

United Nations Development Programme

Programme of Assistance to the Palestinian People

برنامج الأمم المتحدة الإنمائي / برنامج مساعدة الشعب الفلسطيني



19 May 2008

Reference: Capacity Development for the MoE

**EXCHANGE OF LETTERS
BETWEEN
THE MINISTRY OF ECONOMY (MoE)
AND
THE UNITED NATIONS DEVELOPMENT PROGRAMME**

Your Excellency,

Reference is made to the consultations between officials of the United Nations Development Programme / Programme of Assistance to the Palestinian People (UNDP/PAPP) and the Ministry of Economy with respect to the implementation of the project 00061760 "Capacity Development Initiative" funded by the UNDP/PAPP for the amount of **USD \$ 100,000 for a period of 12 months.**

The capacity development project aims to support the development of the institutional, organizational and human capacities needed for the MoE to carry out its mandate more effectively and efficiently. Toward this end, the project will have three major components as detailed in the attached project brief which is an integral part of this letter:

1. Hiring of 2 TOKTEN Consultants
2. Provide Assistance to facilitate the development of a strategic vision
3. Activity based support vis-à-vis the 100 day plan, based on negotiations with UNDP.

Whereas UNDP/PAPP shall be the executing and implementing agency, responsible to, and accountable for, managing the project, including the monitoring and evaluation interventions and achieving of project outputs; this letter hereby reaffirms our cooperation for the implementation of the project framework, the details of which are explained within the Project Brief.

The PA through the MoE is the overall owner of the Programme responsible thereafter for the following:


- Support the Identification of qualified candidates for the two TOKTEN consultant posts.
- Submit funding requests for strategic activities in advance and in coordination with UNDP to ensure budgetary alignment.




Whereby the Ministry of Economy will support UNDP/PAPP and facilitate UNDP/PAPP's role as the executing and implementing agency for the success and smooth implementation of the project.

The launching of the Capacity Development Project will have immediate effect after signing this letter.

Sincerely Yours,


Jens Torberg-Frandzen
Special Representative of the Administrator

A circular stamp of the United Nations Development Programme (UNDP) is positioned to the right of the signature. It contains the text 'UNITED NATIONS' at the top and 'DEVELOPMENT PROGRAMME' at the bottom, with the UN emblem in the center.


X

On behalf of the

Ministry of Economy

Name: Basem Khoury

Title: Minister of Economy

Date: _____



Project Document Format for non-CPAP Countries or Projects outside a CPAP

**United Nations Development Programme
Country: Occupied Palestinian Territory
Project Document**

Project Title: **Capacity development Support to the Ministry of Economy**

UNDAF Outcome(s): Enhancing the Development of Efficient and Accountable Institutions

Expected CP Outcome(s): Responsive Governing Institutions Strengthened
(Those linked to the project and extracted from the CP)

Expected Output(s): Capacities and performance of the executive branch of the authority strengthened at all levels in areas of public administration, social services delivery, and local governance.
(Those that will result from the project)

Executing Entity: UNDP/PAPP

Implementing Agencies: UNDP/PAPP

Brief Description

The Palestinian public sector is facing serious challenges affecting the efficiency and effectiveness of government institutions and the services they provide to the people. At the national level, there are capacity deficits in the formulation of national development plans (PRDP), as many of the government institutions face serious difficulties to engage in strategic planning, policy formulation, monitoring and evaluation, and coordination and consultation with stakeholders. There is no clear human resource management policy that would guide government institutions towards implementing latest approaches in staff management, particularly in terms of personnel recruitment, promotion process and performance appraisal system.

The purpose of this program is to support the development of institutional, organizational, and human capacities needed to execute core public management functions required to sustain the building of a national public services, within an environment of open, structured, reliable, and accountable government. More particularly, the program will develop the capacity of the Ministry of Planning and selected government institutions in undertaking the institutional reform and organizational development needed to perform more effectively their key functions. The program will also support the General Personnel Council in formulating and developing human resource management policy, systems and procedures, that are in line with international standards and best practices. In addition, three government institutions will be piloted under this program and will be subject to in-depth capacity assessment and capacity development. Particular attention will be placed in this program on the monitoring and evaluation of capacity development interventions.

Programme Period:
12 Months

Key Result Area (Strategic Plan)
Responsive Governing institutions Strengthened

Atlas Award ID:
0061760

Start date: 1st July 2009
End Date: 30th June 2010

PAC Meeting Date: _____

Total resources required: \$100,000


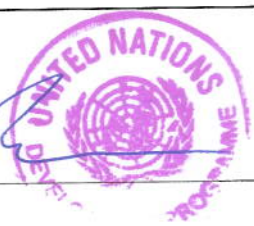
Total allocated resources:

- Regular: \$100,000
- Other:
 - Donor: _____
 - Donor: _____
 - Donor: _____
 - Government: _____

Unfunded budget: _____

In-kind Contributions: _____

Agreed by (UNDP):

[Handwritten mark]

I. SITUATION ANALYSIS

Problems to be addressed

The Palestinian public sector is facing serious challenges, the most important and determinant one is the Israeli occupation which is having severe impact, not just on the Palestinian economy and growth of the productive sectors, but also it is weakening state institutions and undermining the capacity of the Palestinian Authority (PA) to develop and sustain effective institutions. The other challenges which are affecting the efficiency and effectiveness of government institutions and the services they provide to the people are the manifestation of unclear mandates, lengthy bureaucratic administrative procedures, lack of accountability and transparency, excessive centralization in decision making, inadequate legislations, non-merit based recruitment process, low-paid civil servants, and relative absence of incentive system and motivation.

The Palestinian public sector has also encountered severe difficulties in performing its key functions. This was reflected during the process of preparation of the Palestinian Reform Development Plan (PRDP) for the period 2008-2010, where most Palestinian Authority (PA) institutions demonstrated lack of capacity to engage in strategic planning, budgeting and transparent financial management, clear policy formulation, and effective project proposals development. There is also lack of national systems particularly in monitoring and evaluation that would allow standardization and uniformity across all government institutions. The process also demonstrated inadequate consultation mechanisms during the preparation of sectoral plans, both internally between the relevant departments within government institutions and externally with stakeholders from the civil society.

The effective implementation of PRDP and the preparation of future plans would require therefore that capacity of the institution in charge of the preparation of PRDP and national plans and policies, as well as that of government institutions, be strengthened in the above-mentioned functional areas. Capacity development (CD) of the PA cannot achieve, however, the required results without combining such efforts with good governance, through setting up an adequate institutional structure/framework, the design and implementation of appropriate systems and procedures and the creation of an enabling environment (policies and legislations). Improving the efficiency of government institutions would also require the modernization of human resource management institutions, particularly the institution mandated to manage the civil service, the General Personnel Council (GPC), and the development and implementation of human resource policies and procedures that are in line with good modern human resources practices.

II. STRATEGY

The purpose of this program is to support the development of institutional, organizational, and human capacities needed to execute core public management functions required to sustain the building of a national public service, within an environment of open, structured, reliable, and accountable government. The programme intends to achieve three outcomes: (1) Enhance the individual, organizational and institutional Capability of the Ministry of Economy to formulate and implement national development plans (i.e. PRDP) and policies and facilitate and coordinate capacity development at the national level; (2) Strengthen the individual, organizational and institutional capacity of the General Personnel Council (GPC) to formulate and implement transparent and effective human resource management and human resource development policy and system; and (3) Enable selected government institutions to implement institutional reform and development and better carry out their functions particularly in delivering improved and better services to the citizens.

III. RESULTS AND RESOURCES FRAMEWORK

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

Enhancing the Development of Efficient and Accountable Institutions

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

Applicable Key Result Area (from 2008-11 Strategic Plan): Responsive Governing Institutions Strengthened

Partnership Strategy

Project title and ID (ATLAS Award ID): 061760

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
Output 1 Recruitment of 2 TOKTEN Consultants for a period of 12 Months	N/A	Provide key support to the office of the Minister of Economy	UNV/TOKTEN & MoE	\$78,830
Output 2 Provide Assistance to facilitate the development of a strategic vision	N/A	Provide key support towards the development of key papers and publications, strategic workshops, and trainings.	UNDP/PAPP & MoE	\$21,170
Output 3 Activity based support vis-à-vis the 100 day plan	N/A	Provide programmatic support vis-à-vis the 100 day plan, based on pre negotiated interventions	UNDP/PAPP & MoE	N/A

IV. ANNUAL WORK PLAN

Year: 2009

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
Output 1 Recruitment of 2 TOKTEN Consultants for a period of 12 Months	Provide key support to the office of the Minister of Economy		X		X	UNV/TOKTEN & MoE	UNDP/TRAC		\$39,415
Output 2 Provide Assistance to facilitate the development of a strategic vision	Provide key support towards the development of key papers and publications, strategic workshops, and trainings.		X		X	UNDP/PAPP & MoE	UNDP/TRAC		\$10,585
Output 3 Activity based support vis-à-vis the 100 day plan	Provide programmatic support vis-à-vis the 100 day plan, based on pre negotiated interventions		X		X	UNDP/PAPP & MoE	N/A		N/A
TOTAL									\$50,000

V. ANNUAL WORK PLAN

Year: 2010

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
		Output 1 Recruitment of 2 TOKTEN Consultants for a period of 12 Months	Provide key support to the office of the Minister of Economy	X	X				UNV/TOKTEN & MoE
Output 2 Provide Assistance to facilitate the development of a strategic vision	Provide key support towards the development of key papers and publications, strategic workshops, and trainings.	X	X			UNDP/PAPP & MoE	UNDP/TRAC	\$10,585	
Output 3 Activity based support vis-à-vis the 100 day plan	Provide programmatic support vis-à-vis the 100 day plan, based on pre negotiated interventions	X	X			UNDP/PAPP & MoE	N/A	N/A	
TOTAL								\$50,000	

VI. MANAGEMENT ARRANGEMENTS

The management arrangement will follow the structural setup under the project award for the Capacity Development Initiative with key support from the UNV/TOKTEN team and the Executive Office to ensure adequate support and effective implementation to the programme activities.

VII. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.



Note to the File

Subject: CD support for the Ministry of Economy is under the mother project of CDI project

From: Ahmad Al Hammad-Executive Office

Date: June 18, 2009

A handwritten signature in black ink, appearing to read 'Ahmad Al Hammad', is written over the 'From:' field.

The purpose of this program is to support the development of institutional, organizational, and human capacities needed for Ministry of Economy to execute its core public management functions required to sustain the building of a national public services, within an environment of open, structured, reliable, and accountable government.

This project does not need to go to the LPAC as it falls under the CDI award – mother project # 50122 Project #61760 which has undergone a thorough technical review during its initiation.

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