses;
- In close collaboration with the senior management of the Project, the quality control over the project outputs.

# **D.** Audit Arrangements

The project will be subject to an internal UNDP audit as required by UNDP Guidelines.

### E. Other issues:

All project publications and other visual products should comply with UNDP publication policy.

### VI. 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:

- At least once a year, 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.
- A risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- ➤ A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events.
- Annual Review Report. An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome 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.

# VII. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of Azerbaijan and UNDP.

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 <a href="http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm">http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm</a>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.