

United Nations Development Programme

Country: Malaysia

Project Document

Project Title:	National Human Development Report
UNDAF Outcome(s):	Not Applicable
Expected CP Outcome(s):	<p>CP 2008-2012</p> <ul style="list-style-type: none">Effectively responded to human development challenges and reduced inequalities by promoting inclusive growth. <p>CP 2013-2015</p> <ul style="list-style-type: none">A new national policy framework developed to promote inclusive growth and sustainable human development policies and strategies.The bottom 40% of households receive enhanced access to education, health and social protection programmes and benefit disproportionately from new inclusive growth policies and strategies.
Expected Output(s):	<p>Output 1: Malaysia's 1st National Human Development Report on "Inclusive Growth".</p> <p>Output 2: Background Papers, including a chapter on the customization of the Multidimensional Poverty Index (MPI) and a revised Poverty Line Index (PLI) for local use.</p>
Implementing Partner:	Distribution Section, Economic Planning Unit
Enabling Partner:	UNDP Malaysia

Brief Description

Malaysia's National Human Development Report (NHDR) is a 19-month project (June 2012 – December 2013) focusing on national policy formulation and consensus building among national stakeholders on the issue of inclusive growth with clear linkages to priorities outlined in the 10th Malaysia Plan (10MP) and the New Economic Model (NEM). It emphasizes on multidimensionality in bringing clarity to the concepts revolving around inclusive growth and employs a participatory research methodology in its analysis. Through active stakeholder consultation, a full report capturing key findings, consensus-based targets and implementable policy recommendations will be put forward in a clear and user-friendly manner, accessible to stakeholders and the wider public. A series of more technical background papers will be commissioned to provide in-depth analytical work on selected areas to be determined by the Technical Working Group (TWG). Economic Planning Unit (EPU) Distribution Section is the Implementing Partner guided by a National Steering Committee (NSC) and a Technical Working Committee (TWC).

Programme Period: 2012-2013	2012 AWP budget: USD 170,300
Key Result Area (Strategic Plan): Promoting Inclusive Growth	2013 AWP budget: USD 179,700
Atlas Award ID: TBD	Total resources required: USD 350,000
Start date: June 2012	Total allocated resources:
End Date: December 2013	UNDP:
LPAC Meeting Date 16 May 2012	TRAC USD 350,000
Management Arrangements: NIM	Government of Malaysia (GoM): N/A
	<u>In-kind Contributions</u>
	Total USD 350,000
	GRAND TOTAL: USD 350,000

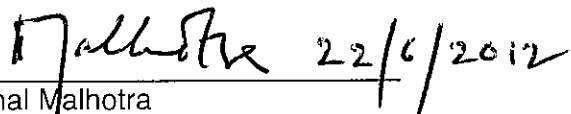
Agreed by (Government of Malaysia):



DATUK DR RAHAMAT BIVI BT. YUSOFF
 Director General
 Economic Planning Unit
 Prime Minister's Department

Date: 5/6/12

Agreed by (UNDP Malaysia):



Mr. Kamal Malhotra
 Resident Representative
 United Nations Development Programme

Date:

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ABBREVIATIONS

10MP	10 th Malaysia Plan
APR	Annual Progress Report
ARR	Assistant Resident Representative
AWP	Annual Work Plan
CDR	Combined Delivery Report
CP	Country Programme
CPAP	Country Programme Action Plan
CS	Cost Sharing
CSR	Corporate Social Responsibility
DOS	Department of Statistics
DSA	Daily Subsistence Allowance
DSW	Department of Social Welfare
EPU	Economic Planning Unit, Prime Minister's Department
GoM	Government of Malaysia
GMS	General Management Support
GNI	Gross National Income
HACT	Harmonized Approach to Cash Transfer
HDR	Human Development Report
ICU	Implementation Coordination Unit
ISS	Implementation Support Service
MDG	Millennium Development Goals
MPI	Multidimensional Poverty Index
NIM	National Implementation Modality
NEM	New Economic Model
NHDR	National Human Development Report
NPD	National Project Director
NSC	National Steering Committee
PLI	Poverty Line Index
RA	Research Assistant
RR	Resident Representative
TRAC	Target for Resource Assignment from the Core
TOR	Terms of Reference
TWC	Technical Working Committee
TWG	Technical Working Group
UN	United Nations
UNDP	United Nations Development Programme

I. SITUATION ANALYSIS

Malaysia's development philosophy of growth with distribution adopted for the past three decades has resulted in a more balanced economic participation with a wider coverage of basic amenities to enable all segments of the population to have better opportunities to increased income and improved quality of life. There has been significant improvement in the eradication of poverty and the narrowing of income gap.

On an aggregate level, Malaysia has achieved the MDG 1 objective of eradicating extreme poverty and hunger where the proportion of households living below the national poverty line dropped from almost 50% in 1970 to 16.5% in 1990 and 3.8% in 2009. The MDG 2010 Report also mentioned that income disparity between strata has improved significantly. At the same time, Malaysia's 2011 HDR Ranking improved by 3 positions to 61 from its 2010 ranking, putting Malaysia into the high human development category.

However, human development remains a significant challenge for certain segments of the population especially for the bottom 40% households that had a total household income of less than RM2300 in 2009. Different pockets of poverty especially among the Orang Asli in Peninsular Malaysia and Bumiputera minorities in Sabah and Sarawak requires specific policy redresses. There are vulnerable sections of the population/society due to their low income and/or disadvantage circumstances i.e. female-headed households, youths and children. In addition, poverty and vulnerability are not only rural phenomena. Migration to urban areas and significant development of rural areas to become urban centres has resulted in an increased in urban poverty. Moreover, there is high and persistent inequality and disparity in the distribution of income.

Therefore, an inclusive socio-economic development framework has been adopted under the 10th Malaysia Plan (10MP) to broaden the ability of Malaysians to participate in and benefit from economic development. The 10MP continues with the development philosophy of growth with distribution underpinned by the NEP objectives of poverty eradication and the restructuring of society. It shifts the focus from absolute to relative poverty, multidimensional human development as well as targeting the bottom 40%. The 10MP encapsulates the spirit of 1Malaysia to create a fair and just society with national unity as the ultimate objective.

The 10MP framework can nevertheless be strengthened in terms of bringing conceptual clarity to different, but related, sets of development issues affecting the bottom 40% i.e. poverty and pro-poor strategies, income inequality and distribution issues, opportunities and social mobility, economic vulnerability, security and resilience, and social disadvantages and discrimination. Moreover, there is a need to measure and monitor other dimensions of inequality and poverty using a multidimensional approach because the dimensions of poverty go far beyond inadequate income—to poor health and nutrition, low education and skills, inadequate livelihoods, bad housing conditions, social exclusion and lack of participation. Poverty is multifaceted and thus multidimensional. This should be applied to the entire distribution of the targeted groups.

The NHDR seeks to address the conceptual, analytical and implementation challenges highlighted above and in other reports under the umbrella theme on inclusive growth in support of the 10MP framework and the New Economic Model goal of enabling all communities to fully benefit from the wealth of the country. The NHDR will emphasize inclusive growth as both an outcome and a process. It adheres to The International Policy Centre for Inclusive Growth's (UNDP's global forum for policy dialogue and South-South learning on development innovations and the leading voice for inclusive growth) view that everyone should participate in the growth process, both in terms of decision-making for organising the growth progression as well as shares equitably in the benefits of growth itself.

The NHDR itself is built on an inclusive process focusing on consensus-building and active stakeholder consultation utilizing a participatory research methodology to capture a diversity of views to reflect reality as accurate and as inclusive as possible. The NHDR product and process will build the capacity of the public sector to utilize a human development framework and multidimensional tools to strengthen current development initiatives and to address emerging issues of inclusiveness. It complements current development plans and serves a guiding framework in future development plans. It also monitors the progress of the 10MP and the NEM from a human development perspective.

Civil society and the wider public can use the NHDR process as a platform for dialogues and discussions and the final report can be used as a reference material for further development work and public discourse. Private sector that wants to engage more meaningfully with issues of inclusive growth under its Corporate Social Responsibility (CSR) programs can also use the NHDR as a learning tool and needs identification.

II. STRATEGY

As the NHDR straddles between two country programmes (CP), it is linked to CP 2008-2012 outcome of “effectively responding to human development challenges and reducing inequalities by promoting inclusive growth” and CP 2013-2015 outcomes of “developing a new national policy framework to promote inclusive growth and sustainable human development policies and strategies” and for “the bottom 40% of households to receive enhanced access to education, health and social protection programmes and benefit disproportionately from new inclusive growth policies and strategies.”

It also contributes to national development targets i.e. the NEM and the 10MP. The NEM has a three-pronged objective of achieving high income, inclusiveness and sustainability. Seeking to transform Malaysia into a high income economy by 2020, the NEM has a headline target of achieving US\$15000 – 20000 GNI per capita by the year 2020 that requires an average growth rate of at least 6% annually. While the NEM does not provide hard targets for inclusiveness and sustainability, the 10MP sets out to (1) Reduce the incidence of poverty from 3.8% in 2009 to 2.0% in 2015; (2) Increase the mean income of the bottom 40% households from RM1,440 in 2009 to RM2,300 in 2015; (3) Improve overall income inequality by reducing the Gini coefficient from 0.441 in 2009 to 0.420 in 2015; and (4) Increase the percentage of bottom 40% households with SPM qualification and above from 30% in 2009 to 45% in 2015.

The NHDR Technical Working Group (TWG) will work closely with the relevant government agencies and departments to identify the key implementation issues in delivering the NEM and 10MP targets on inclusive growth. This includes addressing, among others, capturing and targeting issues with regards to the e-Kasih Database. Close consultations will also be carried out to explore the feasibility of customizing the Multidimensional Poverty Index (MPI) and a revised Poverty Line Index (PLI) into targeting tools with user-friendly interface based on recommendations from specially commissioned studies. The Government will take ownership of these tools, thus ensuring sustainability while a dedicated chapter in the NHDR will capture key findings on these matters.

Partnerships with key government ministries, departments and agencies will be developed from the start and throughout the entire research process to establish cross-linkages of programs and initiatives as well as to obtain support in terms of data and information needed for the development of the NHDR. Outputs from other UNDP projects will also be leveraged upon as inputs and feedbacks to the NHDR to further strengthen cross-linkages and streamlining of development strategies.

A series of background papers will be commissioned based on the expert recommendations of the TWG to provide more in-depth analytical and technical work related to the theme of inclusive growth. Besides using the background papers as reference materials for the chapter drafts, they can also be submitted to journal publications or compiled into another product for wider dissemination subject to UNDP and EPU's approval. UNDP will leverage on its local and international network of experts to support the TWG in getting the most appropriate researchers for the background papers.

Active stakeholder consultations will be carried out through planned workshops, peer reviews and other closed-door discussions as and when necessary. To complement the

usage of quantitative data, focus group discussions and surveys can be done to obtain qualitative data where needed. The experience and advisory services of the UNDP HDR Office (HDRO) and the UNDP Regional HDR Unit (HDRU) will be tapped to continuously support the TWG and government counterparts on human development concepts, measurement, and methodology as well as quality control based on the Minimum Standards as outlined in the NHDR Corporate Policy.

The final report will be presented in a creative, clear and user-friendly manner accompanied by strategic advocacy, dissemination and outreach events to disseminate the key findings and policy recommendations of the NHDR. The possibility of using a web-based medium to monitor and assess impacts as well as gather feedbacks will also be explored. The findings and recommendations of the NHDR will also contribute positively to the post-2015 development dialogue from Malaysia's perspective.

The project will be implemented under a joint programming platform between UNDP and EPU under National Implementation Modality (NIM).

III. RESULTS AND RESOURCES FRAMEWORK

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

Intended Outcome CP 2008-2012: Effectively responded to human development challenges and reduced inequalities; CP 2013-2015 A new national policy framework developed to promote inclusive growth and sustainable human development policies and strategies; The bottom 40% of households receive enhanced access to education, health and social protection programmes and benefit disproportionately from new inclusive growth policies and strategies.

Programme Component: Fostering inclusive globalization and promoting inclusive growth

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

Programme Output: Geographical and sub-population socio-economic inequalities and disadvantages, including the digital divide reduced Indicators, baselines and targets: At least five strategic projects implemented to support Malaysia's priority human development challenges, addressing inequalities and disadvantages

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

Key Result Area 1: Promoting inclusive growth, gender equality and MDG achievement

Partnership Strategy

The TWG will work closely with UNDP and the EPU Distribution Section under the guidance of the NSC and TWC, with support from the HDR Office and the Regional HDR Unit, to execute the activities identified and approved for funding under the Project Document

Project title and ID (ATLAS Award ID):

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
Output 1 Malaysia's 1st National Human Development Report on "Inclusive Growth" Baseline: There is currently no NHDR developed in Malaysia	2012 1. Develop research methodology and draft chapter outline to be submitted to	Building the team/training and orientation/communication strategy 1. Recruitment (TWG, Research assistants) 2. Assignment of expert teams and finalize framework/work	TWG UNDP EPU	Consultants' Fees: 1 Lead Researcher, 2 Local Lead Researcher, 2 Local Core Researchers, 3 Research Assistants, 1 (USD152,000)

<p>Indicators:</p> <ol style="list-style-type: none"> 1. Research methodology and NHDR framework agreed upon by the project management. 2. Feedbacks received from the TWC on the first full draft of the NHDR. 3. Feedbacks received from stakeholders on the external draft of the NHDR. 4. Final draft approved by the NSC upon recommendations by the TWC. 	<p>stakeholders for feedbacks</p> <ol style="list-style-type: none"> 2. First full draft produced and submitted to TWC for peer review and shared with background paper authors for further consultation where needed <p>2013</p> <ol style="list-style-type: none"> 1. Draft for external review presented at stakeholder workshop on key findings 2. Final draft incorporating feedbacks submitted to UNDP and EPU for approval and comments 3. Final Report to be printed, translated (if necessary) and disseminated 	<p>plan/strategy</p> <ol style="list-style-type: none"> 3. Training on HDR concepts, measurements and methodology <p>Research</p> <ol style="list-style-type: none"> 4. Brainstorming meeting with TWG 5. Create detailed chapter outline 6. Literature review, commission background papers; data collection; surveys; focus groups 7. Share report's outline with HDR network <p>First Full Draft</p> <ol style="list-style-type: none"> 8. Produce chapter drafts; prepare text boxes, graphs, tables, etc; keep track of data sources and references 9. Share draft and consult with TWC and background paper authors <p>Draft for External Review</p> <ol style="list-style-type: none"> 10. Revise and incorporate feedbacks from consultation 11. Stakeholder workshop <p>Final Draft</p> <ol style="list-style-type: none"> 12. Revise and incorporate feedbacks from stakeholder workshop 13. Contract editors/designers for 	<p>Project Coordinator (including laptop) (USD 29,000)</p> <p>Data Collection, Surveys, Focus Groups (USD22,000)</p> <p>Stakeholder Workshop (USD5,000)</p> <p>Editor/Proof Reader (USD5,000)</p> <p>Printing and Layout (USD30,000)</p> <p>Advocacy and Follow-up; Monitoring and Evaluation (USD20,000)</p> <p>Project Management and Monitoring (USD7,000)</p> <p>TOTAL: USD270,000</p>
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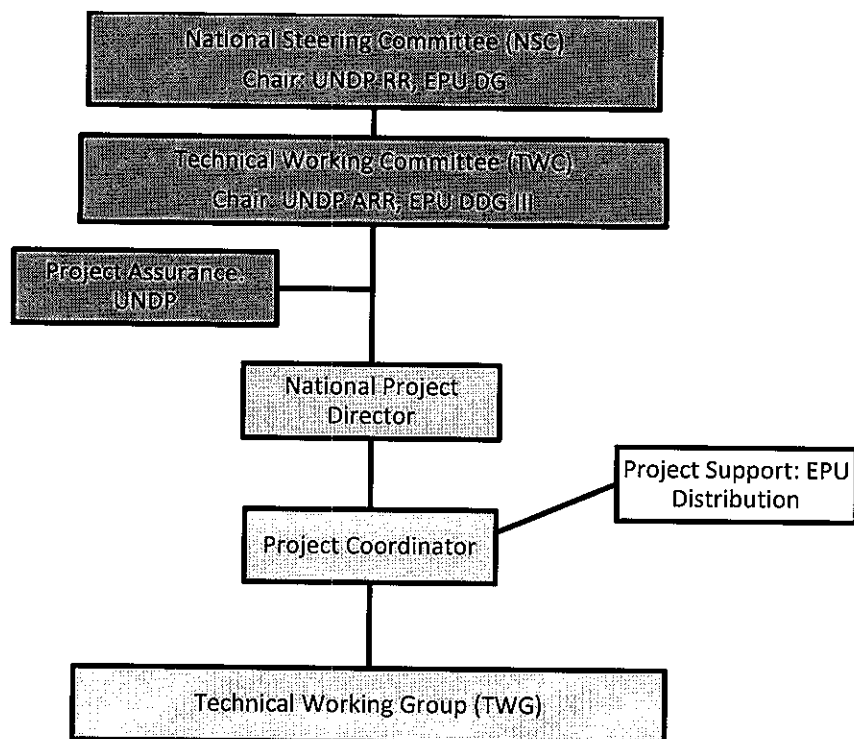
<p>Output 2 Background Papers, including a chapter on the customization of the Multidimensional Poverty Index (MPI) and a revised Poverty Line Index (PLI) for local use</p> <p>Baseline: NHDR framework developed in Output 1 will be used as guiding framework to commission background papers</p> <p>Indicators:</p>		<p>touch-up</p> <ol style="list-style-type: none"> 14. Undertake peer review 15. Submit to UNDP and EPU for approval 16. Incorporate final comments; final touch-up <p>Final Product</p> <ol style="list-style-type: none"> 17. Editor to recheck 18. Prepare translation if required 19. Layout and printing <p>Advocacy and follow-up</p> <ol style="list-style-type: none"> 1. Media and communication 2. Launch and outreach strategy 3. Marketing and dissemination 4. Monitoring and assessing impact 		
<p>2012</p> <ol style="list-style-type: none"> 1. Draft background papers submitted to TWG for feedbacks 2. Final background papers submitted to TWG for approval <p>2013</p> <ol style="list-style-type: none"> 1. Compilation of background papers into a product 		<ol style="list-style-type: none"> 1. Brainstorming meeting with TWG to determine background papers to be commissioned based on literature review and detailed chapter outline 2. Recruitment of background paper authors 3. Research and submission of draft papers 4. Submission of final papers after incorporating feedbacks and comments 5. Consultation with background paper authors where needed 6. Compilation of background 	<p>Background paper authors</p> <p>TWG</p> <p>UNDP</p> <p>EPU</p>	<p>Consultants' Fees: 8 background papers (USD80,000)</p> <p>TOTAL: USD80,000</p>

<ol style="list-style-type: none">1. Confirmation of the types of background papers to be commissioned by TWG upon consultation with stakeholders2. Background papers submitted and approved		papers into a product as part of advocacy and follow-up strategy		
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<p>Output 2 Background Papers, including a chapter on the customization of the Multidimensional Poverty Index (MPI) and a revised Poverty Line Index (PLI) for local use</p>	<p>chapter outline</p> <p>6. Literature review, commission background papers; data collection; surveys; focus groups</p> <p>7. Share report's outline with HDR network</p> <p>First Full Draft</p> <p>8. Produce chapter drafts; prepare text boxes, graphs, tables, etc; keep track of data sources and references</p> <p>9. Share draft and consult with TWC and background paper authors</p> <p>1. Brainstorming meeting with TWG to determine background papers to be commissioned based on literature review and detailed chapter outline</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>Background paper authors</p> <p>TWG</p> <p>UNDP</p> <p>EPU</p>	<p>TRAC</p>	<p>Consultants' Fees</p> <p>TOTAL</p>	<p>80,000</p> <p>80,000</p>
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	up 13. Media and communication 14. Launch and outreach strategy 15. Marketing and dissemination 16. Monitoring and assessing impact			X	X X X				
Output 2 <i>Background Papers, including a chapter on the customization of the Multidimensional Poverty Index (MPI) and a revised Poverty Line Index (PLI) for local use</i>	1. Compilation of background papers into a product as part of advocacy and follow-up strategy			X		Background paper authors TWG UNDP EPU			179,700
TOTAL									179,700

V. MANAGEMENT ARRANGEMENTS



The project will be governed by the National Steering Committee (NSC) and the Technical Working Committee (TWC).

National Steering Committee (NSC)

A National Steering Committee will provide guidance and direction to the project implementation process according to the established detailed work plan monitoring tool. The NSC will be co-chaired by the Resident Representative (RR) of UNDP and the Director General (DG) of EPU. The Committee will be composed of representatives from UNDP, relevant sections of EPU, representatives from civil society and other relevant stakeholders to be identified. The TORs of the NSC shall be agreed among the stakeholders within the first six months of the project. The secretariat of NSC will be in UNDP.

National Project Director (NPD)

The National Project Director will be an appointed person from the distribution section of EPU. The National Project Director will be responsible for coordinating project activities among the main parties to the project. Among these responsibilities are ensuring that the project document and project revisions requiring Government's approval are processed through the Government coordinating authority in accordance with established procedures and providing direction and guidance on project-related issues. The NPD also has the authority to disburse funds upon the advice from the National Steering Committee or the Project Coordinator based on the required project milestones.

Technical Working Committee (TWC)

A technical working committee will be established to handle all technical matters relating to the project and will be co-chaired by the Assistant Resident Representative (ARR) of UNDP and the Deputy Director General III (DDG III) of EPU. The members of the TWC will consist of representatives from the distribution section of EPU, Department of Statistics (DOS), Implementation Coordination Unit (ICU), Department of Social Welfare (DSW), a gender expert,

academics and other relevant stakeholders to be determined by the National Steering Committee. The secretariat of the TWC will be in UNDP.

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.

Project Assurance

The Project Assurance role supports the Project Board 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.

Project Coordinator

i. Project Management

The project management responsibilities are mainly to manage the project on behalf of the NSC and the TWC in close coordination within the Term of Reference agreed to by the NSC and the TWC. The focal person is responsible for day-to-day management and decision-making for the project as well as to ensure that the project produces the results specified in the project document to the required standard of quality and within the specified constraints of time and cost.

The Project Coordinator 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..

ii. Project Assistance/Operations

The operational tasks will be primarily focused on the administrative, financial and operational aspects of the project. The role is to coordinate the implementation of various project activities in ensuring timeliness of activities and delivery of outputs.

VI. IMPLEMENTATION ARRANGEMENTS

Financial Management

Based on the approved AWP, UNDP will provide required financial resources to the Implementing Partner 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 Partner, 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 2 and Annex 8)

The Implementing Partner and Project Coordinator 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, Annual Work Plans and 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 Partner 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.

The contribution of funds for this project shall be charged:

- a) 6% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
- b) Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.

UNDP Support Services

In addition, UNDP may/shall provide the following services:

- a) identification and recruitment of project personnel;
- b) procurement of goods and services
- c) Identification of training activities and assistance in carrying them out

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-Kind Contribution

In addition to the financial resources through UNDP, the implementing partner 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;
- Use of office support facilities (e.g. fax machine, stationary, photostat machine, telephone), and secretarial support where applicable;
- Facilities for convening meetings, workshops and seminars.

VII. 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 National Steering Committee (NSC) will meet after the receipt of each project report or at least twice a year, whichever is greater and address project issues raised by the Project Coordinator, review project progress reports and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to the project document. A final NSC meeting should also be held at the end of project completion to agree to and endorse the final findings and outcomes of the project and to make recommendations towards project closure.
- **Technical Working Committee Meetings**
The Technical Working Committee (TWC) will meet as regularly as required to assist the NSC in monitoring and advising the technical implementation of the project and its activities. The TWC acts as the technical advisors to the NSC, and regularly reviews the progress of all project components.
- **Annual Project Review Meeting**
This internal review meeting will be chaired by EPU during the fourth quarter of the year to assess the performance of the project based on the Annual Work Plan (AWP) submitted at the beginning of the calendar year as well as the Annual Progress Report submitted during the fourth quarter of each calendar year. The review will involve all key project stakeholders and the Implementing Partner, and will focus on the extent to which progress have been made towards achievement of the outputs and that they remain aligned to appropriate outcomes as outlined in the project document. This review should update output targets and results achieved. In the last year of the project, the review will be a final assessment.
- **Final Project Review Meeting**
A Final Project Review meeting will be conducted towards the end of the project completion. Its purpose is to assess the performance and success of the project. It should look at 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

- **Mid Year Progress Report**
A Mid Year Progress Report shall be prepared by the Project Coordinator and shared with the EPU by 30 June of each project year. As a minimum requirement, the Mid Year Progress Report shall utilize the standard template for the Annual Project Report (APR) covering a six month period.
- **Annual Progress Report (APR)**
An Annual Progress Report shall also be prepared by the Project Coordinator and shared with the EPU 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 project 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 TWC meetings
 - Annual signed CDRs
 - Statements of cash position (if applicable)
 - Statements of assets and equipment

This report will be discussed at the Final Project Review meeting mentioned above.

- **Final Project Evaluation**
Project evaluation assesses the performance of a project in achieving its intended results. It yields useful information on project implementation arrangements and the achievement of outputs. It is at this level that direct cause and attribution can be addressed given the close causal linkage between the intervention and its effect or output. Project evaluation provides valuable information to support informed decision-making and serves to reinforce the accountability of Project Coordinator. Depending on the purpose, project evaluations can be commissioned by the management at any time during the project cycle: at mid point, just before or after completion. They should ideally take place around the time of completing a project to determine the future of the project (e.g. continuation or termination of the project), to decide whether the concept should be scaled up or replicated elsewhere, and/or to generate lessons that are of strategic significance for the organization. The evaluation should be conducted by an independent consultant.

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 partner on a quarterly basis and at the end of each year. The Implementing Partner 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

VIII. 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).

ANNEXES

- Annexe I Risk and Mitigation**
- Annexe II Financial Arrangements**
- Annexe III TOR for National Steering Committee**
- Annexe IV TOR for Technical Working Committee**
- Annexe V TOR for National Project Director**
- Annexe VI TOR for Project Coordinator**
- Annexe VII Project Annual Report**
- Annexe VIII Request for Direct Payment Form**

ANNEX 1: RISKS AND MITIGATION

Description	Type	Impact & Probability	Mitigation Measures
The value of US Dollars foreign exchange against the ringgit may reduce during the project cycle	Financial	Probability: Medium 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 changes, the budget will be adjusted accordingly and approved by the NSC.
There may be resistance from stakeholders whose interests might be affected in the short run due to proposed policy recommendations	Others	Probability: Low-Medium Impact: High	There will be a need to ensure stakeholder buy-in through constant consultation and inclusive discussions, clear communication to clarify issues and misunderstandings as well as measures to minimize negative impacts on those necessarily affected.
There may be challenges in accessing recent or updated data and statistics on relevant indicators especially at the state, local and firm levels	Others	Probability: Medium Impact: High	There will be a need to engage with different institutions such as government agencies particularly the Department of Statistics, state and local governments, businesses, civil society, and the academia to source the needed and most current data available, and complement with statistically rigorous primary data, if necessary.
The timely implementation of the project could be affected if there is a pandemic/epidemic outbreak in Malaysia.	Others	Probability: Medium Impact: Medium-High	There will be a need to monitor the patterns of any outbreak of influenza as and when it happens. The schedule of activities and output targets will be amended accordingly depending on the gravity of the outbreak.

ANNEX 3: TERMS OF REFERENCE FOR NATIONAL STEERING COMMITTEE (NSC)

The National Steering Committee (NSC) will monitor the conduct of the project and provide strategic guidance to the project team on the implementation of the project. The NSC will be co-chaired by the Resident Representative of UNDP Malaysia and the Director General of EPU.

UNDP will act as Secretariat to the NSC. Members of the NSC will consist of representatives from the UNDP, relevant sections of EPU, representatives from civil society and other relevant stakeholders to be determined by the Committee.

The NSC will meet after the receipt of each project report or at least twice a year, whichever greater. The NSC will have the following duties and responsibilities:

- Provide policy guidance on matters pertaining to the implementation of the project;
- Monitor and evaluate the implementation of the project towards fulfilment of the objectives stated in the project document;
- Review, approve and endorse proposed work plan and budget;
- Initiate remedial actions to overcome all constraints in progress of the project;
- Review and approve relevant changes to the project design;
- Coordinate the roles of the various organizations involved in the execution of the project and ensure harmony with related activities;
- Advice on the long term sustainability strategy of the project;
- Review and approve all related reports to the projects.

ANNEX 4: TERMS OF REFERENCE FOR TECHNICAL WORKING COMMITTEE (TWC)

The Technical Working Committee (TWC) will assist the NSC in monitoring the conduct of the project and providing technical guidance on the implementation of the project. The TWC will act as technical advisors to the NSC. The TWC will be co-chaired by the Assistant Resident Representative of UNDP Malaysia and the Director General III of EPU. UNDP will act as Secretariat to the TWC. The members of the TWC will consist of representatives from the distribution section of EPU, Department of Statistics, Department of Social Welfare, a gender expert, academics and other relevant stakeholders to be determined by the NSC.

The TWC will be specifically responsible for the following:

- Provide guidance and decisions on matters pertaining to the technical aspects of the project such as the training needs assessment, the training implementation strategy and the development of the training modules to ensure that they meet with the objectives set in the project document and with international good practices and standards ;
- Monitor and evaluate the technical implementation of the project towards fulfilment of the objectives stated in the project document;
- Review and comment on the proposed technical work plan and budget; and
- Regular monitoring of the progress of the project and conduct peer review and recommend approved technical reports to the NSC

ANNEX 5: TERMS OF REFERENCE FOR NATIONAL PROJECT DIRECTOR

National Project Director is a staff member of the Government of Malaysia's implementing agency of a UNDP-supported project and in this case will be the distribution section of EPU. His/her main responsibility is to coordinate project activities among the main parties to the project: the Government co-coordinating authority, the consultant, and UNDP.

Specifically, he/she works in close collaboration with the Project Coordinator, as well as UNDP and his/her responsibilities include:

- Ensuring that the project document and project revisions requiring Government's approval are processed through the Government co-coordinating authority , in accordance with established procedures;
- Preparing work plans in discussion with the Project Coordinator, UNDP, and consultants
- Mobilizing national institutional mechanisms for smooth progress of project;
- Reviewing project status reports;
- Providing direction and guidance on project-related issues;
- Providing advice and guidance to the project team.
- Approve financial transactions

ANNEX 6: TERMS OF REFERENCE FOR PROJECT COORDINATOR

i. PROJECT MANAGEMENT

The project management responsibilities will be primarily focused on the administrative, financial and operational aspects of the project. The role is to manage and coordinate the implementation of various project activities in ensuring quality and timeliness of activities and delivery of outputs.

The specific tasks are:

- Provide direction for the project based on the project document and decisions made by the TWC and NSC
- 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 NSC and TWC on the project's progress
- Maintain close contact with designated focal points from 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 EPU and UNDP
- Coordinate and facilitate the work of the Technical Working Groups engaged in the implementation of project activities
- Work closely with key stakeholders in the drafting and preparation of relevant Terms of Reference for local consultants.
- 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 delivery of the project results and final outputs
- Establish a monitoring plan for activities implemented by project consultants
- Be actively involved in the preparation of relevant knowledge products (including publications and reports)
- Perform the function of ATLAS External User, creating requisitions and vouchers, and other relevant ATLAS processes

ii. PROJECT ASSISTANCE/OPERATIONS

The project assistance/operational responsibilities will be primarily focused on the administrative, financial and operational aspects of the project. The role is to coordinate the implementation of various project activities in ensuring timeliness of activities and delivery of outputs.

The specific tasks are:

- Coordinate the implementation of project activities to ensure the maintenance of the timeliness in the delivery of outputs;
- Liaise and work closely with the project partners, consultants and beneficiaries;
- Report regularly to the National Steering Committee and Technical Working Committee on the project's progress and responsible for drafting minutes for NSC and TWC meetings;
- Maintain close contact with designated focal points from UNDP, and other stakeholders, indicating any estimated changes to the work plan timeline, 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 EPU, and UNDP;
- Support and facilitate the work of the Technical Working Groups engaged in the implementation of project activities;
- Make logistical arrangements for the organization of stakeholders workshop and meeting;
- Assume overall responsibility for administrative matters of a more general nature, such as registry and maintenance of project files.
- 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;
- Where necessary and upon advice by UNDP, perform the function of ATLAS External User, creating requisitions and vouchers, and other relevant ATLAS processes;
- Undertake other financial and administrative tasks on an ad-hoc basis.

ANNEX 7: PROJECT ANNUAL REPORT

DATE:

Award ID:

Description:

Implementing Partner:

Period Covered:

1. Project Issues:

Status of Project Risks:	Open Project Issues:
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2. Project Performance

OUTPUT 1:						
ID						
Description:						
YYYY target:						
YYYY Achievement:						
Activity ID:						
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
OUTPUT 2:						
Project ID						
Description:						
YYYY Target:						
YYYY Achievement						
Activity ID:						
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

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ANNEX 8: REQUEST FOR DIRECT PAYMENT FORM

Request For Direct Payment
RDP01



To be used by projects executed by National Agencies or NGOs

To: UNDP Country Office
[Agency to complete]

From: *[Requesting Agency to complete]*

Attn: UNDP Resident Representative
[Agency to complete]

Authorizing Officer: *[requesting Agency to complete]*

FAX: Country Office fax number
[Agency to complete]

Signature:

Cc:

Request Date:

Subject: Request for Direct Payment to be made by UNDP

In accordance with the activities as defined in the Annual Work Plan (APW), we hereby request UNDP to make the following direct payment to the payee below

Project Title and Number	
Total Amount	
Purpose of Payment	<i>Short description</i>
Payee: <i>(please provide as much details as possible)</i>	Name: Address: Invoice n.: Contract n.: Due date: [one time date or recurrent monthly date] Payment mode requested: Cheque/Transfer Blanket payment for monthly salaries/personnel: from dd/mm/yy to dd/mm/yy <u>For Bank Transfer only</u> Bank Name: Account n.:

Cost distribution					
Project ID	Activity	Donor	Fund	Budget Account	Curr/Amount

Certification: The authorized official hereby certifies:

- that this payment has not previously been made;
- that this payment is in accordance with the Annual Work Plan (AWP);
- that this payment is covered by funds available in the project budget;
- that this payment is for goods and services that have been delivered to the satisfaction of the requesting agency;
- that copies of invoices and other supporting documentation will be available for audit verification.

NOTE: Instead of transmission by fax, the signed form should be sent via email whenever possible. Supporting documentation when required by the office should also be scanned and attached to the email.