



**STANDARD LETTER OF AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME AND
MINISTRY OF PLANNING
ON THE IMPLEMENTATION OF CAPACITY STRENGTHENING INITIATIVE IN LIBYA
WHEN UNDP SERVES AS IMPLEMENTING PARTNER**

Your Excellency,

1. Reference is made to the consultations between officials of the United Nations Development Programme (hereinafter referred to as "UNDP") in Libya and officials of *Ministry of Planning* with respect to the realization of activities by *the Ministry of Planning* in the implementation of the project **00074351 Capacity Strengthening Initiative in Libya**, as specified in Attachment 1: Amendment to Project Document, to which UNDP has been selected as implementing partner.
2. In accordance with the Project Document and with the following terms and conditions, we confirm our acceptance of the activities to be provided by *Ministry of Planning* towards the project, as specified in Attachment 2: Description of Activities (hereinafter referred to as "Activities"). Close consultations will be held between *Ministry of Planning* and UNDP on all aspects of the Activities.
3. *Ministry of Planning* shall be fully responsible for carrying out, with due diligence and efficiency, all Activities in accordance with its Financial Regulations and Rules.
4. In carrying out the activities under this Letter, the personnel and sub-contractors of *Ministry of Planning* shall not be considered in any respect as being the employees or agents of UNDP. UNDP does not accept any liability for claims arising out of acts or omission of *Ministry of Planning* or its personnel, or of its contractors or their personnel, in performing the Activities or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by *Ministry of Planning*, and its personnel as a result of their work pertaining to the Activities.
5. Any subcontractors, including NGOs under contract with *Ministry of Planning*, shall work under the supervision of the designated official of *Ministry of Planning*. These subcontractors shall remain accountable to *Ministry of Planning* for the manner in which assigned functions are discharged.
6. Upon signature of this Letter, UNDP will process payments to *Ministry of Planning*, according to Attachment 3: Schedule of Activities, Facilities and Payments.
7. *Ministry of Planning* shall not make any financial commitments or incur any expenses which would exceed the budget for the Activities as set forth in Attachment 3. *Ministry of Planning* shall regularly consult with UNDP concerning the status and use of funds and shall promptly advise UNDP any time when *Ministry of Planning* is aware that the budget to carry out these Activities is insufficient to fully implement the project in the manner set out in the Attachment 2. UNDP shall have no obligation to provide *Ministry of Planning* with any funds or to make any reimbursement for expenses incurred by *Ministry of Planning* in excess of the total budget as set forth in Attachment 3.

provided as Attachment 4]. UNDP will include the financial report by *Ministry of Planning* in the financial report for 00074351 Capacity Strengthening Initiative in Libya.

9. The CSI Project Manager shall submit such progress reports relating to the Activities as may reasonably be required by Project Management Board as specified in Attachment 4.

10. The CSI *Project Managers* shall furnish a final report within 12 months after the completion or termination of the Activities, including a list of non-expendable equipment purchased on behalf of the *Ministry of Planning* and all relevant audited or certified financial statements and records related to such Activities, as appropriate, pursuant to the Financial Regulations and Rules on the Libyan Government.

11. Equipment and supplies that may be furnished by UNDP or procured through UNDP funds will be disposed as agreed, in writing, between UNDP and *Ministry of Planning*.

12. Any changes to the Project Document which would affect the work being performed by *Ministry of Planning* in accordance with Attachment 2 shall be recommended only after consultation between the parties.

13. For any matters not specifically covered by this Letter, the Parties would ensure that those matters shall be resolved in accordance with the appropriate provisions of the Project Document and any revisions thereof and in accordance with the respective provisions of the Financial Regulations and Rules of the *Ministry of Planning* and UNDP.

14. The arrangements described in this Letter will remain in effect until the end of the project, or the completion of activities of *Ministry of Planning* according to Attachment 2, or until terminated in writing (with 30 days notice) by either party. The schedule of payments specified in Attachment 3 remains in effect based on continued performance by *Ministry of Planning* unless it receives written indication to the contrary from UNDP.

15. Any balance of funds that is undispersed and uncommitted after the conclusion of the Activities shall be returned within 90 days to UNDP.

16. Any amendment to this Letter shall be effected by mutual agreement, in writing.

17. All further correspondence regarding this Letter, other than signed letters of agreement or amendments thereto should be addressed to UNDP Country Director – Tripoli.

18. UNDP and the *Ministry of Planning* may suspend this Agreement, in whole or in part, upon a written notice and mutual consent, should circumstances arise which jeopardize successful completion of the Activities.

19. Any dispute between the UNDP and *Ministry of Planning* arising out of or relating to this Letter of Agreement in attachments 2, 3 and 4 which is not settled by negotiation or other agreed mode of settlement, shall, at the request of either party, be submitted to a Tribunal of three arbitrators. Each party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint a third arbitrator, who shall be the chairperson of the Tribunal. If, within 15 days of the appointment of two arbitrators, the third arbitrator has not been appointed, either party may request the President of the International Court of Justice to appoint the arbitrator referred to. The Tribunal shall determine its own procedures, provided that any two arbitrators shall constitute a quorum for all purposes, and all decisions shall require the agreement of any two arbitrators. The expenses of the Tribunal shall be borne by the parties as assessed by the Tribunal. The arbitral award shall contain a statement of the reasons on which it is based and shall be final and binding on the parties.



assessed by the Tribunal. The arbitral award shall contain a statement of the reasons on which it is based and shall be final and binding on the parties.

20. If you are in agreement with the provisions set forth above, please sign and return to this office two copies of this Letter. Your acceptance shall there by constitute the basis for your *Ministry of Planning* participation in the implementation of the project.

Signed on behalf of UNDP

Eric Overvest
Country Director



Yours sincerely,

Signed on behalf of *Ministry of Planning*

Dr. Issa Alwaiger
Minister of Planning



Attachment 1
Amendment to Project Documents
Between
The United Nations Development Programme
And
The Libyan Ministry of Planning
Implementation of the
“Capacity Development Initiative in Libya”&
“Rapid Deployment Assistance Framework”

Given the urging priorities of the National Transitional Council to ensure the implementation of emergency plans during the next six months and the increasingly significant role that the Ministry of Planning is expected to play vis a vis the line ministries and the international community, so as to ensure the integration of national priorities at the sector level and the delivery of services to the citizens, the UNDP/Libya and the Ministry of Planning have agreed to revisit and modify agreed upon outputs and activities as will follow in this amendment to the two project documents on the implementation of the “Capacity Development Initiative in Libya”, and the “Rapid Deployment Assistance Framework”

Henceforth, the two parties hereby agreed to amend the original Project Documents signed on 14/01/2010 pertaining to CP Outcome 3 “Reforming for economic performance and good governance at central and local levels of Government” and Outcome 9 pertaining to “Public services made more efficient and accessible”, whereas UNDP/Libya will provide support to the Ministry of Planning in implementing modified outputs within the framework of the new arrangement.

For this purpose, UNDP and the Ministry of Planning have agreed to:

1. Merge both project documents into one; namely the “Capacity Strengthening Initiative in Libya whereas the outcome will be in accordance with the UNDP country programme for 2011-2014; “Strengthening National Institutions towards Service Delivery, at the Central and Local Levels”.

All outputs mentioned in the original agreements will be modified, in accordance with the new priorities in coordination with UNDP/Libya as follows:

Output one: Government Capacity Strengthened
Output two: National/International Experts Roster Developed
Output Three: Pilot Needs Assessment of National Institutions Conducted and Strategic Response Strategies Developed

2. Modify the previously agreed upon project management arrangement and implementation modality. The modified “Capacity Strengthening Initiative in Libya” will be implemented through the Direct Implementation Modality (DIM). This modality will replace the previous

National Implementation Modality (NIM) and that governed the two previous project documents. Through the DIM, UNDP will implement the amended project on behalf of the government, so as to ensure timely and effective delivery of outputs urgently needed to enhance the government ability to manage its work processes.

This new modality is in line with the "Standard Basic Framework Agreement" signed with the Government of Libyan government in May 1976.

3. Merge the remaining financial balance from previous "Capacity Strengthening Initiative in Libya" **USD728,238.910** and the "Rapid Deployment Assistance Framework" **USD721,000.000** signed on 12/07/2010 and add funds of **USD 1,472,496.00** (additional funds from 11888 account and funds coming from financially closed project "Strengthening economic and social development policy") under a newly created Atlas Award so as to become Capacity Strengthening Initiative (CSI). Consequently, UNDP will charge 5% for General Management Service (GMS).
4. The Project implementation period will be two years upon the date of the signing of this amendment
5. Establish a Management Board co-chaired by the Ministry of Planning representative and the UNDP Country Director or designate and that will meet on a quarterly and annual basis. A Governance Programme Manager and Project Director and Staff will be recruited to ensure the implementation of the project outputs.
6. New Results, Resources Framework that includes outputs, activities and budget allocations for 2012-2013 will be attached to this amendment and will guide the implementation of this new amendment.
7. This amendment in addition to the change from NIM to DIM shall enter into force upon signature by both parties.
8. The implementation modality of this amendment is subject to revision on a quarterly basis.

Signed on behalf of Ministry of Planning

Dr. Issa Atwaiger
Minister of Planning

Signed on behalf UNDP Libya Country Office

Mr. Eric Overvest
Country Director



Tripoli
May _____, 2012

Tripoli
May 31, 2012

IX. Results & Resources Framework

Expected outcome: Strengthening national institutions towards improved public service delivery

Expected outputs and baseline, indicators and targets	Planned activities <i>List activity results and associated actions</i>	Timeline								Responsible Parties	Proposed budget				
		2012				2013					Funding source	Budget description	Amount \$		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4						
<p>1. Government Capacity Strengthened Baseline: -Weak technical capacity and knowledge of international best practices in specific units/ areas pertaining to government work -Weak organizational structures and job descriptions -Absence of structured inter-ministerial coordination Indicators: -Nb of areas of intervention identified -Type of capacity needs identified and type of support required - Country specific training resources developed and made available in Arabic -Baselines and targets are established for assessing progress -Nb of government officials trained -Type of sectors benefiting from specialized expertise -Type of plans / studies carried out Nb of experts made available (days per year per sector per activity) Targets: -Two international experts deployed -Three workshops on policy formulation and strategic planning -Three training modules on policy formulation, strategic planning and inter-ministerial coordination - Three training material and manuals</p>	<p>1.1.Expert advice to MoP in policy formulation and strategic planning: -Expert advice in the Ministry of Planning 1.2. Workshops on specific policy areas: -Workshops on policy formulation, strategic planning, inter-ministerial coordination and other areas to be identified by the MoP 1.3.Design and implementation of specific training modules: -Training material and training seminar for MoP in strategic planning, Policy formulation and inter-ministerial coordination 1.4.Manuals o policy related issues: -Three manuals on policy formulation, strategic planning 1.5.Technical Support Unit (TSU) established 1.6. Advisory Teams recruited</p>	X	X	X	X	X	X	X	X	<p>UNDP Ministry of Planning</p>	<p>U18888</p>	<p>International Consultants 300,000 Workshop Consultants, 45,000 Translation and printing, 20,000 Consultants 130,000 Training material Translation and printing, 20,000 Consultants 39,981 Manuals, translation and printing, 18,000 Personnel Consultants Training Material 1,000,000 Translation and printing</p>	<p>300,000 45,000 20,000 130,000 20,000 39,981 18,000 1,000,000</p>		
									X					X	
Total Output											1617,981				

Expected outputs and baseline, indicators and targets	Planned activities <i>For activity, results and associated actions</i>	Timeline												Responsible Parties	Proposed budget									
		2012				2013				Funding source	Budget description	Amount \$												
		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4															
2. National/International experts roster developed Baseline: -Weak capacity of government officials in specific technical and management areas necessary for the government machinery -Weak capacity to identify immediate technical expertise in a timely manner -Lack of government data on experts at the international, regional and local level -Weak institutional connection with the Libyan Diaspora Indicators: -Nb of areas of intervention identified -Type of capacity needs identified and type of support required -Country specific training resources developed and made available in Arabic -Nb of government officials trained -Type of sectors benefiting from specialized expertise -Type of studies/plans carried out -Nb of experts made available (days per year per sector per activity) Targets: -Roster design -Roster development and web-page created -Roster training material -Roster manual and reference material	2.1. Roster Design -Roster Terms of Reference/ guidelines -Contracting of company to set up the Roster -Workshops on roster management 2.2 Roster Development -Creation of the Roster webpage (layout and filters) 2.3. Training material development: - Design and implementation of training scheme for Roster managers/users/administrators -Production of reference material for the Roster application, selection process of eligible candidates and contracting (manuals)													11888	Consultant Contracting company Workshops Training Reference material and manuals	20,000 80,000 20,000 20,000 50,000								
Total Output 2																								190,000

Expected outputs and baseline, indicators and targets	Planned activities <i>List activity rarely and associated activities</i>	Timeline												Responsible Parties	Funding source	Proposed budget: Budget description	Amount \$
		2012			2013			2014			2015						
		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4				
<p>3. Needs Assessment and Strategic Response Strategies Carried out</p> <p>Baseline: -Weak institutional capacities at key ministries -Capacities of institutions in sync with their new mandates after the revolution -Capacities of institutions unable to respond to urgent planning at the national level</p> <p>Indicators: -Engagement of key stakeholder in the needs assessment exercise -Needs assessment of MoLCB, selected local councils and MoI implemented -Strategic response strategical developed -Strategic response integrated in national plans for capacity building -Engagement of women in the assessment process</p> <p>Targets: -Two ministries to conduct a pilot needs assessment during 2012 -At least 3 needs assessment conducted for 3 local councils in cooperation with the MoLG -Strategic development plans for two ministries -Strategic plans for 3 local councils -Training the ministry's staff to conduct the assessments with at least 1/3 of participants to be women -4 Workshops at the Ministry's level -6 Workshops at the local council level -Report on needs assessment process with general guidelines and lessons learned</p>	3.1. Workshops capacity needs assessment methodology: - Expert advise - Workshops targeted for the ministries (MoP, MoL&CB, MoLG and MoI)	X		X											Consultant Workshops for ministries	50,000	
	- Workshops targeted for three selected local councils				X		X								Workshops for 3 local councils	40,000	
	3.2. Needs assessment for two ministries and three selected local councils -Expert advice on Questionnaire design -Training for ministries and local councils task forces		X		X											Consultant	50,000
	-Workshops on needs assessment with the ministries and local councils					X		X								Training	50,000
	3.3. Strategic response strategies -Expert advice with task force to formulate strategic response strategies				X											Workshops	20,000
	-Workshops (3 at the ministries level and 3 at the local councils level) to discuss response strategies -Expert advice for Action plans based on strategic response strategies									X						Consultant Workshops for ministries Workshops for three local councils Consultant	50,000 60,000 40,000 50,000
Total Output 3																	
-450,000																	

Total Outputs	2,257,981
Total Project management	490,000
GMS	1460,867
Total Budget	2,921,735

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Funds allocated for the project

Project ATLAS ID	Project Title	Available Balance
00059885	Rapid Deployment Assistance Framework	721,000,000
00059458	Capacity Strengthening Initiative in Libya	728,238,910
	Additional funds to be added from remaining balance of financially closed project 8989: strengthening economic and social development policy	472,496.00
	Additional funds from 11888 account	1,000,000
Total		2,921,734.91

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Attachment 2

DESCRIPTION OF ACTIVITIES

Project number: **00074351**

Project title: **Capacity Strengthening Initiative in Libya**

In accordance with the requirements of the transitional period in Libya, the Ministry of Planning has the responsibility of coordinating and following-up the financial and technical support provided by international organizations and donor countries needed for national development. In this context, there is a strong need to establish a coordination and monitoring mechanism for programs and projects of technical cooperation. These mechanisms will have to be consolidated through a unified channel able to identify the actual technical support needs of the transitional government

In this respect, an Ad Hoc Technical Support Unit is established and that will house a group of technical advisory teams. The main objective of the technical advisory teams will be to transfer knowledge, develop the capacities of the ministry staff working along with the advisory experts and enhance the capacities of the representatives of the sectors and who are assigned the responsibility of implementing and following-up of the sectoral technical cooperation programs during the transitional period and beyond. The expected duration of this unit is one year as of the signing of this Letter of Agreement.

The Ad Hoc Technical Support Unit will be comprised of seven specialized teams as follows:

- Economic Support Team
- Human Resources and Institutional Support Team
- Education and Scientific Research Team
- Justice and Human Rights Team
- Security Cooperation Team
- Health and Environment Team
- Infrastructure and Rehabilitation Team

The main tasks to be performed by the Technical Support Unit' Advisory Teams will be as follows:-

- Identifying actual needs for technical support to be provided by international organizations in accordance with the transitional government priorities
- Supporting the Technical Units within the Office of Technical cooperation in the Ministry of Planning; namely, International Organizations Unit, Bilateral Cooperation Unit and Coordination and Monitoring Unit.
- Working directly with the international experts provided by the specialized international organizations
- Conducting studies and research pertaining to the respective issues within the mandate of the Ministry of Planning
- Working on proposals for the national policy for technical cooperation pertaining to the various sectors.
- Providing monthly reports regarding technical cooperation provided to the Libyan government including specific recommendations to improve outputs and outcomes of technical support.

For this purpose, the UNDP will:

- Recruit a Team Leaders Coordinator who will ensure that the work of the team leaders is fully in harmony with government priorities
- Recruit six national Team Leaders. Each Team Leader will head a technical team including a group of Ministry staff.
- Recruit a ten national support staff (project support staff) to be positioned in the Ministry of Planning, including a driver

- Recruitment of short term international technical experts

The recruitment will only be for one year for the Advisory Team Leaders and for three months for the project support staff as of the signing of the LOA.

Work to be performed by

- Team Leaders Coordinator
- Seven advisory Team Leaders
- Ten project support team including administration support and a driver.

Description of inputs:

- Recruitment of personal for the advisory teams and the project support team
- Recruitment of international experts

Payment modality:

In accordance with the Basic Standard Agreement between UNDP and the Government of Libya of 1974, and in accordance with UNDP rules and regulations of project management, UNDP will process the payments upon direct payment requests provided by the Ministry of Planning. In order to issue payments, the Ministry of Planning will have to ensure the provision of monthly progress reports in accordance with the agreed upon terms of reference within the contractual arrangements. UNDP will review the status and use of funds and in the case of insufficient funds, it will consult the Ministry of Planning which may provide extra funds to fully implement the project set in the attachment.

Recruitment modality:

The Ministry of Planning will recruit the team leaders and advisors through a competitive recruitment process. UNDP will be invited to be part of the selection process.



Attachment 3

Scheduled of Activities, Facilities and Payments

Year 2012-2013

EXPECTED CP OUTPUTS and Indicators Including annual targets	PLANNED ACTIVITIES	Timeframe				Planned Budget Budget Description	Amount USD
		Q1	Q2	Q3	Q4		
Outputs: - Technical Support Unit (TSU) established - Advisory Teams recruited Indicators: - # of technical advisors recruited - # of studies and research papers produced - # of technical proposals prepared and discussed with the Ministry's leadership - # of policy papers and advice on technical expertise - Ministry of Planning / Technical Cooperation Department M&E reports - # of University professors, taking part in the assessment studies for technical support - # of local Libyan local consulting firms working with the government	Establishment of TSU	X				30,000	
	Recruitment of Advisory Teams 6*LYD5000*12 months	X	X	X	X	288,000	
	6 Trainings on international cooperation, Development Aid Effectiveness, Monitoring & Evaluation			X		148,000	
	6 Workshops for the line ministries on international best practices and development aid		X	X	X	90,000	
	Development of bylaws and procedural guidelines for international cooperation		X	X	X	100,000	
	Development of a data base for required technical assistance for the line ministries		X	X	X	100,000	
	12 Consultative meetings with the Libyan private sector on available local technical expertise		X			100,000	
12 Consultative meetings with the local NGO's		X	X	X	44,000		
7 assessment reports on required technical expertise		X	X	X	100,000		
Total						\$1,000,000	

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Note:

- Expenditures for personnel services may be limited to salary, allowances and other entitlements, including the reimbursement of income taxes due and travel costs on appointment to the project, duty travel within the programme country or region and repatriation costs.
- UNDP shall be responsible for providing miscellaneous services such as secretarial assistance, postage and cable services and transportation as may be required by *Ministry of Planning* carrying out their assignment.
- Adjustments within each of the sections may be made in consultation between UNDP and *[the Government ministry/institution/GO]*. Such adjustments may be made if they are in keeping with the provisions of the Programme Support/Project Document and if they are found to be in the best interest of the project.



Annex 4

Project Governance Structure

The project will be administered and managed by UNDP in full cooperation with the Ministry of Planning and in accordance with the national priorities and rules and regulations of the Libyan Government.

The project governance structure comprises of a Project Board that includes the beneficiary ministry Ministry of Planning and UNDP Country Director and UNDP supplier. The Project Board will be responsible for making management decisions by consensus when guidance is required by the Project Manager, including approving recommendations for project revisions as and when needs are identified or in response to changes in the operating environment. Project reviews by the Board are made on a quarterly basis or at designation points during the running of the project, or when necessary. The Project Board will be co-chaired by the Ministry of Planning and UNDP.

The Project Board has three functions:

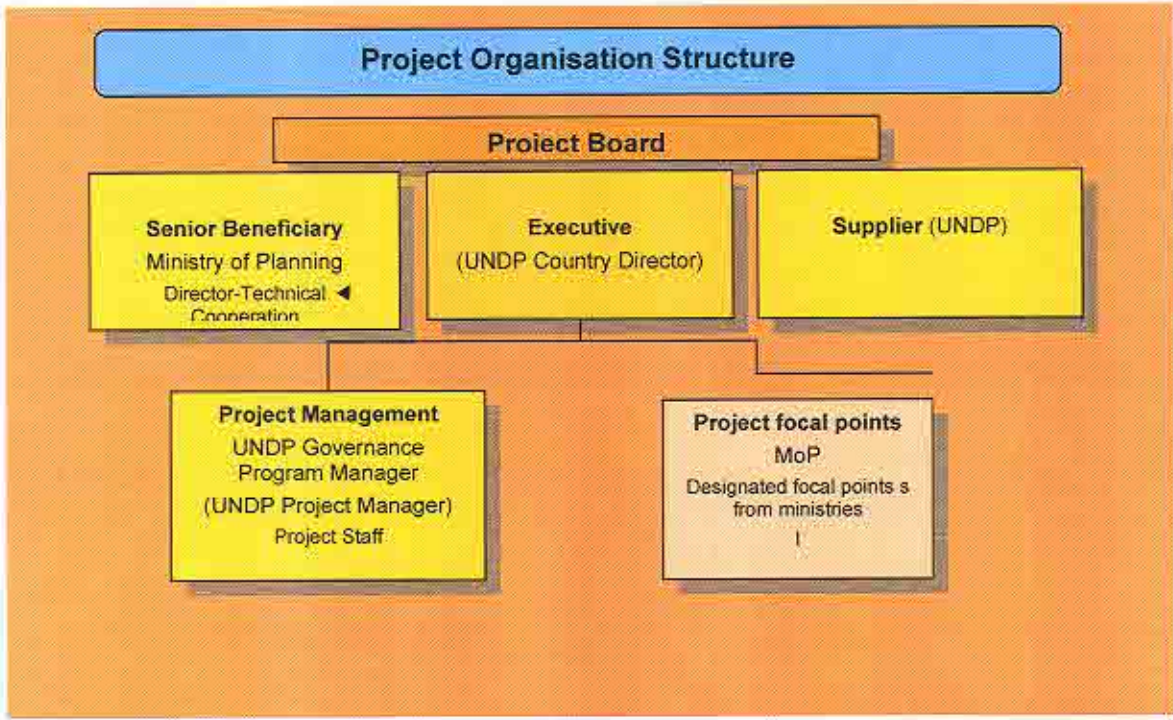
- The Project Executive: has overall responsibility for the project, this function will be represented by the UNDP Country Director or his designated representative
- Project Supplier: provides guidance regarding the technical feasibility of the project and will be represented by UNDP
- Project Beneficiary: ensures the realization of project objectives from the perspective of project beneficiary, and will be presided by the Ministry of Planning .

Project Assurance will be the responsibility of UNDP's Governance Programme Manager who will carry out objective and independent project monitoring and oversight functions to ensure implementation according to indicators and in line with time and budgetary limits as expressed in the Annual Work Plan.

The Project Manager will be recruited for the duration of the project and will work with two national staff specializing in institutional development. The Project Manager will be working as the counterpart for the Ministry of Planning for the implementation of the project including agreeing on action plans, coordination of the work of national and international experts, and preparing for workshops and training material. The Project Manager will be guided by the Governance Programme Manager and accountable to the Project Board and will prepare quarterly reports and annual reports and action plans.

The Ministry of Planning will undertake the designation of a project counterpart who will be working with the UNDP Project Manager on a daily basis. The MoP's counterpart will coordinate with the relevant ministries on the nomination of task force members, on the preparation of necessary meetings, workshops and training materials.





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