

**United Nations Development Programme  
Country: Malaysia  
Project Document**

<b>Project Title</b>	<b>Institutional Strengthening and Capacity Development of the Malaysian Public Sector (ISCD)</b>
<b>UNDAF Outcome(s):</b>	N/A
<b>Expected CP Outcome(s):</b> <i>(Those linked to the project and extracted from the CP)</i>	<ol style="list-style-type: none"> <li>1. The priority human development challenges of Malaysia, including growing inequality, addressed;</li> <li>2. Enhancing environmental management of biodiversity and natural resources, including water resource management;</li> <li>3. Climate change mitigation and adaptive initiatives implemented;</li> <li>4. Incorporation of environmental considerations into planning and development of non-environmental agencies.</li> </ol>
<b>Expected Output(s):</b> <i>(Those that will result from the project)</i>	<p><b>Output 1:</b> Strategic activities and initiatives that contribute to national policy formulation and development, including support for the enumeration of policy options and alternatives.</p> <p><b>Output 2:</b> Activities to strengthen understanding and knowledge of national policymakers on emerging global development trends, share Malaysia's best practices and experiences, and support national reporting of relevant UN conferences and international agreements.</p>
<b>Executing Agency:</b>	Economic Planning Unit, Prime Minister's Department
<b>Implementing Agencies:</b>	Various Ministries and Agencies to be determined

**Brief Description**

An umbrella project for a period of 2 years (2011-2012) that focuses specifically on strategic and well-defined upstream sectoral interventions with high catalytic impact to respond rapidly to changing political, social and economic conditions with clear linkage to the priorities outlined by the country's National Mission's 5 Thrust Areas; 10<sup>th</sup> Malaysia Plan; and UNDP's Country Programme 2008-2012. The project will also enable the provision of capacity building initiatives that strengthens the Malaysian public sector on key development trends and agenda.

Programme Period:	2011-2012 (Two years)
Key Result Area (Strategic Plan)	
1) Capacity-building and development: the overarching contribution of UNDP	
2) Poverty eradication and achievement of internationally agreed development goals, including the MDGs	
3) Democratic governance	
4) Crisis prevention and recovery	
5) Environment and sustainable development	
6) Gender equality and the empowerment of women	
Atlas Award ID:	
Start date:	January 2011
End Date	December 2012
PAC Meeting Date	

2011 AWP budget:	USD 310,000
2012 AWP budget:	USD 500,000
GMS fee 6% (inclusive)	USD 36,600
Total resources required:	<b>USD 846,600</b>
Total allocated resources:	
Government CS	USD 646,600
TRAC	USD 200,000

Agreed by (Government)

---

Agreed by (UNDP):

---

## TABLE OF CONTENTS

I. Situation Analysis .....	4
II. Strategy.....	5
III. Results and Resources Framework .....	8
IV. Annual Work Plan .....	10
V. Management Arrangements.....	13
VI. Monitoring Framework And Evaluation.....	16
VII. Legal Context .....	19
ANNEX I: PROJECT BUDGET .....	20
ANNEX II: RISKS AND MITIGATION .....	21
ANNEX III: FINANCIAL ARRANGEMENTS.....	22
ANNEX IV: UNDP ANNUAL WORK PLAN MONITORING TOOL.....	23
ANNEX V: TERMS OF REFERENCE: NATIONAL STEERING COMMITTEE (NSC) .....	25
ANNEX VI: TERMS OF REFERENCE: TECHNICAL REVIEW COMMITTEE (TRC) .....	26
ANNEX VII: TERMS OF REFERENCE: EXECUTING AGENCY .....	27
ANNEX VIII: TERMS OF REFERENCE: REQUESTING AGENCY/ IMPLEMENTING AGENCY .....	28
ANNEX IX: PROJECT ANNUAL PROGRESS TEMPLATE .....	29
ANNEX X: FACE FORM AND DIRECT PAYMENT .....	30
ANNEX XI: SUPPLEMENTAL PROVISIONS TO THE PROJECT DOCUMENT .....	31
ANNEX XII: LETTER OF AGREEMENT BETWEEN UNDP AND THE GOVERNMENT OF MALAYSIA FOR THE PROVISION OF SUPPORT SERVICES UNDER NATIONAL EXECUTION .....	36

## **LIST OF ABBREVIATIONS**

<b>APR</b>	Annual Progress Report
<b>AWP</b>	Annual Work Plan
<b>CP</b>	Country Programme
<b>CPAP</b>	Country Programme Action Plan
<b>CS</b>	Cost Sharing
<b>EPU</b>	Economic Planning Unit, Prime Minister's Department
<b>FACE</b>	Funding Authorisation and Certificate of Expenditures
<b>HACT</b>	Harmonized Approach to Cash Transfer
<b>NEX</b>	National Execution
<b>MDG</b>	Millennium Development Goals
<b>NIM</b>	National Implementation Modality
<b>NSC</b>	National Steering Committee
<b>SBAA</b>	Standard Basic Assistance Agreement
<b>TRAC</b>	Target for Resource Assignment from the Core
<b>TRC</b>	Technical Review Committee
<b>PTWC</b>	Project Technical Working Committee
<b>UN</b>	United Nations
<b>UNDP</b>	United Nations Development Programme

---

## I. SITUATION ANALYSIS

Since the beginning of 2010, the Malaysian government has announced and embarked upon a series of transformative policy directives and institutional and structural reforms in the public sector aimed at moving the nation forward. These reforms aim to ensure the nation is economically competitive and strategically positioned in the regional and global economic landscape, while ensuring and balancing an environmentally sustainable approach that promotes an enhanced quality of life that is all inclusive and encompassing.

These strategic reforms include the overarching governing principles of inclusive development outlined within the *10<sup>th</sup> Malaysia Plan (2011-2015)*, *New Economic Model*, *Government Transformation Programme*, and the *Economic Transformation Programme*. The operationalisation of these strategic reforms have also been put into place in 2010 with the introduction of the *National Key Results Areas*, *Key Performance Indicators* and *Outcome Based Budgeting* for the *10th Malaysia Plan*.

Parallel to these transformations taking place in the public sector, the global community has also increasingly called upon member states to play an active role in participating, supporting and demonstrating its commitments to achievement and provision of universal and global public goods as agreed through UN conferences and international agreements (conventions and protocols). In line with these obligations, all member states are expected to monitor and report periodically on these international commitments.

In line with these transformative reforms at the national level and external obligations to the global community, the strengthening of the institutional capacity building of the Malaysian public sector will be paramount to ensure the successful implementation of these bold transformative changes that have been put into place. It is proposed that the UNDP country office develop an umbrella project that will span for a period of 2 years (2011-2012) that focuses specifically on the institutional capacity building requirements of the public sector.

### **Linkage with UNDP's Strategic Plan**

The *UNDP Strategic Plan (2008-2011)* encourages a direct link between the country office's programming with the *United Nations' General Assembly's Resolutions 59/250 and 62/208* which calls for a more rigorous and systematic approach to support capacity building and development. In line with the spirit of *UNDP Strategic Plan Paragraph 62 (Capacity-building and development: the overarching contribution of UNDP)*, it is proposed that UNDP Malaysia support institutional capacity-building efforts by focusing on the following areas:

- **Capacity assessments:** supporting countries in mapping their capacity assets and needs in relation to what is required to accelerate human development and achieve the MDGs;
- **Capacity-building and development strategies:** facilitating partnerships to support the development of national capacity-building and development strategies based on the assessments, and providing policy and technical services in institutional reform and incentives, leadership capacities, training and learning, and accountability mechanisms;
- **Costing capacity-building and development strategies:** providing a systematic costing of strategies, thus facilitating advocacy for the investments required in national capacity through national and sector strategies; and
- **Monitoring and evaluation of capacity-building and development:** including measurable indicators so that national clients can track progress in capacity development through monitoring and evaluation systems.

---

## II. STRATEGY

### Background

Over the last 14 years and four UNDP programming cycles, the country office has supported the Government of Malaysia and the EPU through two specific umbrella projects. The two projects are as follows:

Project Code: MAL/99/009/009/A/01/99: Development Support Programme

Duration: 2000 – 2010

Project Code: MAL93/015: Support to the Country Programme through Consultancies and Training

Duration: 1996-1999

These initiatives provided avenues for consultancies (policy and/or action oriented research); conducted preparatory and project formulation exercises; training for human resource development of the public sector in Malaysia and abroad; publications; and funding the participation of Malaysian representatives in global and regional development oriented conferences, seminars and workshops. The main functions of both these projects were to facilitate in a flexible manner, a wider coverage of the socioeconomic development concerns through well-targeted small interventions.

The lessons derived from both of the projects noted was that while the flexible modality enabled the UNDP country office to successfully and efficiently support a range of activities to support the national development agenda and to undertake short-term studies, capacity building of the public sector can be further enhanced and strengthened with a clear strategy and structured approach in the selection of the activities and initiatives towards the larger national development agenda. The process of rationalizing and streamlining the capacity building activities, the linkage of participation in international workshops and seminars to the larger strategic policy work of the government will also be significantly enhanced and maximized.

### Proposed Project

This proposed project titled '***Institutional Strengthening and Capacity Development of the Malaysian Public Sector***' (ISCD) will seek to build upon the success of the previous umbrella projects to enhance the capacity of the Malaysian public sector with a renewed emphasis placed on the identification and support to strategic and well-defined upstream sectoral interventions with high catalytic impact to respond rapidly to changing political, social and economic conditions.

Each intervention will only undertaken only if they are not large enough to warrant technical assistance projects (above USD 250,000) and not eligible to be funded from other ongoing projects. The success of this initiative will be measured by tangible results in the appropriate governmental policies, strategies and actions in line with the strategic development priorities of the Government of Malaysia and UNDP's Country Programme 2008-2012.

### **Executing Agency: Economic Planning Unit**

The Economic Planning Unit's Corporate Services and International Section (EPU) will be the Executing Agency of this project and serve as the official Focal Point to UNDP on behalf of the respective Ministries and agencies that will be involved in the implementation of the respective projects and initiatives. EPU will also be responsible to disseminate and clarify information to all relevant ministries and agencies on the funding modality as well as the rules and guidelines of this initiative as outlined by this project document and guidelines determined by the National Steering Committee.

EPU will also be a member of both the *National Steering Committee* (NSC) and the *Technical Review Committee* (TRC) to ensure the relevance of the outputs are in line with the strategic development priorities of the Government of Malaysia. EPU will also ensure that all the related outputs link to support "*Thrust Number 5 of the National Mission: Strengthening Institutional and Implementation Capacity*". It is noted that as the Public Service Department (PSD) is involved in the successful implementation of Thrust Number 5 of the National Mission: *Strengthening Institutional and Implementation Capacity*, EPU will collaborate with PSD in the review of the capacity building initiatives supported through this project.

### **Enabling Partner: United Nations Development Programme (UNDP) Malaysia**

UNDP will provide its technical experience and expertise garnered from its global network of UNDP offices to support the projects/ activities funded under this project. UNDP will also be a member of both the *National Steering Committee* (NSC) and the *Technical Review Committee* (TRC) to ensure the relevance of the outputs are in line with the approach outlined in the *UNDP Country Programme 2008-2012*. UNDP will also play the Project Assurance role in collaboration with EPU.

### **Project Components**

Within the Country Programme Action Plan 2008-2012 (CPAP), the project links to the following CPD Outcomes:

- 1) The priority human development challenges of Malaysia, including growing inequality, addressed;
- 2) Enhancing environmental management of biodiversity and natural resources, including water resource management;
- 3) Climate change mitigation and adaptive initiatives implemented;
- 4) Incorporation of environmental considerations into planning and development of non-environmental agencies.

### **Output 1:**

Strategic activities and initiatives that contribute to national policy formulation and development, including support for the enumeration of policy options and alternatives.

#### Indicative Activities:

- Independent analysis and empirical policy research and/or feasibility studies that examines both short and long-term impact and policy options and alternatives;
- Policy dialogue workshops and consultations with regional and global experts;
- Scenario planning, statistical analysis and modeling;

**Output 2:**

Activities to strengthen understanding and knowledge of national policymakers on emerging global development trends, share Malaysia's best practices and experiences, and support national reporting of relevant UN conferences and international agreements.

Indicative Activities:

- Participation in global and regional workshops, seminars and conferences;
- Preparation of joint UNDP-Government of Malaysia publications and reports for global and regional UN related conferences and events;
- Thematic capacity building training programmes.

Note:

**Due to the nature of this umbrella project to respond quickly to emerging needs of the country over the span of 2 years, individual outputs will not be detailed within the project document. It is however estimated that there will be a number of technical reports, feasibility studies, meetings and workshop papers to result from the various activities supported within each Annual Work Plan.**

### III. RESULTS AND RESOURCES FRAMEWORK

**Intended Outcome as stated in the Country Programme Results and Resource Framework:**

- 1) Effective response to human development challenges and reduction of inequalities
- 2) Improved environmental stewardship through sustainable energy development and environmental management

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

1. The priority human development challenges of Malaysia, including growing inequality, addressed;
2. Enhancing environmental management of biodiversity and natural resources, including water resource management;
3. Climate change mitigation and adaptive initiatives implemented;
4. Incorporation of environmental considerations into planning and development of non-environmental agencies.

More details of the UNDP Country Programme Results and Resource Framework's outcome indicators are available at [http://www.undp.org.my/uploads/CP\\_MAL\\_2008-2012.pdf](http://www.undp.org.my/uploads/CP_MAL_2008-2012.pdf)

**Applicable Key Result Area (from 2008-11 Strategic Plan):**

- 1) Capacity-building and development: the overarching contribution of UNDP;
- 2) Poverty eradication and achievement of internationally agreed development goals, including the MDGs;
- 3) Democratic governance;
- 4) Crisis prevention and recovery;
- 5) Environment and sustainable development;
- 6) Gender equality and the empowerment of women.

**Partnership Strategy**

UNDP will work closely with the other entities within the United Nations development system, as well as with global, regional and national partners, to support capacity-building and development efforts that has been identified and approved for funding under the *ISCD*.



Project title and ID (ATLAS Award ID):				
INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES (BROAD SCOPE)	RESPONSIBLE PARTIES	INPUTS
<p><b>Output 1</b> Strategic activities and initiatives that contribute to national policy formulation and development, including support for the enumeration of policy options and alternatives.</p> <p>Baseline: To be indicated in each corresponding <i>Funding Request</i></p> <p>Indicators: To be indicated in each corresponding <i>Funding Request</i></p>	<p><b>Targets (2011)</b></p> <ul style="list-style-type: none"> <li>▪ At least 3 studies related to related to agreed priority area;</li> <li>▪ At least 2 policy dialogue workshops related to agreed priority areas.</li> </ul> <p><b>Targets (2012)</b></p> <ul style="list-style-type: none"> <li>▪ At least 3 studies related to related to agreed priority areas;</li> <li>▪ At least 2 policy dialogue workshops related to agreed priority areas;</li> <li>▪ At least 1 initiative for scenario planning/ statistical analysis and modelling.</li> </ul>	<ol style="list-style-type: none"> <li>1. Independent analysis and empirical policy research and/or feasibility studies that examines both short and long-term impact and policy options and alternatives;</li> <li>2. Policy dialogue workshops and consultations with regional and global experts;</li> <li>3. Scenario planning, statistical analysis and modeling.</li> </ol> <p><i>(Detailed activities will be outlined in each Funding Request)</i></p>	EPU UNDP Implementing Agencies	<ul style="list-style-type: none"> <li>▪ International Consultants,</li> <li>▪ Local Consultants,</li> <li>▪ Travel,</li> <li>▪ Meetings/ Workshops,</li> <li>▪ Consultation with Stakeholders / Counterparts,</li> </ul>
<p><b>Output 2</b> Activities to strengthen understanding and knowledge of national policymakers on emerging global development trends, share Malaysia's best practices and experiences, and support national reporting of relevant UN conferences and international agreements.</p> <p>Baseline: To be indicated in each corresponding <i>Funding Request</i></p> <p>Indicators: To be indicated in each corresponding <i>Funding Request</i></p>	<p><b>Targets (2011)</b></p> <ul style="list-style-type: none"> <li>▪ Participation of senior policymakers at least 4 regional/ global workshops related to agreed priority areas;</li> <li>▪ At least 2 capacity building training programmes related to agreed priority areas.</li> </ul> <p><b>Targets (2012)</b></p> <ul style="list-style-type: none"> <li>▪ Participation of senior policymakers at least 5 regional/ global workshops related to agreed priority areas;</li> <li>▪ At least 3 capacity building training programmes related to agreed priority areas.</li> </ul>	<ol style="list-style-type: none"> <li>1. Participation in global and regional workshops, seminars and conferences;</li> <li>2. Preparation of joint UNDP-Government of Malaysia publications and reports for global and regional UN related conferences and events;</li> <li>3. Thematic capacity building training programmes..</li> </ol> <p><i>(Detailed activities will be outlined in each Funding Request)</i></p>	EPU UNDP Implementing Agencies	<ul style="list-style-type: none"> <li>▪ International Consultants,</li> <li>▪ Local Consultants,</li> <li>▪ Travel,</li> <li>▪ Meetings/ Workshops,</li> <li>▪ Consultation with Stakeholders / Counterparts,</li> <li>▪ Publications</li> </ul>

#### IV. ANNUAL WORK PLAN

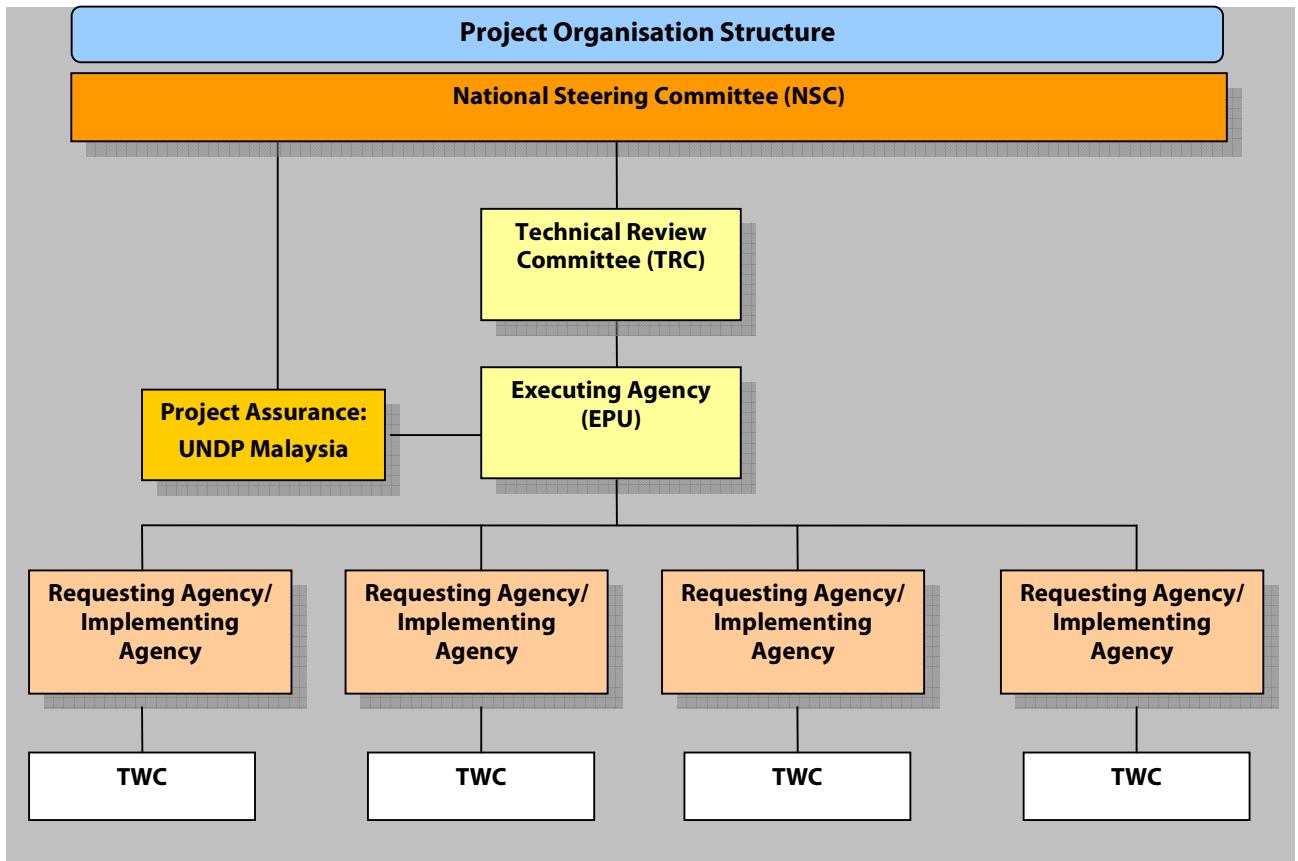
Year: 2011

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount (USD)
<p><b>Output 1</b> Strategic activities and initiatives that contribute to national policy formulation and development, including support for the enumeration of policy options and alternatives.</p> <p>Baseline: To be indicated in each corresponding <i>Funding Request</i></p> <p>Indicators: To be indicated in each corresponding <i>Funding Request</i></p> <p><i>Related CP outcome:</i> 1. The priority human development challenges of Malaysia, including growing inequality, addressed; 2. Enhancing environmental management of biodiversity and natural resources, including water resource management; 3. Climate change mitigation and adaptive initiatives implemented;</p>	<p>Activity Result 1: 1. Independent analysis and empirical policy research and/or feasibility studies that examines both short and long-term impact and policy options and alternatives;</p> <p>2. Policy dialogue workshops and consultations with regional and global experts;</p> <p>3. Scenario planning, statistical analysis and modeling.</p> <p>Associated actions: <i>(Detailed activities will be outlined in each Funding Request)</i></p>	X	X	X	X	<p>EPU UNDP Malaysia Implementing Agencies</p>	TRAC	Consultants	40,000
		Cost Sharing	Consultants	120,000					
		TRAC	Travel	30,000					
		TRAC	Workshop	20,000					

4. Incorporation of environmental considerations into planning and development of non-environmental agencies.									
<p><b>Output 2</b> Activities to strengthen understanding and knowledge of national policymakers on emerging global development trends, share Malaysia's best practices and experiences, and support national reporting of relevant UN conferences and international agreements.</p> <p>Baseline: To be indicated in each corresponding <i>Funding Request</i></p> <p>Indicators: To be indicated in each corresponding <i>Funding Request</i></p> <p><i>Related CP outcome:</i></p> <ol style="list-style-type: none"> <li>The priority human development challenges of Malaysia, including growing inequality, addressed;</li> <li>Enhancing environmental management of biodiversity and natural resources, including water resource management;</li> <li>Climate change</li> </ol>	<p>Activity Result 2:</p> <ol style="list-style-type: none"> <li>Participation in global and regional workshops, seminars and conferences;</li> <li>Preparation of joint UNDP-Government of Malaysia publications and reports for global and regional UN related conferences and events;</li> <li>Thematic capacity building training programmes.</li> </ol> <p>Associated actions: (Detailed activities will be outlined in each <i>Funding Request</i>)</p>	X	X	X	X	EPU UNDP Malaysia Implementing Agencies	<p>Cost Sharing</p> <p>TRAC</p> <p>Cost Sharing</p> <p>TRAC</p>	<p>Travel</p> <p>Workshop</p> <p>Consultants</p> <p>Publications</p>	<p>40,000</p> <p>20,000</p> <p>30,000</p> <p>10,000</p>

mitigation and adaptive initiatives implemented; 4. Incorporation of environmental considerations into planning and development of non-environmental agencies.									
<b>Total</b>									310,000

## V. MANAGEMENT ARRANGEMENTS



### National Steering Committee (NSC)

The NSC will be chaired by the Deputy Director General II of EPU. The members of the NSC will consist of representatives from UNDP, relevant sections of the EPU and other relevant stakeholders determined by the Chair of the NSC. The NSC will provide guidance and direction to the project implementation process according to the established detailed work plan encompassed in the approved *Funding Requests*. The NSC will meet on an annual basis to review the status of activities and the outcome of the interventions undertaken. *Implementing Agencies* can be called to present on the status of the activities undertaken during the year.

### Technical Review Committee (TRC)

The TRC will be chaired by the Director, Corporate Services and International Section of EPU. The members of the TRC will consist of representatives from UNDP Malaysia, the relevant sections of the EPU and the Public Service Department. The TRC will meet on a quarterly basis to review *Funding Requests* submitted by the Government Agencies for final approval by the EPU Director General and UNDP Resident Representative. Apart from the quarterly meetings, the TRC is permitted to accept and review *Funding Requests* on an urgent and ad-hoc basis. The acceptance of reviewing this *Funding Request* will have to be justified in writing by the Technical Review Committee before submitting it for the approval of the EPU Director General and UNDP Resident Representative. The TRC will be responsible to develop the format/template and the technical requirements for *Funding Requests* within 2 weeks of commencement of this project.

### **Requesting Agency/ Implementing Agency**

The term *Requesting Agency* refers to agencies that have submitted *Funding Requests*. Upon the approval of the *Funding Request* by the EPU Director General and UNDP Resident Representative, the agency assigned to implement the project is referred to as *Implementing Agency*. The responsibilities include the efficient design of the initiative, management of funds allocated and the appropriate reporting of the implementation of the activities through timely and pre-determined reports.

### **Executing Agency**

The Corporate Services and International Section of EPU will serve as the *Executing Agency* of the project and coordinate the successful implementation of the project activities by the *Implementing Agency*. The EPU will ensure that that the project outputs are in line with the objectives of the project. The EPU will report on project progress during the *NSC* meetings and ensure that the *Implementing Agency* prepares progress reports in a timely and required manner.

### **Consultants and Technical Support**

Technical support will be provided by local and international professionals with extensive experience working in relevant areas as required by the project. The UNDP global knowledge network will provide valuable inputs through best practices and lessons learned from similar experiences in other countries.

### **Process of ISCD Funded Projects**

The process of activities funded by ISCD is indicated below.

<b>DESCRIPTION</b>	<b>ORGANISATION</b>
1. Submissions of <i>Funding Requests</i> by Government of Malaysia Ministries/ agencies to <i>Technical Review Committee</i>	<i>Requesting Agencies</i>
2. Solicit feedback and assessment from UNDP and EPU Sections on <i>Funding Requests</i> received	<i>Executing Agency</i>
3. Quarterly Review and Selection of <i>Funding Requests</i>	<i>Technical Review Committee</i>
4. Submission of recommendations to EPU Director General and UNDP Resident Representative for selected <i>Funding Requests</i>	<i>Technical Review Committee</i>
5. Decision for funding of projects under ISCD – scope, timeline and total funds allocated	<i>EPU Director General and UNDP Resident Representative</i>
6. Meeting with <i>Requesting Agency/ Implementing Agency</i> on approved <i>Funding Request</i>	<i>Executing Agency and UNDP</i>
7. Implementation of activities	<i>Implementing Agency</i>
8. Quality Assurance and financial management	<i>UNDP</i>
9. Submission of scheduled Project Reports and Financial Reports	<i>Implementing Agency</i>

10. Annual Presentation of results of projects funded under ISCD to <i>National Steering Committee</i>	<i>Executing Agency</i>
11. Review Meeting of ISCD	<i>National Steering Committee</i>

**Project Assurance**

The Project Assurance role supports the Project Board (National Steering Committee) by carrying out objective and independent project oversight and monitoring functions. This role ensures that appropriate project management milestones are managed and completed. A UNDP Programme Officer will hold the Project Assurance role for the UNDP together with a representative from the International Cooperation Division, EPU, representing the Malaysian Government.

The Project manager will be recruited externally and will report administratively and programmatically to the NPD and reports on project progress during Steering Committee meetings. He or she will prepare progress reports in timely and required manner, and provide the information needed to agree disbursement of funds. The TOR of the project manager shall be agreed among the stakeholders as soon as the project commences.

**Financial Management**

Based on the approved workplan as indicated within the *Funding Requests*, UNDP will provide required financial resources to the *Implementing Agency* to carry out project activities during the annual cycle. Under the Harmonized Approach to Cash Transfer (HACT), the following modalities may be used:

- Direct cash transfers to the *Implementing Agency*, for obligations and expenditures to be made by them in support of activities;
- Direct payments to vendors and other third parties, for obligations incurred by the Implementing Partner; (See Annex III and Annex XI)
- Reimbursement to the Implementing Partner for obligations made and expenditure incurred by them in support of activities

The Implementing Agency and Executing Agency will work closely with UNDP to monitor the use of the financial resources and are accountable for

- Managing UNDP’s resources to achieve the expected results
- Maintaining an up to date accounting system that contains records and controls to ensure the accuracy and reliability of financial information and reporting. Expenditures made should be in accordance with the *Funding Request’* budgets.

At the end of a quarter/year UNDP prepares a Combined Delivery Report (CDR) which records all disbursements made under the project for verification. The Implementing Agency and UNDP should sign this CDR.

A project revision shall be made when appropriate; to respond to changes in the development context or to adjust the design and resources allocation to ensure the effectiveness of the project provided that the project remains relevant to the Country Programme. A project revision shall be supported by the record of an approval decision made by the project NSC, and an updated and signed AWP.

### **UNDP Support Services**

Generally, UNDP provides two categories of services to programmes/ projects ; the first of which includes general oversight, management, and quality control, while the second category includes direct services in the context of implementation such as:

- Payments, disbursements and other financial transactions
- Recruitment of staff, project personnel, and consultants
- Procurement of services and equipment, including disposal
- Organization of training activities, conferences, and workshops, including fellowships
- Travel authorization, visa requests, ticketing, and travel arrangements

The above will be carried out based on UNDP policies and procedures following the principles of best value for money, fairness, integrity, transparency, and effective competition. In this connection, reference is made to the Letter of Agreement (See Annex XII) for the Provision of Support Service which was signed between UNDP and the Government (EPU) on 6 December 2001.

UNDP will charge for the support services as follows:

- a. provision of general management support (GMS) for activities funded under Government Cost sharing (CS) at 6%
- b. for providing implementation support services (ISS) the charges will be based on actual cost or on the Universal Price List (UPL) applicable for both TRAC and CS funded activities

### **In-Kind Contribution**

In addition to the financial resources through UNDP, the Implementing Agency will provide the following in-kind contribution:

- Assist in gaining access to all relevant data and information required to for the project that is accessible for public viewing;
- Office space (i.e. room/workspace) for consultants and experts;
- Use of office support facilities by consultants and experts (e.g. fax machine, stationary, photostat machine, telephone), and secretarial support where applicable;
- Facilities for convening meetings, workshops and seminars.

---

## **VI. MONITORING FRAMEWORK AND EVALUATION**

The project activities will be closely monitored by UNDP. In compliance with UNDP regulations, the following will be conducted:

### **a) Project Monitoring and Review Meetings**

- *National Steering Committee Meetings*  
The NSC will meet annually to review the outcome and outputs undertaken in the year and to ensure that the agreed deliverables are produced satisfactorily according to the Funding Requests document. A final NSC meeting should also be held at the end of ISCD project completion to agree to and endorse the final findings and outcomes of the ISCD project and to make recommendations towards project closure.
- *Technical Review Committee Meetings*  
The TRC will meet quarterly to review the *Funding Requests* submitted by *Government entities* for funding under this umbrella project. The TRC will recommend to the EPU Director General and UNDP Resident Representative activities for consideration of



funding support under this umbrella project. The *TRC* will also ensure that the annual report to the *NSC* on the projects funded for the year is completed.

- **Project Technical Working Committee Meetings**  
The Project Technical Working Committee (*PTWC*) will be convened if required (on an activity basis) and will meet as regularly as required to assist the *NSC* in monitoring and advising the technical implementation of the activities. The *PTWC* acts as the technical advisors to the *NSC*, and regularly reviews the progress of the project components
- **ISCD Project Review Meeting**  
A Final Project Review meeting will be chaired by EPU within three months after the operational closure of the project/ initiative. Its purpose is to assess the performance and success of the ISCD project. It should look at the sustainability of the results, including the contribution to related outcomes (and the status of these outcomes) and capacity development. It will also review lessons learned and recommendations that might improve design and implementation of other UNDP-funded projects. The meeting will discuss the Final Project Review Report that should be submitted two weeks prior to the Final Project Review Meeting.

#### **b) Progress Reporting Documents**

- **Annual Progress Report (APR)**  
An Annual Progress Report shall be prepared by the EPU and shared with the *NSC* by the end of the last quarter of each year. The Annual Progress Report shall highlight risks and challenges, the summary of results achieved, and lessons learnt of the projects funded for that reporting year.
- **Final Project Review Report**  
This document which is prepared by the implementing partner is a structured assessment of progress based on the chain of results initially defined in the Project Document and Annual Workplans and will include information on financial allocations of expenditure. It may be supplemented by additional narrative to meet specific reporting needs of stakeholders, especially the donor(s). The following should be submitted together with the report:
  - Lessons learnt log - summarizing the information captured throughout the implementation of the project
  - Minutes of *NSC* meetings
  - Minutes of *TRC* meetings
  - Minutes of *PTWC* meetings (if any)
  - Annual signed CDRsThis report will be discussed at the Final Project Review meeting mentioned above.

#### **c) Financial Monitoring and Quality Assurance**

- **Combined Delivery Reports**  
The **Combined Delivery Report (CDR)** is the report that reflects the total expenditures and actual obligations (recorded in Atlas) of a Project during a period. This report is prepared by UNDP using Atlas and shared with the *Implementing Agency* on a quarterly basis and at the end of each year. The *Implementing Agency* is required to verify each transaction made and sign the quarterly issued CDR report. Statements of cash position as well as assets and equipments should also be submitted together with the CDR on a yearly basis.

- **Audit**  
Audit is an integral part of sound financial and administrative management, and of the UNDP accountability framework. The project will be audited at least once in its lifetime and in accordance with the threshold established for the annual expenditures by the Office of Audit and Investigations (OAI). The audit provides UNDP with assurance that resources are used to achieve the results described and that UNDP resources are adequately safeguarded. The selection of an Audit Firm shall be through a competitive Request for Proposals, in consultation with the Implementing Partner and EPU or if possible shall be performed by the National Audit Authority. UNDP procedures must be followed as per the specific Terms of Reference for Audits of NEX/NIM Projects.

The audit is expected to provide assurance related to the following broad areas:

- Project progress and rate of delivery (PP)
- Financial management (FM)
- Procurement of goods and /or services (PR)
- Human resource selection and administration (HR)
- Management and use of equipment and inventory (EQ)
- Record-keeping systems and controls (R)
- Management structure (MS)
- Auditors' comments on the implementation status of prior year audit

#### **d) Technical Reports (where applicable)**

The following reports should be produced by the consultants with an indicative timing of submission. The approval of reports is subject to the endorsement of the PTWC.

##### **Inception Report**

The inception report should provide the description of activities to be undertaken, the adopted methodology, detailed work plan (containing clear delegation of work and its timeline), the final list of experts, stakeholders and organizations/networks involved.

##### **Interim Report**

This report shall include interim findings based on the outputs defined in the project document and shall be submitted by the end of the project.

##### **Final Report**

This report shall comprise the final findings of the project as well as a description of the activities undertaken and the outputs achieved throughout the project as well any lessons learnt and should be submitted in the final quarter of the project.

---

## VII. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference, constitute together the instrument envisaged and defined in the Supplemental Provisions to the Project attached hereto and forming an integral part hereof, as "the Project Document"

Consistent with the above Supplemental Provisions, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner 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 Implementing Partner'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 the Implementing Partner's obligations under this Project Document.

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

(The term "Government Co-Operating Agency" mentioned in the Supplemental Provision shall mean the executing agency/implementing partner to the project as stated in the cover page of this document).

## ANNEX I: PROJECT BUDGET

Output	Activities	Source of Funds	Budget Description	Cost (USD)	2011	2012
<b>Output 1</b> To support enabling activities that contribute to better informed policy making and support towards national policy formulation and development, including support for the enumeration of policy options and alternatives.	1. Independent analysis and empirical policy research and/or feasibility studies that examines both short and long-term impact and policy options and alternatives; 2. Policy dialogue workshops and consultations with regional and global experts; 3. Scenario planning, statistical analysis and modeling.	TRAC	1. Consultants	100,000	40,000	60,000
		Cost Sharing	2. Consultants	300,000	120,000	180,000
		Cost-Sharing	3. Travel	80,000	30,000	50,000
		TRAC	4. Workshops and Consultation with Stakeholders/ Counterparts	60,000	20,000	40,000
<b>Sub Total</b>				540,000	210,000	330,000
<b>Output 2</b> To strengthen understanding and knowledge of national policymakers on emerging global development trends, sharing of Malaysia's best practices and experiences, and support towards national compliance of relevant UN conferences and international agreements.	1. Participation in global and regional workshops, seminars and conferences; 2. Preparation of joint UNDP-Government of Malaysia publications and reports for global and regional UN related conferences and events; 3. Thematic capacity building training programmes.	Cost-Sharing	1. Travel	120,000	40,000	80,000
		TRAC	2. Workshops and Consultation with Stakeholders/ Counterparts	40,000	20,000	20,000
		Cost-Sharing	3. Consultants	90,000	30,000	60,000
		Cost Sharing	4. Publications	20,000	10,000	10,000
<b>Sub Total</b>				270,000	100,000	170,000
Administration Cost		Cost Sharing	GMS	36,600	13,800	22,800
<b>Grand Total</b>				846,600	323,800	522,800

Government CS  
TRAC

**USD 646,600**  
**USD 200,000**

---

## ANNEX II: RISKS AND MITIGATION

Description	Type	Impact & Probability	Mitigation Measures
The value of US Dollars foreign exchange against the Ringgit may depreciate during the project cycle.	Financial	Probability: Low Impact: Medium	There will be a need to regularly monitor the exchange rate to ensure that it does not affect the budget of the project. If there are major fluctuations, the budget will be adjusted accordingly and approved by the <i>NSC</i> . Alternative funding source may be considered.

---

## **ANNEX III: FINANCIAL ARRANGEMENTS**

The UNDP Resident Representative ensures that the project has an internal control system that allows it to monitor effectively the financial activity of the project and to support and monitor the progress towards achieving results.

UNDP may assist with direct payments to other parties for goods and services provided to the project. In this connection, the government implementing agency will forward to the UNDP a standard form and keep all the original records of the transaction such as purchase orders, invoices, receipts, delivery orders, etc.

---

## **ANNEX IV: UNDP ANNUAL WORK PLAN MONITORING TOOL**

Together with project issue/ risk logs, the following AWP Monitoring Tool should be used for the project review purpose, where applicable.

**Expected Outputs and Indicators:** List all CP outputs and indicators, including annual targets

**Planned Activities:** List all the activities, where applicable, including monitoring and evaluation activities, including evaluations, field monitoring visits, technical backstopping missions, and audits to be undertaken during the year towards stated CP outputs

**Expenditures:** List actual expenditures against activities complete

**Results of Activities:** For each activity, state the results of the activity

**Progress towards Achieving CP Outputs:** Using data on annual indicator targets, state progress towards achieving the CP outputs. Based on the updated project issue/risk logs, comment on factors that facilitated and/or constrained achievement of results including:

- Whether risks and assumptions as identified in the CP M&E Framework materialized or whether new risks emerge
- Internal factors such as timing of inputs and activities, quality of products and services, coordination and/or other management issues

The Annual Work Plan (AWP) Monitoring Tool

Year\_\_\_\_\_

**CP Component** \_\_\_\_\_

**Executing Agency:** \_\_\_\_\_

<b>EXPECTED OUTPUTS AND INDICATORS</b> including annual targets	<b>PLANNED ACTIVITIES</b> <i>List all the activities including monitoring and evaluation activities to be undertaken during the year towards stated CP outputs</i>	<b>EXPENDITURES</b> <i>List actual expenditures against activities completed</i>	<b>RESULTS OF ACTIVITIES</b> <i>For each activity, state the results of the activity</i>	<b>PROGRESS TOWARDS ACHIEVING OUTPUTS</b> Using data on annual indicator targets, state progress towards achieving the CP outputs. Where relevant, comment on factors that facilitated and/or constrained achievement of results including: <ul style="list-style-type: none"> <li>▪ <i>Whether risks and assumptions as identified in the CP M&amp;E Framework materialized or whether new risks emerged</i></li> <li>▪ <i>Internal factors such as timing of inputs and activities, quality of products and services, coordination and/or other management issues</i></li> </ul>
<b>OUTPUT 1:</b>  <b>INDICATOR 1.1 WITH TARGET FOR THE YEAR:</b>  <b>INDICATOR 1.2 WITH TARGET FOR THE YEAR:</b>  <b>INDICATOR 1.3 WITH TARGET FOR THE YEAR:</b>				
<b>OUTPUT 2:</b> <b>INDICATOR 2.1 WITH TARGET FOR THE YEAR:</b> ETC.				



## **ANNEX V: TERMS OF REFERENCE: NATIONAL STEERING COMMITTEE (NSC)**

The *National Steering Committee (NSC)* will meet annually to review the outputs undertaken in the year and to ensure that the agreed deliverables are produced satisfactorily according to the approved *Funding Request*. The *NSC* will also provide strategic guidance to the *Executing Agency* and UNDP on the implementation of the ISCD funded projects. *Implementing Agency* can be called to present on the status of the activities undertaken during the year.

The *NSC* will be chaired by the Deputy Director General I of EPU. The Corporate Services and International Section of EPU will act as Secretariat to the *NSC*. The members of the *NSC* will consist of representatives from UNDP, relevant sections of the EPU and other relevant stakeholders determined by the Chair of the *NSC*.

The *NSC* will meet after the receipt of an annual report or when deemed necessary by the Chair of the *NSC* and will have the following duties and responsibilities:

- Provide policy guidance on matters pertaining to the selection and implementation of projects/ activities funded by *ISCD*;
- Monitor and evaluate the implementation of the projects activities towards fulfilment of the objectives stated in the approved *Funding Requests* submitted by *Requesting Agencies*;
- Review, approve and endorse proposed annual work plans and budgets;
- Review and approve relevant changes to the project design;
- Initiate remedial actions to overcome all constraints in progress of project activities ;
- Advise on the long-term sustainability strategy of the project;
- Review and approve all related reports of approved *Funding Requests*.

## **ANNEX VI: TERMS OF REFERENCE: TECHNICAL REVIEW COMMITTEE (TRC)**

The *Technical Review Committee (TRC)* will be responsible to develop the format of the *project Funding Request* within 2 weeks of commencement of this project.

The *TRC* will meet quarterly to review the *Funding Requests* as submitted by *Requesting Agencies*.

The *TRC* will only meet to make a decision after receiving feedback and assessment from EPU's relevant sections and UNDP's Programme Cluster.

The *TRC* will recommend to the EPU Director General and the UNDP Resident Representative funding requests for consideration of support.

The *TRC* will also ensure that the annual report to the *NSC* on the projects funded for the year is completed.

The *TRC* will be chaired by the Director, Corporate Services and International Section of EPU. The members of the *TRC* will consist of representatives from UNDP Malaysia and the relevant sections of the EPU.

## **ANNEX VII: TERMS OF REFERENCE: EXECUTING AGENCY**

The Corporate Services and International Section of EPU will be the *Executing Agency* of the project and coordinate the implementation of the project activities

The *Executing Agency* ensures that the project produces the results specified to the required standard of quality and within the specified constraints of time and cost.

The *Executing Agency* will report on project progress during the *NSC* meetings and ensure the *Implementing Agencies* prepares progress reports in timely and required manner, and provide the information needed to agree disbursement of funds.

Specifically, the *Executing Agency* will work in close collaboration with UNDP staff on the following:

- Ensuring that the approved *Funding Requests* are implemented by the *Implementing Agencies*, in accordance with established UNDP and Government of Malaysia procedures;
- Mobilising national institutional mechanisms for smooth progress of project;
- Preparing work plans in discussion with the *Implementing Agencies*, UNDP and consultants;
- Review and comment on the proposed technical work plan and budget; and
- Providing direction and guidance on activity related issues;
- Approve financial transactions; and
- Regular monitoring of the progress of the project and recommend approved technical reports to the *NSC*.

## **ANNEX VIII: TERMS OF REFERENCE: REQUESTING AGENCY/ IMPLEMENTING AGENCY**

The term *Requesting Agency* refers to agencies that have submitted *Funding Requests*. Upon the *Funding Request* being approved by EPU DG and UNDP RR, the agency assigned to implement the project is referred to as *Implementing Agency*.

The *Implementing Agency* will be primarily responsible for the administrative, financial and operational aspects of the project. The *Implementing Agency's* role is to manage and coordinate the implementation of various project activities in ensuring quality and timeliness of activities and delivery of outputs as outlined by the *Funding Request*. The *Implementing Agency* will be required to appoint one dedicated person for the duration of the implementation of the activities.

The specific tasks of the *Implementing Agency* are:

- Implement the project based on the approved *Funding Request*;
- Manage and coordinate the implementation of project activities to ensure the maintenance of quality and timeliness, and delivery of outputs;
- Liaise and work closely with the project partners and beneficiaries;
- Report regularly to the *Executing Agency* on the project's progress;
- Maintain close contact with *Executing Agency* and UNDP and other stakeholders, indicating any estimated changes to the work plan, and proposing a budget revision when appropriate;
- Ensure that the requisite allocations are available in accordance with the agreed budget and established schedules of payment, if any, in consultation with *Executing Agency* and UNDP;
- Coordinate and facilitate the work of multiple component teams engaged in the implementation of project activities;
- Monitor the project funds and resources. Prepare progress and financial reports of the project when required;
- Maintain an up-to-date accounting system to ensure accuracy and reliability of financial reporting;
- Be responsible for the overall delivery of the project results and final outputs;
- Establish a monitoring plan for activities implemented by project consultants; and
- Be actively involved in the preparation of relevant knowledge products (including publications and reports).

# ANNEX IX: PROJECT ANNUAL PROGRESS TEMPLATE

**DATE:**  
**Award ID:**  
**Description:**  
**Implementing Partner:**  
**Period Covered:**

## 1. Project Issues:

Status of Project Risks:	Open Project Issues:
--------------------------	----------------------

## 2. Project Performance

<b>OUTPUT 1:</b>						
Project ID:						
Description:						
YYYY target:						
YYYY Achievement:						
<b>Activity ID:</b>						
Deliverable Description:						
Start and End Date:						
% Progress to date:						
Quality Criteria			Date	Results of Activities		
				User Perspective	Resource Status	Timeliness
Financial						
Account	Fund	Donor	R. Party	Budget	Expenditure	Balance
<b>OUTPUT 2:</b>						
Project ID:						
Description:						
YYYY Target:						
YYYY Achievement:						
<b>Activity ID:</b>						
Deliverable Description:						
Start and End Date:						
% Progress to date:						
Quality Criteria			Date	Results of Activities		
				User Perspective	Resource Status	Timeliness
Financial Summary						
Account	Fund	Donor	R. Party	Budget	Expenditure	Balance

## 3. Lessons Learned

--

# ANNEX X: FACE FORM AND DIRECT PAYMENT

## Funding Authorization and Certificate of Expenditures

UN Agency: XXXXXXXXXX

Date: DD/MM/YYYY

Country: XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
 Programme Code & Title: XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
 Project Code & Title: XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
 Responsible Officer(s): XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
 Implementing Partner: XXXXXXXXXXXXXXXXXXXXXXXXXXXX

- Type of Request:**  
 Direct Cash Transfer (DCT)  
 Reimbursement  
 Direct Payment

Currency: \_\_\_\_\_

		REPORTING				REQUESTS / AUTHORIZATIONS		
Activity Description from AWP with Duration <u>XXXXXXXXXXXXXXXXXXXXXXXXXXXX (MM/YYYY - MM/YYYY)</u>	Coding for UNDP, UNFPA and WFP	Authorised Amount	Actual Project Expenditure	Expenditures accepted by Agency	Balance	New Request Period & Amount	Authorised Amount	Outstanding Authorised Amount
		<u>MM-MM YYYY</u> A	B	C	D = A - C	<u>MM-MM YYYY</u> E	F	G = D + F
<b>Total</b>		0	0	0	0	0	0	0

### CERTIFICATION

The undersigned authorized officer of the above-mentioned implementing institution hereby certifies that:

- The funding request shown above represents estimated expenditures as per AWP and itemized cost estimates attached.
- The actual expenditures for the period stated herein has been disbursed in accordance with the AWP and request with itemized cost estimates. The detailed accounting documents for these expenditures can be made available for examination, when required, for the period of five years from the date of the provision of funds.

Date Submitted: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

NOTES: \* Shaded areas to be completed by the UN Agency and non-shaded areas to be completed by the counterpart.

### FOR AGENCY USE ONLY:

FOR ALL AGENCIES
Approved by: _____
Name: _____
Title: _____
Date: _____

### FOR UNICEF USE ONLY

FOR UNICEF USE ONLY	
Account Charges	Liquidation Information
Cash Transfer Reference: <u>CRO ref. no., Voucher ref. no.</u>	DCT Reference: <u>CRO ref. no., Liquidation ref. no.</u>
GL codes:	DCT Amount
Training 0	Less: 0
Travel 0	Liquidation
Meetings & Conferences 0	Amount 0
Other Cash Transfers 0	
Total 0	Balance 0

### FOR UNFPA USE ONLY

FOR UNFPA USE ONLY	
New Funding Release	
Activity 1	0
Activity 2	0
Total	0

---

## **ANNEX XI: SUPPLEMENTAL PROVISIONS TO THE PROJECT DOCUMENT**

### **Standard Annex to Project Documents for use in Countries which are not Parties to the Standard Basic Assistance Agreement (SBAA)**

#### **General responsibilities of the Government, UNDP and the executing agency**

1. All phases and aspects of UNDP assistance to this project shall be governed by and carried out in accordance with the relevant and applicable resolutions and decisions of the competent United Nations organs and in accordance with UNDP's policies and procedures for such projects, and subject to the requirements of the UNDP Monitoring, Evaluation and Reporting System.
2. The Government shall remain responsible for this UNDP-assisted development project and the realization of its objectives as described in this Project Document.
3. Assistance under this Project Document being provided for the benefit of the Government and the people of (the particular country or territory), the Government shall bear all risks of operations in respect of this project.
4. The Government shall provide to the project the national counterpart personnel, training facilities, land, buildings, equipment and other required services and facilities. It shall designate the Government Co-operating Agency named in the cover page of this document (hereinafter referred to as the "Co-operating Agency"), which shall be directly responsible for the implementation of the Government contribution to the project.
5. The UNDP undertakes to complement and supplement the Government participation and will provide through the Executing Agency the required expert services, training, equipment and other services within the funds available to the project.
6. Upon commencement of the project the Executing Agency shall assume primary responsibility for project execution and shall have the status of an independent contractor for this purpose. However, that primary responsibility shall be exercised in consultation with UNDP and in agreement with the Co-operating Agency. Arrangements to this effect shall be stipulated in the Project Document as well as for the transfer of this responsibility to the Government or to an entity designated by the Government during the execution of the project.
7. Part of the Government's participation may take the form of a cash contribution to UNDP. In such cases, the Executing Agency will provide the related services and facilities and will account annually to the UNDP and to the Government for the expenditure incurred.

#### **(a) Participation of the Government**

1. The Government shall provide to the project the services, equipment and facilities in the quantities and at the time specified in the Project Document. Budgetary provision, either in kind or in cash, for the Government's participation so specified shall be set forth in the Project Budgets.
2. The Co-operating Agency shall, as appropriate and in consultation with the Executing Agency, assign a director for the project on a full-time basis. He shall carry out such responsibilities in the project as are assigned to him by the Co-operating Agency.
3. The estimated cost of items included in the Government contribution, as detailed in the Project Budget, shall be based on the best information available at the time of drafting the

project proposal. It is understood that price fluctuations during the period of execution of the project may necessitate an adjustment of said contribution in monetary terms; the latter shall at all times be determined by the value of the services, equipment and facilities required for the proper execution of the project.

4. Within the given number of man-months of personnel services described in the Project Document, minor adjustments of individual assignments of project personnel provided by the Government may be made by the Government in consultation with the Executing Agency, if this is found to be in the best interest of the project. UNDP shall be so informed in all instances where such minor adjustments involve financial implications.

5. The Government shall continue to pay the local salaries and appropriate allowances of national counterpart personnel during the period of their absence from the project while on UNDP fellowships.

6. The Government shall defray any customs duties and other charges related to the clearance of project equipment, its transportation, handling, storage and related expenses within the country. It shall be responsible for its installation and maintenance, insurance, and replacement, if necessary, after delivery to the project site.

7. The Government shall make available to the project - subject to existing security provisions - any published and unpublished reports, maps, records and other data which are considered necessary to the implementation of the project.

8. Patent rights, copyright rights and other similar rights to any discoveries or work resulting from UNDP assistance in respect of this project shall belong to the UNDP. Unless otherwise agreed by the Parties in each case, however, the Government shall have the right to use any such discoveries or work within the country free of royalty and any charge of similar nature.

9. The Government shall assist all project personnel in finding suitable housing accommodation at reasonable rents.

10. The services and facilities specified in the Project Document which are to be provided to the project by the Government by means of a contribution in cash shall be set forth in the Project Budget. Payment of this amount shall be made to the UNDP in accordance with the Schedule of Payments by the Government.

11. Payment of the above-mentioned contribution to the UNDP on or before the dates specified in the Schedule of Payments by the Government is a prerequisite to commencement or continuation of project operations.

#### **(b) Participation of the UNDP and the executing agency**

1. The UNDP shall provide to the project through the Executing Agency the services, equipment and facilities described in the Project Document. Budgetary provision for the UNDP contribution as specified shall be set forth in the Project Budget.

2. The Executing Agency shall consult with the Government and UNDP on the candidature of the Project Manager <sup>1</sup> who, under the direction of the Executing Agency, will be responsible in the country for the Executing Agency's participation in the project. The Project Manager shall supervise the experts and other agency personnel assigned to the project, and the on-the-job

---

<sup>1</sup> May also be designated Project Co-ordinator or Chief Technical Adviser, as appropriate.



training of national counterpart personnel. He shall be responsible for the management and efficient utilization of all UNDP-financed inputs, including equipment provided to the project.

3. The Executing Agency, in consultation with the Government and UNDP, shall assign international staff and other personnel to the project as specified in the Project Document, select candidates for fellowships and determine standards for the training of national counterpart personnel.

4. Fellowships shall be administered in accordance with the fellowships regulations of the Executing Agency.

5. The Executing Agency may, in agreement with the Government and UNDP, execute part or all of the project by subcontract. The selection of subcontractors shall be made, after consultation with the Government and UNDP, in accordance with the Executing Agency's procedures.

6. All material, equipment and supplies which are purchased from UNDP resources will be used exclusively for the execution of the project, and will remain the property of the UNDP in whose name it will be held by the Executing Agency. Equipment supplied by the UNDP shall be marked with the insignia of the UNDP and of the Executing Agency.

7. Arrangements may be made, if necessary, for a temporary transfer of custody of equipment to local authorities during the life of the project, without prejudice to the final transfer.

8. Prior to completion of UNDP assistance to the project, the Government, the UNDP and the Executing Agency shall consult as to the disposition of all project equipment provided by the UNDP. Title to such equipment shall normally be transferred to the Government, or to an entity nominated by the Government, when it is required for continued operation of the project or for activities following directly there from. The UNDP may, however, at its discretion, retain title to part or all of such equipment.

9. At an agreed time after the completion of UNDP assistance to the project, the Government and the UNDP, and if necessary the Executing Agency, shall review the activities continuing from or consequent upon the project with a view to evaluating its results.

10. UNDP may release information relating to any investment oriented project to potential investors, unless and until the Government has requested the UNDP in writing to restrict the release of information relating to such project.

### **Rights, Facilities, Privileges and Immunities**

1. In accordance with the Agreement concluded by the United Nations (UNDP) and the Government concerning the provision of assistance by UNDP, the personnel of UNDP and other United Nations organizations associated with the project shall be accorded rights, facilities, privileges and immunities specified in said Agreement.

2. The Government shall grant UN volunteers, if such services are requested by the Government, the same rights, facilities, privileges and immunities as are granted to the personnel of UNDP.

3. The Executing Agency's contractors and their personnel (except nationals of the host country employed locally) shall:

(a) Be immune from legal process in respect of all acts performed by them in their official capacity in the execution of the project;

(b) Be immune from national service obligations;

(c) Be immune together with their spouses and relatives dependent on them from immigration restrictions;

(d) Be accorded the privileges of bringing into the country reasonable amounts of foreign currency for the purposes of the project or for personal use of such personnel, and of withdrawing any such amounts brought into the country, or in accordance with the relevant foreign exchange regulations, such amounts as may be earned therein by such personnel in the execution of the project;

(e) Be accorded together with their spouses and relatives dependent on them the same repatriation facilities in the event of international crisis as diplomatic envoys.

4. All personnel of the Executing Agency's contractors shall enjoy inviolability for all papers and documents relating to the project.

5. The Government shall either exempt from or bear the cost of any taxes, duties, fees or levies which it may impose on any firm or organization which may be retained by the Executing Agency and on the personnel of any such firm or organization, except for nationals of the host country employed locally, in respect of:

(a) The salaries or wages earned by such personnel in the execution of the project;

(b) Any equipment, materials and supplies brought into the country for the purposes of the project or which, after having been brought into the country, may be subsequently withdrawn there from;

(c) Any substantial quantities of equipment, materials and supplies obtained locally for the execution of the project, such as, for example, petrol and spare parts for the operation and maintenance of equipment mentioned under (b), above, with the provision that the types and approximate quantities to be exempted and relevant procedures to be followed shall be agreed upon with the Government and, as appropriate, recorded in the Project Document; and

(d) As in the case of concessions currently granted to UNDP and Executing Agency's personnel, any property brought, including one privately owned automobile per employee, by the firm or organization or its personnel for their personal use or consumption or which after having been brought into the country, may subsequently be withdrawn there from upon departure of such personnel.

6. The Government shall ensure:

(a) prompt clearance of experts and other persons performing services in respect of this project; and

(b) the prompt release from customs of:

(i) equipment, materials and supplies required in connection with this project; and

(ii) property belonging to and intended for the personal use or consumption of the personnel of the UNDP, its Executing Agencies, or other persons performing services on their behalf in respect of this project, except for locally recruited personnel.

7. The privileges and immunities referred to in the paragraphs above, to which such firm or organization and its personnel may be entitled, may be waived by the Executing Agency where,

in its opinion or in the opinion of the UNDP, the immunity would impede the course of justice and can be waived without prejudice to the successful completion of the project or to the interest of the UNDP or the Executing Agency.

8. The Executing Agency shall provide the Government through the resident representative with the list of personnel to whom the privileges and immunities enumerated above shall apply.

9. Nothing in this Project Document or Annex shall be construed to limit the rights, facilities, privileges or immunities conferred in any other instrument upon any person, natural or juridical, referred to hereunder.

### **Suspension or termination of assistance**

1. The UNDP may by written notice to the Government and to the Executing Agency concerned suspend its assistance to any project if in the judgement of the UNDP any circumstance arises which interferes with or threatens to interfere with the successful completion of the project or the accomplishment of its purposes. The UNDP may, in the same or a subsequent written notice, indicate the conditions under which it is prepared to resume its assistance to the project. Any such suspension shall continue until such time as such conditions are accepted by the Government and as the UNDP shall give written notice to the Government and the Executing Agency that it is prepared to resume its assistance.

2. If any situation referred to in paragraph 1, above, shall continue for a period of fourteen days after notice thereof and of suspension shall have been given by the UNDP to the Government and the Executing Agency, then at any time thereafter during the continuance thereof, the UNDP may by written notice to the Government and the Executing Agency terminate the project.

3. The provisions of this paragraph shall be without prejudice to any other rights or remedies the UNDP may have in the circumstances, whether under general principles of law or otherwise.

---

**ANNEX XII: LETTER OF AGREEMENT BETWEEN UNDP AND THE GOVERNMENT OF MALAYSIA FOR THE PROVISION OF SUPPORT SERVICES UNDER NATIONAL EXECUTION**

Please refer to attached Letter.