



United Nations Development Programme

South-South and Triangular Cooperation for SME Development in Asia

Brief Summary

An analysis by Hall (2000) showed that in the Asia and Pacific Region, Small to Medium Enterprises (SMEs) accounted for 60% of private sector employment, 50% of economic output and 30% of exports. A subsequent study by Hall & Fang (2004) showed that most of Asia still has a dearth of SMEs and that in some countries, the existing SMES face major difficulties in access to finance, technology and markets as well as a lack of favourable national policies and institutional support. The project objective is to support the strengthening of SME policy formulation and institutional reform as well as institutional support for training, technological exchanges and market access in the Least Developed Countries (LDCs) and other countries in the region through South-South Cooperation. The project will utilize the experience of TECHNUNET Asia (accumulated over 36 years) as well as the facilities of the South-South Global Assets and Technical Exchanges (SS-GATE) in supporting SMEs and for SME technology development. The Asian region has been the fastest growing in the world in the last 25 years. For some of the countries, SME growth has been at the core of their development strategies. Facilitating South-South Cooperation and Triangular Cooperation for knowledge sharing on SMEs is a core strategy of this project towards scaling up SME development in Asia.

SIGNATURE PAGE

Country: Regional: Bangladesh, Brunei, Bhutan, Cambodia, China, India, Indonesia, Iran, Lao PDR, Maldives, , Malaysia, Mongolia, Nepal, Pakistan, Philippines, Republic of Korea, Singapore, Sri Lanka, Thailand, Timor-Leste and Vietnam.

UNDAF Outcome(s)/Indicator(s): N/A

Expected Outcome(s)/Indicator (s):

The Countries in Asia make progress in achieving the Millennium Development Goals through SME growth and poverty reduction.

Expected Output(s)/Indicator(s):

Output 1: SME policies and institutions reformed in 6 Least Developed Countries (LDCS)

Output 2: SME Technology transfer and investment promoted in the region.

Output 3: Extension service capability of SME promotion agency strengthened.

Output 4: Exporting capability of SME promotion agencies strengthened.

Output 5: The network of TECHNUNET Asia strengthened and exit strategy implemented.

Executing Agency: Direct Execution (UNDP Malaysia)

Strategic Partners: TECHNUNET Asia, SS-GATE, and Standards and Industrial Research Institute of Malaysia (SIRIM Berhad)

Programme Period: 2010 – 2013

Programme Component: Achieving MDGs and reducing human poverty.

Project Title: South-South and Triangular Cooperation for SME Development in Asia
Project ID:

Project Duration: 4 years


Management Arrangement: Direct Execution (UNDP Malaysia)

2010 AWP budget \$72,060
2011 AWP budget \$503,353
2012 AWP budget \$264, 014
2013 AWP budget \$324,473

Total Resources Required: \$1,163,900	
Total Allocated Resources: \$1,163,900	
Cost Sharing (Japan-UNDP Partnership Fund)	USD\$552,120 (<i>Project cost \$516,000, 7% GMS \$36,120</i>)
Parallel funding (SS-GATE)	USD302,880
In-kind contribution (SIRIM)	USD300,900
Parallel funding (Technonet Asia)	USD8,000

Agreed by UNDP: _____

Date: _____

Agreed by Executing Institution: 
Kamal Malhotra

Date: 17/12/2010

UNDP Resident Representative, Malaysia

List of Acronyms and Abbreviations

ADB	Asia Development Bank
APO	Asia Productivity Organisation
APR	Annual Project Report
AWP	Annual Work Plan
CIDA	Canada International Development Agency
CDM	Clean Development Mechanism
FPR	Final Project Review
GATE System	Global Assets and Technology Exchange
IDRC	International Development Research Centre
IFC	International Finance Corporation
JETRO	Japan External Trade Organization
JICA	Japan International Cooperation Agency
KL	Kuala Lumpur
KOICA	Korea International Cooperation Agency
KOTRA	Korea Trade Agency
LDC	Least Developed Countries
MATRADE	Malaysia External Trade Development Corporation
MDGs	Millennium Development Goals
PMU	Programme Management Unit
PO	Participating Organisation
PPP	Public Private Partnerships
SIRIM Berhad	Standards and Industrial Research Institute of Malaysia
SSC	South-South Cooperation
SU-SSC	Special Unit for South-South Cooperation
SS-GATE	South-South Global Asset and Technology Exchange System
TA	TECHNONET Asia
TC	Triangular Cooperation
TICAD	Tokyo International Conference on Africa Development
Track I	GATE System Assets and Technology Exchange for Small and Medium Enterprises
Track II	GATE System Creative Economy
Track III	GATE System Human Development Investment Exchange
Track IV	GATE System Global Climate Change Technology Exchanges
UN	United Nations
UNDP	United Nations Development Programme
UNDP CO	UNDP Country Office
UNV	United Nations Volunteers
WAITRO	World Associations of Industrial Technological Research Organisation

I. Situation Analysis

The Asia region includes countries with some of the largest populations in the world. The region has been the fastest growing in the world over the past 25 years. However, there are still nine (9) Least Developed Countries (LDCs) in the region where the incidence of poverty remains high. The United Nations lists Bangladesh, Bhutan, Cambodia, Lao People's Democratic Republic (LAO PDR), the Maldives, Myanmar, Nepal and Timor-Leste as Least Developed Countries in Asia. The economic growth in the Asia region has been largely led by trade and investment, including Small and Medium Enterprises. All in all, the LDCs, the Landlocked Developing Countries, and the Small Island Developing States (SIDS) continue to fall behind the better performing countries. Under the Millennium Development Goals (MDGs), private sector development has once again been highlighted by the international community as an effective means for poverty reduction and inclusive growth.

The nature of Small and Medium Enterprises varies. The sector they operate in; what they produce, the production technology, productivity and earnings and wages generated all characterize SMEs. According to the Asia Development Bank (ADB) (2009), enterprises can be grouped by size. Microenterprises employ less than 5 workers, small enterprises employ 5-49 workers, medium sized enterprises employ 50-199 people while the large enterprises employ over 200 people.

Small and Medium Enterprises (SMEs) are a major source of economic growth and employment in any country. For example, a study by Hall (2000) showed that in the Asia region, SMEs accounted for 60% of private sector employment, 50% of economic output and 30% of exports in the preceding decade. ADB (2009) indicated microenterprises usually constitute the highest number of enterprises especially in low income economies. In non-agricultural sectors, self employment accounts for 30% of the employed. Another study by Hall & Fang (2004) showed that despite its economic successes, Asia still has a serious dearth of SMEs and has a long way to catch up with developed countries where one in five people in the population is an entrepreneur. Major difficulties that SMEs face are access to finance, technology and markets in addition to the weakness in policy and institutional support.

The ADB study identified several constraints to the growth of the SMEs in Asia including access to finance, weak infrastructure, poorly designed regulations and policies, market failures that impinge on the SME's ability to adopt new technologies. The interventions required have included making finance more accessible, lowering cost of finance, training of workers and entrepreneurs, technology extension services, marketing assistance, and business development services. The constraints faced by an SME will depend on the country and the conditions.

LDCs generally have weaker institutions and policy making in the area of SME development when compared to other developing countries. A number of LDCs in the region are also in transition towards allowing a greater role for the private sector in their countries. In some cases, institutions, even if they are in existence, still require strengthening. Therefore LDCs should be encouraged to learn from other countries that have had to strengthen their own institutions and policies towards a stronger SME sector.

Similarly, extension services are particularly weak in the LDCs. In other countries, TECHNINET Asia provided extensive training to extension workers in provinces of Thailand in the past. Currently, JICA provides technical cooperation with Thailand to train the workers and issue the certificate of "Shindanshi", i.e. the "certificate of corporate analysis". A person with Shindanshi can analyze the company management and advise enterprises on how to improve the company's production system, technology, marketing and financial management. Lessons from Thailand can be used to provide technical guidance, consultation and financial facilitation.

Exporting capacities are necessary for international marketing and include improving the quality of products to enhance competitiveness. Another requirement for exporting capacity is at an enterprise level. While in LDCs there is usually a lack of strategy or system, advanced POs are more interested in strengthening their competitiveness in a particular area of industrial technology development such as environmental technologies, energy saving technologies and IT-related industries. It is in this regard that the POs may wish to learn from enterprises in other countries.

The next table shows the identified constraints for SME growth in selected developing countries in Asia.

Country	Raw materials	Marketing	Finance	Energy	Information	Technology and skill	infrastructure	tax	Inflation	Market Environ.
Bangladesh			x	x		x				x
Cambodia			x	x		x				x
Lao PDR	x		x					x	x	
Nepal		x	x			x				x
Vietnam			x			x	x			x

The table shows that in all the five countries, the SMEs experienced finance access constraints, technology and skills dearth and unfavourable market environment. The market environment may include the types of goods and services demanded by the market. It may be lower quality or higher quality which in turn will drive the production processes and technology used.

The next table shows some of the policies that have been implemented in the Asia region to assist enterprises.

Country	SME Loans	Loan Guarantees	Tax incentives	Technology and extension	Others

Bangladesh	Small enterprises Fund				
India	Priority sector lending	Credit Guarantee scheme for micro and small enterprises	Duty reductions, eliminations and service tax refunds	Allocation for export incentives schemes	Issue of tender sets free of costs, exemption from payment of deposits, price preference up to 15% over quotation of large scale enterprises.
Indonesia	Credit for people's businesses	Direct people's credit scheme		Development of promotion tools, trading board, exhibition	
Malaysia	Small and medium industries Development corporation matching grants	SME credit bureau			
Pakistan	Establishment of SME Bank	Credit guarantee agency, credit information centre			
Philippines	Mandatory allocation of credit resources to small enterprises		Exemption from income tax and duty for 6 years		
Singapore	Start up enterprise development scheme, micro loan programme, enterprise investment incentive scheme			Provides access to procurement opportunities of 120 government agencies	
Thailand	Financial promotion programmes, capacity building fund, various loans of SME Bank	Portfolio guarantee scheme for SMEs			

The examples in the table are a few illustration of the policies enacted by some countries to assist the small and medium enterprise sector. A number of them were enacted to assist the SMEs recover from the 2008/2009 financial crisis.

II. Strategy

1. Partnerships

Networks are essential for technology transfer and investments. A network can directly benefit the SMEs in terms of creating business deals in technology transfer and investments. That is why TECHNUNET Asia (TA) and the South-South Global Assets and Technology Exchange System (SS-GATE) have been proposed to play a role in promoting technology transfer and investment in the project.

Since 1973, TECHNUNET Asia has been operating as an Asian network of national POs, mostly in the public sector, to assist the development of SMEs. As a cooperative network, TECHNUNET Asia represents a unique approach to SME networking. The participating organizations (SME supporting institutions in Technonet Asia member countries) are specialized in different aspects of SME development. By drawing these organizations together in a network, TECHNUNET Asia reinforces the sharing of experiences and expertise, thus enhancing the effectiveness of the network. The concept of South-South cooperation was the underlying thrust and the driving force behind TECHNUNET Asia as participating organizations from member countries had opportunities to work together and share experiences.

TECHNUNET Asia was founded by the International Development Research Centre (IDRC). IDRC was created to help developing countries find solutions to development challenges. It is in this context that TECHNUNET Asia encouraged development solutions sharing among member Participating Organizations. In addition to the IDRC, many donors and international organizations have supported and worked with TECHNUNET Asia, including BMZ/GTZ, Canadian International Development Agency (CIDA), the Japan International Cooperation Agency (JICA), the United States Agency for International Development (USAID), The United Nations Industrial Development Organization (UNIDO) and the World Bank. Some of the notable achievements of TECHNUNET Asia include the training of over 2,000 industrial extension and industrial information officers; the design and development of a manual of an evaluation system for extension services in the Philippines; implementation of an on-the-job training program to upgrade the capability of industrial extension officers of the Industrial Development Board of Sri Lanka; and the engagement of International Industrial Extension coaches.

Based on the past experiences of TECHNUNET Asia, for a project to benefit SMEs, a deeper support for institutional and policy changes beyond capacity development of participating organizations (POs) is a feasible and convincing justification to enable the host governments to support POs. POs must show to the government and general public that they can achieve tangible benefits for SME development.

Recognizing the strengths of TECHNUNET Asia, the Special Unit for South-South Cooperation (SU/SSC) established TECHNUNET Africa, being funded by the Japan Human Resource Development Fund in 2004 under the Tokyo International Conference on African Development (TICAD) programme. TECHNUNET Africa was set up based on Asian experiences.

TECHNUNET Asia is the only network for SME development in Asia. It has rich experiences for SME development, accumulated since its establishment. The scope of TECHNUNET Asia support to SMEs in the past has included; technology and economic research and surveys, training and human resource development, consultancy and project management, institution building and resource linkages, project formulation and administration as well as contract execution and management. TECHNUNET Asia has also played several roles as advisor, monitor, network facilitator and initiator of development interventions.

The decision to select TECHNUNET Asia as a main strategic partner in this project is driven by the consideration that they have experience in facilitating support to SMEs in all four output areas. Furthermore, in previous projects, UNDP country offices responsible for financial management have found TECHNUNET Asia efficient and reliable. See Annex 2 on the capability of TECHNUNET Asia and the UNDP Malaysia role in financial management.

In 2006, Track I of the South-South Global Assets and Technology Exchange System (SS-GATE System) was launched by the Special Unit for South-South Cooperation in collaboration with TECHNUNET Asia, TECHNUNET Africa, Islamic Chamber of Commerce and Industry and China Africa Business Council. The objective of Track I of the SS-GATE System is to promote business matching among SMEs in technology transfer and investment. Track IV of the SS-GATE System is under preparation for SMEs to participate in Global Climate Change Technology Exchange (GCCTE) in order to transfer environment-friendly technologies through the modified SS-GATE software and the network system.

Malaysia is one of the pivotal countries for South-South Cooperation. In the past it has hosted the Regional Coordinator of the Special Unit for South-South Cooperation and helped to implement regional projects. Furthermore, the UNDP Country Office in Malaysia also covers Singapore which is currently hosting the Secretariat of TECHNUNET Asia. Malaysia's leadership in South-South cooperation has been reiterated in successive High Level Committees on the Review of South-South Cooperation (HLC) and support for South-South Cooperation constitutes a sizeable component of the current Country Programme. In addition, the Standards and Industrial Research Institute of Malaysia (SIRIM Berhad), expressed interest and intention to share its experiences in building and enabling small and medium enterprises with other countries in the region. SIRIM Berhad is Malaysia's participating organization in TECHNUNET Asia, meaning that its experts along with others from other participating countries share experiences in SME development.

The objective of the project is to develop SMEs in the Asia region through South-South and Triangular Cooperation with the participation of both public and private sectors.

2. Focusing on four prioritized areas

The project focus will be on three prioritized areas. The first project focus area will be policy reforms and strengthening of supporting institutions in each TA member country, particularly the Least Developed Countries, entailing:

- ✦ Strengthening policy and institutional reform processes in LDCs for SME development
- ✦ Trade and investment promotion through business matching in the region
- ✦ Extension service capability strengthening for SME promotion agencies
- ✦ Marketing capability strengthening of SME promotion agencies

The second project focus area will be strengthening the South-South and Triangular Cooperation for technology transfer and investment in the region entailing:

- ✦ Promoting technology transfer by SMEs among participating countries including Japan, Korea and Taiwan-Province of China as well as other countries with good practices that will be identified during the course of project implementation.
- ✦ Promoting SMEs investments including from Japan, Korea and Taiwan-Province of China.

The third area will entail training of trainers from SME promoting agencies who will in turn train entrepreneurs in their respective countries.

Upon the first meeting of the Project Board, a review of the Results and Resources Framework (RRF) will be undertaken and decisions will be made to finalize the Annual Work Plan to be implemented for the project period depending on available resources. The proposed training providers are indicated in Annex 7.

3. Strengthening the capacities of TECHNONET Asia and the SS-GATE system-related facilities

The project will harness the organizational capability of TECHNONET Asia and its SS-GATE system-related facilities (e.g. new Workstations) to achieve the stipulated outputs and facilitate the expansion of the network from the current eight (8) TECHNONET member countries up to 22 countries.

The current members of the TECHNONET network are Bangladesh, Brunei, Malaysia, Nepal, Republic of Korea, Sri Lanka, Thailand and Vietnam. The project will prioritize the engagement of 5 LDC countries in the region including: Bhutan, Cambodia, Lao PDR, Maldives, and Timor-Leste. Another eight (8) potential members include China, India, Indonesia, Iran, Mongolia, Pakistan, Philippines and Singapore. The projections for new membership are based on

the expressions of interest given to TECHNOMET Asia during the workshop called to discuss a new business plan which took place in January 2008.

4. Extending Partnerships

TECHNOMET Asia and SS-GATE will avail some of the activities under this project to TECHNOMET Africa and subject to resource availability, will bring in POs and entrepreneurs to Asia or send consultants to Africa. Under the SS-GATE system, UNDP is already collaborating very closely with the United Nations Industrial Development Organisation (UNIDO). The project will ensure harmonization with UNIDO activities in the Region and under the SS-GATE system.

The project will explore opportunities for collaboration in training and issuance of certificates jointly with techno-preneur course offering universities and vocational training institutions.

5. Extending the benefits to the entire SMEs in member countries

The beneficiaries of the project assistance will include the Participating Organizations in each of the member countries who will be able to enlist skills in other countries to support SME development in their countries. The SMEs in the member countries will benefit from the support services, new technologies and investments. Ultimately the people in the member countries will benefit from increased SME activity and employment creation. The participating organizations in each country will be engaged by the project, the priority needs for SMEs will be identified by the participating organization and a work plan developed and implemented.

6. Paying special attention to gender aspects of SMEs

The project strategy will require TECHNOMET Asia and participating organizations to keep gender disaggregated data on ownership of enterprises and composition of employees in assisted enterprises with a view to encourage a better gender balance in such institutions. In the past TECHNOMET Asia has not been, and in turn, did not require Participating Organisations to provide such gender disaggregated data. The project will enlist the support of the gender advisers in the UNDP Regional Centre in Bangkok for monitoring project efforts at gender mainstreaming. TECHNOMET Asia will encourage the member countries to enroll women's organizations as members of the network and the Project Board will monitor this aspect during progress reporting.

7. Enhancing resource mobilization and exit strategies

✦ Mobilizing resources from donors and the governments of emerging countries.

Some funds will be mobilized not only from traditional donors but also from the governments of new development partners. Some mechanisms may include joint programmes, parallel financing and in-kind contribution by host government.

✦ Collecting service fees from successful business partners in SS-GATE operation

"SS-GATE TECHNINET Asia" will be operated on a cost-recovery basis. Therefore service fees will be collected from the business partners for feasibility studies, technical consulting, legal advice, financial facilities and other services provided. The Special Unit for South-South Cooperation will provide core funding to TECHNINET Asia through the SS-GATE system programme. See Annex 6 on financial support from SS GATE to TECHNINET Asia.

III. Results and resources framework

<p>Intended Outcome: The Countries in Asia make progress in achieving the Millennium Development Goals through SME growth and poverty reduction.</p> <p>Outcome indicators: Newly created jobs and income generated by SMEs in member countries that will benefit from the project.</p> <p>Partnership Strategy: TECHNONET Asia and SS-GATE System will be implementing partners. These partners need capacity strengthening. The SU/SSC will approach other partners to provide resources or financing for the unfunded part of the project. TECHNONET Asia will explore opportunities for joint training and certification with universities and vocational training institutions. TECHNONET Asia will support TECHNONET Africa by extending services provided in Asia to Africa. The UNDP Regional Centre in Bangkok will help to monitor gender mainstreaming and capacity development under the project.</p> <p>Project Title and ID: South-South and Triangular Cooperation for SME Development in Asia</p>				
Intended outputs	Output Targets	Indicative Activities	Collaborating Partners	Inputs
<p>1. SME policies and institutions reformed in 5 Least Developed Countries (LDCS)</p>	<p>1.1 30 Policy makers trained</p> <p>1.2 90 Senior Managers trained</p> <p>1.3 SME promotion policies and institutions reformed in 5 LDCs (Financing, technology transfer, organizational framework, trade promotion, taxation, and industrial extension)</p>	<p>1.1.1 Organize policy seminars for policy makers (Minister level)</p> <p>1.2.1 Organize institution seminars for senior managers (Permanent Secretary, DG level)</p> <p>1.3.1 Organize national seminars for SMEs by SME agencies and consultant teams</p> <p>1.3.2 National reform teams established</p>	<p>✦ Japan International Cooperation Agency (JICA)</p> <p>✦ United Nations Industrial Organization (UNIDO)</p> <p>✦ Thailand International Cooperation Agency (TICA)</p> <p>✦ Government of Malaysia</p> <p>✦ National Institute for Entrepreneurship and Small Business Development (NIESBUD-India)</p> <p>✦ Federation of Indian Micro, Small and Medium Enterprises (FISME).</p> <p>✦ Asia Productivity Organisation (APO)</p> <p>✦ Korea Institute of Science and Technology</p> <p>✦ Industrial Development Board of Ceylon</p>	<p>Consultants 16 consultants @4,000 per person =\$64,000</p> <p>2 training workshops @\$60,000 =\$120,000</p> <p>1 training workshop in other countries@\$50,000 =\$50,000</p> <p>Subtotal \$234,000</p>

<p>02. SME Technology transfer and investment promoted in the selected countries</p>	<p>2.1 Staff of the secretariat of TECHNONET Asia trained</p> <p>2.2 The software of the SS-GATE TECHNONET Asia developed by the middle of 2010</p> <p>2.3 Business matching system operational for region by end of 2010</p> <p>2.4 100 successful business matches concluded of which 30% are for LDCs.</p>	<p>2.1.1 Train trainers of SS-GATE</p> <p>2.1.2 Train the staff of secretariat of TECHNONET Asia</p> <p>2.2.1 Develop the TECHNONET Asia version of the SS-GATE system</p> <p>2.3.1 Train operational staff of POS</p> <p>2.3.2 Operate the SS-GATE System, TECHNONET Asia to facilitate business matching in Asia region</p> <p>2.3.3 Organize Global Climate Change Technology Exchange seminars for entrepreneurs.</p> <p>2.3.4 Organize joint events in collaboration with SS-GATE and Workstations</p> <p>2.4.1 Link the business matching system with Japan, Korea and Taiwan- Province of China</p>	<p>SS-GATE, Japan External Trade Organisation (JETRO), UNIDO, International Finance Corporation (IFC), Korea International Cooperation Agency (KOICA) Korea Trade Agency (KOTRA), Malaysia Trade Export Promotion Agency</p>	<p>Modification and software maintenance Track I and IV \$20,000</p> <p>Track I training workstation staff=\$90,540</p> <p>Track I training of staff members \$20,400</p> <p>Track IV training workstation staff@90,540</p> <p>Track IV training of staff members \$20,400</p> <p>Joint events, expo and trade fairs \$60,000</p> <p>Subtotal \$301,880</p>
<p>3. Extension service capability of SME promotion agency strengthened</p>	<p>3.1 The extension service delivery system strengthened in PO countries</p> <p>3.2 50 trainers for extension services trained</p>	<p>3.1.1 Follow up policy seminars to implement the extension system reforms</p> <p>3.2.1 Organize "Extension service" seminars in Thailand to train trainers</p>	<p>JICA UNIDO SME agency in Japan and Korea TICA NIESBUD-India</p>	<p>28 workshops in 12 countries @\$1,000 per workshop \$28,000</p> <p>16 consultants @\$4,000 per consultant =\$64,000</p> <p>1 workshops @\$60,000</p>

	<p>3.3 200 extension officers trained in member countries</p> <p>3.4 1000 SMEs management improved by adopting extension delivery services</p>	<p>3.3.1 Organize local seminars for extension officers by 20 experts to 9 LDCs</p> <p>3.3.2 To train at least 30 extension officers in 5 LDCs</p> <p>3.4.1 Deliver extension services to SMEs</p>	<p>each =\$60,000</p> <p>Subtotal \$152,000</p>
<p>4 Exporting capability of SME promotion agencies strengthened</p>	<p>4.1 Export marketing strategy established and institutions reformed in 5 LDCs</p> <p>4.2 50 Trainers trained in 5 LDCs</p> <p>4.3 250 Entrepreneurs trained for export marketing</p> <p>4.4 The number of SMEs with increasing exports increased</p> <p>4.5 The number of SMEs with international competitiveness increased based on increased exports from 2009.</p>	<p>4.1.1 Follow up policy seminars to implement the exporting systems reforms</p> <p>4.2.1 Organize trainers training courses in Malaysia</p> <p>4.3.1 Organize export marketing seminars in PO countries</p> <p>4.4.1 Organize quality standard and inspection courses for LDCs</p> <p>4.5.1 Organize "competitive export" courses for middle income countries</p>	<p>12 workshops in 12 countries @\$1,000 =\$12,000</p> <p>12 consultants @\$4,000 =\$48,000</p> <p>1 workshop @\$60,000 =\$60,000</p> <p>Subtotal \$120,000</p>
<p>5. The network of TECHNONET Asia strengthened and exit strategy</p>	<p>5.1 The secretariat of TECHNONET Asia relocated to Kuala Lumpur by June 2010</p> <p>5.2 The capacity of the TECHNONET Secretariat strengthened through recruitment of 3 staff members</p>	<p>5.1.1 Move the secretariat from Singapore to Kuala Lumpur</p> <p>5.2.1 Recruit Project Manager</p>	<p>TA =\$8,000</p> <p>Mission costs, \$10,000</p> <p>SIRIM Facilities: \$217,600</p> <p>SIRIM staff time \$84,300</p>
	<p>↓ JETRO ↓ Government of Malaysia ↓ External Trade ↓ Development Corporation (MATRADE)</p> <p>↓ TECHNONET Asia ↓ United Nations Economic ↓ Commission for Asia and ↓ the Pacific (UNESCAP) ↓ ADB ↓ SIRIM ↓ UNV</p>		

implemented.	5.3 Member countries increased from 8 up to 22 and Participating Organizations increased up to 40. 5.4 New partnerships for collaboration established with existing systems, networks and institutions.	5.3.1 Identify candidate POs in member countries 5.3.2 Negotiate and sign up PO candidate institutions 5.4.1 Organize a regional forum for SME development in collaboration with ESCAP, JICA and ADB 5.4.2 Conclude partnerships with existing system, networks and institutions	† IFC † JICA † UNIDO	Subtotal \$319,900
Total				\$1,127,780
7% GMS	On \$516,000 only			\$36,120
Total + GMS				\$1,163,900

IV. Management arrangement

Justification for Direct Execution

This project will be implemented under "UNDP Direct Execution" by the UNDP Country Office in Malaysia. Direct Execution means that the UNDP country office will manage and be accountable for the financial resources provided for the project and with the UNDP Special Unit for South-South cooperation, will report progress and disbursement of funds to the donor. See Annex 8 for the Country office responsibility in financial management. The UNDP Resident Representative in Malaysia will be the Principal Project Resident Representative. This modality will ensure efficient outreach of the project to Participating Organisations through other UNDP country offices in member countries. If required, institutional arrangements will be formalized between UNDP Malaysia and TECHNUNET Asia/SS-GATE that will enable fund advances to be made for efficient project implementation.

Institutional Roles

UNDP Malaysia

Under the Direct Execution modality (DEX), the UNDP country office will coordinate the implementation of the project in line with recommendations of the Project Board including the following:

- Management of the Project resources;
- Supervision of the Project Manager in relation to the implementation of this project including activity planning, project monitoring, reporting and capturing lessons learnt;
- Facilitate outreach to participating organizations in the region through other UNDP Offices;
- The Project Manager, under supervision by the UNDP Country Office (UNDP Malaysia' South-South Cooperation for Development Programme Manager), will prepare a Work Plan in consultation with TECHNUNET Asia and SS-GATE at project inception and at the beginning of each year after that. The Work Plan will be submitted to the Project Board through the UNDP Office.

Special Unit for South-South Cooperation (SU/SSC)

The Special Unit for South-South Cooperation (SU-SSC) will assume the overall responsibility for the broader programme under which the project falls, including;

- Conducting strategic planning and partnership building for the SS-GATE System
- Mobilizing resources
- Coordinating budget
- Consolidating the legal issues for the overall operation
- Supporting the UNDP Country Office
- Leadership of the Project Board

Project Board

The UNDP country office in Malaysia, the Special Unit for South-South Cooperation, TECHNUNET Asia, SS-GATE, SIRIM Berhad and member country Participating Organisations from 2 Least developed Countries will constitute the Project Board. The function of the Project Board is to direct and confirm the progress of the project. The meetings of the Project Board will be annual and will take place following the compilation of the Annual Review Report. The Project Board will also approve the Annual Work Plan. (See Annex 3: Composition of the Project Board).

Regional Centre in Bangkok (RCB)

The South-South Unit, the Regional Centre's gender specialists and the capacity development specialists will provide support to the project on demand from the Project Board.

JICA and other donors

JICA and other donors will be invited to participate as observers and provide technical input to the Project Board. At the same time, the donors will link up this project with their existing programmes for collaboration as much as possible and to generate synergy.

TECHNUNET Asia and SS-GATE

TECHNUNET Asia and SS GATE will be important partners. They will be part of the Project Board and some project activities will be jointly led by the project and TECHNUNET Asia or SS-GATE. As a takeoff from the TECHNUNET Asia business plan to the project, a review meeting similar to the one held in January 2008 in Bangkok will report progress to collaborating partners, the interested participating organizations and other potential member institutions in countries targeted for the expansion of TECHNUNET Asia as soon as this project is approved.

SIRIM Berhad

The Standards and Industrial Research Institute of Malaysia (SIRIM Berhad) is one of the founding members of Technonet Asia. As a participating organization in Malaysia, it is also currently holding the chairmanship of TA governing Council and has offered to host the TECHNUNET Asia Secretariat. As one of the leading organisations in Malaysia in industrial research, standardisation and conformity assessment and SME Development and technology transfer, SIRIM has indicated its commitment to provide support to TECHNUNET Asia for SME support through its wealth of experience and resources, expertise and sharing of experience in promoting SMEs in Malaysia. Furthermore, they will provide administrative support to TECHNUNET Asia. Further benefits of this association for TECHNUNET Asia will include use of SIRIM training facilities, meeting facilities, a resource centre, administrative and communication services such as photocopying, faxing, telephone line and office space (to be negotiated) at favourable rates, and a location close to the international airport. SIRIM Berhad

will facilitate access to international organization status to be conferred on TECHNONET Asia by the government of Malaysia. (See Annex 4: SIRIM Berhad's contribution).

Monitoring Framework and Evaluation

The Project Manager will be responsible for undertaking the Atlas required project management activities including activating and updating an issues log, activate and update a risk log, prepare a quarterly progress report, update the lessons learnt log, activate and monitor a monitoring schedule plan.

The Project Manager will prepare an Annual Review Report for sharing with members of the Project Board. An Annual Project Review by the Project Board will consider the Annual Project Review Report and the Annual Work Plan for the following year. The Annual Review Report will assess the progress made towards the stipulated outputs. A Final Project Review will be undertaken on the last Quarter of the year of Project implementation and will emphasize lessons learnt. An evaluation will be undertaken at the terminal phase of the project to review the outcomes and the outputs achieved by the project. The Project Board will monitor progress made on compiling gender disaggregated data under the project.

VI. Legal Context

All activities stipulated in the Project Document shall be implemented as stated in this document. However, should there be a need to make changes or modifications to any of the agreed activities, consultations shall be facilitated among SU/SSC, UNDP Malaysia, and other major stakeholders. The following amendments may be made:

- Revisions in, or addition to, any of the Annexes to the project document.
- Revisions which do not result in major changes to the project objectives or outputs, and which are attributed to a reordering/scheduling of the project's activities or inputs in order to improve achievement of the project objectives or outputs.

ANNEX 1: Work plan and budget (2010-2013)

Expected Output 2010	Key Activities	Q1	Q2	Q3	Q4	Budget Description	Japan Partnership Fund	Others	Remarks
1. SME policies and institutions reformed in 6 LDCs	1- Planning Meeting for LDCs.				X	71600 Travel	\$30,000		Planning workshop for policy makers from Bhutan, Sri Lanka, Bangladesh, Nepal and Laos.
2. SME Technology Transfer and investment promoted in the region	1-Planning meetings Project. TECHNINET ASIA and South-South GATE				X	71600 Training	\$14,000		Mutual capacity development and preparation of a joint annual work plan between SS GATE and Project.
					x	71600 travel	\$10,000	\$10,000	
5. TECHNINET Asia relocated to Malaysia and secretariat enabled to follow up on January 2008 recommendations	1. Mission cost				X	71600 Travel	\$4,000		To set up project in SIRIM and support registration etc.
							\$58,000	\$10,000	
							\$4,060		
							\$62,060	\$10,000	
Expected Output 2011	Key Activities	Q1	Q2	Q3	Q4	Budget Description	Japan Partnership Fund	Others	Remarks
1. SME policies and institutions	1- Seminar policy makers.								

reformed in 6 LDCs	2. Training for Senior Managers 3. Seminars for SMEs and consultant teams	x	71300	travel National Consultants	\$50,000 \$24,000	1 workshop in Japan 6 consultants @\$4000	
	2. SME Technology Transfer and investment promoted in the region	1-Modified software development through contract					
		2. Track 1 training, 50 people					
		3.Track I Staff Training					
		4. Track IV, 50 people	X	71600	Training	\$90,540	SS GATE
	4. Joint events such as trade fairs						
		5. Track IV staff training	X	71600	Training	\$20,400	SS GATE
	3. Extension service capability of SME promotion agency strengthened						
		1 Four (4) workshops per country per year	X	71600	Travel	\$12,000	
		2-Consultants	X	71300	National Consultants	\$24,000	
	3. 1 workshop per year in	X	71600	Travel	\$60,000		

	Japan																						
4. Exporting capability of SME promotion Agencies Strengthened																							
	4. Four workshops in other countries, 30 people.																						
	1 Training of trainers																						
	2-Consultants																						
	3. 1 workshop per year in Japan																						
	4. Entrepreneur training																						
5. TECHNONET Asia relocated to Malaysia and secretariat enabled to follow up on January 2008 recommendations																							
	1. Mission cost																						
	2. Removal from Singapore to KL																						
	3- 3 Short term consultants @\$10,000 per w/m																						
	4. Personnel (Senior Officer, Officer, and admin Clerk) part timer																						
	Review business plan																						

Expected output 2012	Key Activities	Q1	Q2	Q3	Q4	Budget Description	Japan Partnership Fund	Others	Remarks
	Subtotal						\$254,000	\$231,573	
	7% GMS						\$17,780		
	Total 2011						\$271,780	\$231,573	\$503,353
1. SME policies and institutions reformed in 6 LDCs	1- Seminar policy makers. 2. Training for Senior Managers 3. Seminars for SMEs and consultant teams		x	X	X	Travel	\$60,000		1Workshop in Japan
2. SME Technology Transfer and investment promoted in the region	1-Modified software development through contract. 2. Track 1 training, 50 people 3.Track I Staff Training 4. Track IV, 50 people 5. Track IV staff training 4. Joint events				X	National Consultants	\$16,000		4consultants @\$4000

	such as trade fairs				x	71600	Training		\$20,000	SS GATE
3. Extension service capability of SME promotion agency strengthened	1 Four (4) workshops per country per year				X	71600	Travel	\$12,000		
	2-Consultants			X	X	71300	National Consultants	\$24,000		
	3. 1 workshop per year in Japan			X	X	71600	Travel			
	4. Four workshops in other countries, 30 people.			X	X	71600	Travel			
4. Exporting capability of SME promotion Agencies Strengthened	1. Training of trainers				X	71600	Travel	\$4,000		Four (4) workshops per country per year
	2-Consultants			X	X	71300	National Consultants	\$16,000		
	3. 1 workshop per year in Japan			X	X	71600	Travel			
	4. Entrepreneur training				X	71600	Travel			
5. TECHNONET Asia relocated to Malaysia and secretariat enabled to follow up on January 2008 recommendations	1. Mission cost	X		X	X	71600	Travel	\$2,000		
	2-Removal from Singapore to KL			X		74500	Misc.			
	3- 3 Short term consultants @\$10,000 per									

	w/m	Q1	Q2	Q3	Q4	Budget Description	Natl. Cons			SIRIM
	4. Personnel (Senior Officer, Officer, and admin Clerk) part timer	x	x	x	x	71300	Office, communications		\$28,100	SIRIM
	Review business plan	x	x	x		74500			\$72,534	SIRIM
	subtotal							134,000	\$120,634	
	7% GMS							\$9,380		
	Total 2012							\$143,380	\$120,634	\$264,014
Expected Output 2013	Key Activities	Q1	Q2	Q3	Q4	Budget Description		Japan Partnership Fund	Others	Remarks
1. SME policies and institutions reformed in 6 LDCs	1- Planning Meeting for LDCs.				X	71600	Travel	\$30,000		Planning workshop for policy makers from Bhutan, Sri Lanka, Bangladesh, Nepal and Laos.
3. Extension service capability of SME promotion agency strengthened	1- Extension service delivery Training				X	71600	Travel	\$4,000		1 workshop per country in four countries
	2. Consultants 4 per year @\$4,000			X	X	71300	National Consultants	\$16,000		
	3. 1 workshop in Japan				X	71600	Travel			
	4. 1 Training of trainers				X	71600	travel			Workshop in other countries

4. Exporting capability of SME promotion Agencies Strengthened	1 Training of trainers						X	71600	Travel	\$4,000		Four (4) workshops per country per year
	2-Consultants						X	71300	National Consultants	\$16,000		
	3. 1 workshop per year in Japan						X	71600	Travel			
	4. Entrepreneur training				X		X	71600 71600	Travel			Four workshops in other countries, 30 people.
5. TECHNINET Asia relocated to Malaysia and secretariat enabled to follow up on January 2008 recommendations	1. Mission cost			X			X	71600	Travel			
	2-Removal from Singapore to KL			X			X	74500	Misc.	\$8,000		TA own resources
	3- 3 Short term consultants @\$10,000 per w/m						X	71300	Natl. Cons	\$28,100		SIRIM
	4. Personnel (Senior Officer, Officer, and admin Clerk) part timer						X	74500	Office, communications	\$72,533		SIRIM
	Review business plan											
	Subtotal									\$70,000		
	7% GMS									\$4,900		
	Total (2013)									\$74,900		\$249,573
												\$324,473

Annex 2- Technonet Asia's Experience in Delivering on the Four Project Outputs.

The strength of TECHNOMET Asia lies in the capacity of its Participating Organisations and other development partners that it has worked with over the years. The Secretariat of Technonet Asia acts as facilitator to identify the strongest Participating Organisations, partners and consultants in each area of support to SMEs. TECHNOMET Asia has worked in all the four output areas as indicated in this Annex. Furthermore, greater detail of activity and achievement in these four outputs is documented in the TECHNOMET ASIA Corporate Capability Profile.

Over its existence, Technonet Asia has been a partner to bilateral and multilateral agencies and developed a broad range of knowledge to facilitate its support to the SME sector. Some of the examples are as follows: (1) Japan International Cooperation Agency: Techno-Economic Research Study on sharing of technology among ASEAN SMEs and transfer of technology from developed countries; (2) CIDA: Joint ventures, technology transfer, direct investment facilitation, licensing agreements, and Canadian technical assistance to Asian private sector; (3) USAID: Managerial training for ASEAN focused on industry, minerals and energy sectors; (4) UN Agencies: ILO/UNDP: Support to Sri Lanka national product design Centre to produce products for tourist market, Upgrading cottage industries in Bangladesh; UNIDO: options and strategies for machine tool industry in ASEAN; UNIDO/UNESCAP, focused on computer aided systems for small and medium scale enterprises in the engineering sector. There are several more activities undertaken with bilateral and multilateral partners and TECHNOMET Asia.

Although the TECHNOMET ASIA has satisfactorily managed the project resources from the UNDP Special Unit for South-South Cooperation in the past, in this project financial resources will be managed by the UNDP country office under the Direct execution modality. That means the accountability for the project resources will be bestowed on the UNDP Country Office.

Funds will be advanced to TECHNOMET ASIA by the UNDP Country offices based on a workplan endorsed by the Project Board. In accordance with UNDP practices on advancement of funds, Technonet Asia will provide progress reports including a quarterly financial disbursement report. No further funds are advanced by the Country office if the reporting does not meet the standard requirements for reporting on advanced funds.

Examples of TECHNUNET Asia's Experiences

Output	Description of Intervention	Results
SME Policies and institutions reformed in 5 Least Developed Countries (LDCs)	The Standards Industrial Research Institute of Malaysia (SIRIM) and the Department of Industrial Promotion in Thailand have extensive experience and have been used to reform similar institutions in Africa in collaboration with other SME promotion agencies in the two countries.	The two POs are still cooperating with the TA Secretariat and are offering assistance to other POs and SMEs.
SME Technology transfer and investment promoted in the Region	TA undertook the following: Matching technology suppliers and seekers; technology search on behalf of enterprises; review of technologies; provision of technical consultants promotion of technology adoption, technology database and investment promotion and facilitation. Projects supported by JICA, CIDA, GTZ, ILO, UNIDO/ESCAP, Foundation for international Training (Canada) and Universities.	Examples include project on exchange of technology among ASEAN SMEs and transfer of technology from developed countries; facilitating joint ventures and technology transfer; project focusing on engineering projects; and training on accessing technology.
Extension service capability of SME promotion agency strengthened	In its first 10 years, Technonet Asia focused on extension services and built a network of extension officers. Over 40 Extension officers training courses conducted, from which Indonesia, Malaysia, and Thailand were greatly benefitted. Their experiences will be fully shared by other developing countries.	Over 2000 industrial extension officers trained. An industrial extension practitioners training manual published with collaboration of IDRC. A handbook for women entrepreneurs published.
Exporting capability of SME promotion agencies strengthened.	Specialized courses to improve production quality, e.g. Packaging of food and pharmaceutical for protection and profitability; Total quality management for achieving excellence in manufacturing and service enterprise; Understanding export requirements and compliance, Packaging design, methodology for product and environment protection; Development of quality software for export conforming to international standards; benchmarking for competitive advantage. The levels of these technologies required vary from country to country; therefore, different courses were designed to meet the needs in each country.	During its existence, TA has partnered with several organizations, focused on entrepreneurial and enterprise development, trained over 1,000 entrepreneurs and practitioners. Countries that received training are Indonesia, Malaysia, Nepal, Philippines, Sri Lanka and Thailand.

ANNEX 3: Project Board Composition (7 people)

Executive: Chief of Partnership and Resource Mobilization Division, UNDP SU/SSC (1)

Alternate: Regional Chief, Asia & Pacific, UNDP

UNDP Malaysia: Resident Representative (RR) or Representative of the RR (1)

Representative from TECHNUNET Asia (1)

Representative from SS-GATE Management (1)

Representative from SIRIM (1)

Representative from LDCs (2)

Project Manager

Responsibilities

The Project Board will be responsible for guiding the Project Manager through the implementation of the project. The Project Board will review annual progress and make recommendations on the direction that the project should take. The Project Board will also review the Annual Work Plan prepared by the Project Manager. At the end of the project the Project Board will help to derive lessons learnt from the implementation of the project.

ANNEX 4: Facilities offered by SIRIM Berhad

The facilities are located 15 minutes from the Kuala Lumpur International Airport in a complex owned by SIRIM Berhad and will be accessible to TECHNOMET Asia and the project. Subject to final negotiation with TECHNOMET Asia, SIRIM will offer the following:

1. Facilities and Services

- ✚ Training centre/ rooms with capacity 100-150
- ✚ Meeting rooms
- ✚ Resource/Information Centre
- ✚ Promotion area, display area or gallery area
- ✚ Multiple offices for Secretariat

2. Communication

- ✚ Internet access
- ✚ Faxing access
- ✚ Telephone access
- ✚ Access to photocopiers

3. Staff time sharing

- ✚ 25% time of a project officer (to be negotiated)
- ✚ Financial and legal advisory services
- ✚ Interlinking TECHNOMET programmes with EPU programmes and Government of Malaysia Ministries, Agencies and other relevant international organisation(s) present in Malaysia such as WAITRO, JICA, etc.

4. Access to SIRIM Company Wide Knowledge, Resources and Professionals

- ✚ Access to SIRIM knowledge bank through expertise both in technical (science, engineering) and management
- ✚ Access to SIRIM network, references, journals etc

ANNEX 5: Terms of Reference for Project Manager

Project Title: South-South and Triangular Cooperation for SME Development in Asia

Post Level: TBA

Duty Station: UNDP Malaysia

Duration: 2009-2012

Background

The project's primary objective is to promote the growth of small and medium enterprises (SMEs) in the Asia Region. A number of countries in the region have grown fast economically and the role played by the SMEs sector is significant. It is in this regard that the Project Board envisages a strong South-South and triangular cooperation for promoting SME growth in the least developed countries of Asia and other countries in the region. This project will use the experiences of various SME supporting institutions that work under the network of TECHNUNET Asia to support SME policy development and reform as well as institutional support through public and private participating organizations. The Project Manager will work closely with TECHNUNET Asia.

Duties and Responsibilities

The Project Manager will be deployed at the UNDP country office in Malaysia or at SIRIM (subject to the decision of the Project Board). The Project Manager will be responsible for implementing the outputs of the project. She/he will be responsible for the overall planning and coordination of the project including the application of UNDP programming guidelines and will also be expected to assist with the mobilization of the resources for the project. The Project Manager, under supervision by the UNDP Country Office (UNDP Malaysia' South-South Cooperation for Development Programme Manager), will prepare a Work Plan in consultation with TECHNUNET Asia and SS-GATE at project inception and at the beginning of each year after that. The Work Plan will be submitted to the Project Board through the UNDP Office.

Specifically, the Project Manager's responsibilities will include:

- 1) Coordinate the detailed planning, implementation and monitoring of the project to achieve the intended Outcomes;
- 2) Set up monitoring tools in Atlas including the Risk log, the issues log.
- 3) Prepare progress reports for submission to the Project Board.

- 4) Prepare for release of project resources according to agreed UNDP processes
- 5) Monitor the use of resources and compile reports
- 6) Organize capacity development activities for TECHNINET Asia
- 7) Liaise with SU/SSC and the Project Board to mobilize resources for the unfunded component of the project.
- 8) Liaise closely with the TECHNINET Asia Executive Director and SS-GATE.

Required Qualifications

- Experience in project/programme management over 10 years. Past experience working on UNDP and/or UN project(s) will be an advantage.
- Experience in SME development/promotion in Asia region or in the private sector.
- Experience in facilitation or training.
- Excellent organizational, networking and outreach skills.
- Masters in Business Administration (MBA) or equivalent degree in Social Sciences.
- Fluency in spoken and excellent writing skills in English.
- Proactive, energetic, committed and innovative.
- Knowledge and sensitivity to gender issues required.

Annex 6 - Financial support from SS GATE to TECHNUNET Asia

Expenses US\$	2010	2011	2012	Total
Track I				
Software development	10,000			10,000
Joint events	10,000	10,000	10,000	30,000
Training operational Staff at work stations	35,600	32,000	32,000	99,600
Training staff in own countries	6,800	6,800	6,800	6,800
Subtotal	62,400	48,800	48,800	160,000
Track IV				
Software development	10,000			10,000
Joint events	10,000	10,000	10,000	30,000
Training operational Staff at work stations	35,600	32,000	32,000	99,600
Training staff in own countries	6,800	6,800	6,800	6,800
Subtotal	62,400	48,800	48,800	160,000
Total (I & IV)	124,800	97,600	97,600	320,000

Annex 7- Proposed Training Programmes under the Project.

Output	Activity	Trainer/Training country
1. SME policies and Institutions reformed in 5 LDCs	1.1 Training policy makers	Malaysia, Thailand, India, Japan, Republic of Korea.
	1.2 Training of Senior Managers	Malaysia, Thailand and investors.
	1.3 SME promotion, national training policy and institutional reform.	Resource people from participating organizations and national consultants.
2. SME Technology transfer and investment promoted in the region.	All activities	All training will be carried out by SS GATE Consultants and trainers as well as trainers from investing companies.
3. Extension service capability of SME promotion agencies strengthened	3.1 Training to strengthen extension service delivery systems policy reforms in member countries	Japan, ROK, Thailand and consultants from selected Participating Organisations.
	3.2 Extension service workshops/seminars	Resource people trained by Technonet Asia in earlier phases engaged from relevant Participating Organizations.
	3.3 Training of extension officers	Resource people trained by TA in earlier phases engaged from relevant Participating Organizations.
4. Exporting Capability of SME's strengthened	4.1 Export Marketing Seminars in 5 LDCs	Japan, India, Malaysia, China and Taiwan Province of China.
	4.2 Training 50 trainers in export capability- through standards and Quality development	Malaysia through SIRIM
	4.3 National training in export capability	Resource people from PO's
	4.4 Quality and standards training	Malaysia Through SIRIM

Annex 8- Country Office Role in Project Management

- As a result of approval of the project document, the CO will approve project in Atlas.
- Following the approval of the award, the project budget needs to be entered in Atlas.
- The project structure (award/output/activity relationship) set up in Atlas should reflect the results framework as approved in the Project Document, and should be compliant with UNDP's Results Management Guide.
- Particular attention should be paid to the definition of activities (deliverables) that can be measured and monitored, as the system will require specific information about quality criteria and methods, which will then have to be regularly updated through the Activity Quality Log in Atlas.
- The project pages in Atlas should be used for project management purposes (including risk and issue logs, quality assessment, etc.)
- The project is sent to Commitment Control (KK) by the UNDP Assistant Resident Representative after every budget revision or approval of work plan. An Annual Work Plan (AWP) should be printed to review the project framework for the year. AWP's are to be signed by the project manager and ARR. Signed AWP's should be uploaded to Atlas.
- Projects with a cost-sharing component require additional steps, both outside and in Atlas.
- If a Project is subject to non-core funding, a cost-sharing agreement must be signed with the donor. Prior to the signature of the cost sharing agreement it should be reviewed from legal and financial perspective. The country office will ensure that the GMS is established in accordance with the UNDP policy.
- The country office will require a financial review to take into account the distribution of receipts and compare this distribution with the AWP inputs and verify that the distribution matches the "cash" requirements of the project, that the GMS calculation is accurate (both in terms of amounts and correct account codes), and that banking information is correct.
- Signed cost-sharing agreement should be uploaded to ATLAS, and/or other knowledge management portal, by the Country Office as soon as it is signed.
- It is the responsibility of Project Manager under supervision by ARR to 1) set up AR pending item (i.e., contributions receivable) in Atlas as soon as a cost-sharing agreement is signed, and 2) follow-up of receipt of the contribution from donor. Once AR pending item is set-up, the Project Manager is required to notify Finance of the pending item ID, so that Finance can clear the item once the contribution is received.
- In the interim, the project can be entered into Atlas. However, only activities with core resources should be entered and sent to KK. Activities with non-core resources should not be entered into Atlas prior to receipt of confirmation from Finance Unit that the contribution has been received.

- Review of GMS distribution should be done by ARR at the "sending to KK" stage, together with review of the percentage of GMS to ensure that it is set up in accordance with the signed contribution agreement.
- Following receipt of this confirmation, the ARR should inform the project manager for onward action to enter this portion into Atlas and eventually sending the non-core portion of the project to KK.
- If the project is to commence immediately and if core resources are sufficient to kick-start the activities, the portion with core funding can be sent to KK first. When non-core funding confirmation is received, a budget revision can be made to incorporate non-core funding and this budget revision can be sent to KK too.

During the implementation stage, the project manager, should regularly review the cash status of non-core projects to ensure that at all times there is available cash to continue with expenditures. Responsibility in doing regular review of project expenditure against budget (budget includes ASL and available cash) rests with Project Manager.

In view of the fact that the project manager will be seconded from SIRIM, the country office will have an important role to play in project management as above in addition to quality assurance, ensuring all relevant reporting is done and supporting the outreach of the project to other countries.