

# **PROJECT DOCUMENT**

**The Ministry of Foreign Affairs of the Republic of Hungary**

**United Nations Development Programme**

## **Strengthening of Hungarian Cooperation with Developing and Transition Countries**

### **Brief description of the project**

The overall objective of the proposed project is to enhance Hungarian development cooperation with developing and transition countries in close cooperation with UNDP and to promote export of Hungarian expertise and transition experience in line with the Hungarian policy for International Development Cooperation. The project will establish a mechanism for the effective use of the Hungarian expertise and provide for the national capacity building for development cooperation. The project team will work in close cooperation with UNDP, making use of its network of country office, regional programming and long term and strong programmatic presence in the Hungarian target recipient countries. The project is an expression of Hungary to work strategically and systematically in the field of development assistance.

## **Section I - NARRATIVE**

### **Part Ia. Situation Analysis**

#### *Hungary as an emerging donor*

Hungary has more than 30 years of experience in technical and scientific cooperation with developing countries. In the decades preceding the transition in 1989, Hungary was mainly involved in technical cooperation, that represented the most basic forms of cooperation. The country signed more than 50 intergovernmental agreements on technical and scientific cooperation with developing countries. Large numbers of qualified experts worked in these countries in the fields of health, agriculture, civil engineering etc., and more than 11 thousand students and professionals from developing countries were trained in Hungary.

Following the transition the political motives disappeared and budgetary allocations for technical cooperation were decreased and today cooperation with the developing countries is limited. Some sectoral ministries implement in the framework of their international relations, their own cooperation programmes, often in the form of provision of technical expertise and direct assistance to developing countries. In addition, ministries provide humanitarian assistance to neighbouring and developing countries.

Summarising the past years, Hungary - in terms of bilateral ODA type assistance –essentially pursued an ad hoc, decentralised type of development cooperation strategy.

In light of its OECD membership and accession to the EU, Hungary faces new obligations in provision of development assistance. The preparation of a development assistance programme in line with international criteria on development assistance as agreed by the OECD's Development Assistance Committee (DAC) is on the agenda of the Government. It is therefore necessary to elaborate a development cooperation policy which, based on Hungarian conditions, is aligned both with the development strategies of EU member countries and with the overall EC development cooperation strategy.

On the basis of Government Decision 2319/1999 (07.12.), the Ministers of Foreign Affairs Economy and Finance drafted a Concept paper proposing a new approach to international development cooperation (IDC) for the Republic of Hungary. The Paper proposed that Hungary replace its practice of delivering its contribution to ODA as a series of ad hoc and decentralised initiatives with a practice adapted to UN, DAC and EU standards. The Paper proposed that the Ministry of Foreign Affairs (MFA) would draw up the annual plan for the delivery of IDC and would act as the interdepartmental co-ordinator. On the 24<sup>th</sup> of July 2001, the Government approved the Concept Paper. In the context of institutional development, the International Development Cooperation Department was established within the MFA in November 2002 to execute all IDC activities financed from the IDC-budget of the MFA and coordinate the activities of the line ministries. 2003 marks the Department's initial year and it is intended that it will manage Hungary's IDC program reflecting the practices of donors as established by the OECD and EU.

Establishing the conditions and the institutional capacity to deliver IDC, managing the structures and mechanisms that serve the implementation of development policy and forming capacities to promote the efficient use of budgetary resources are urgent priority issues. Following the OECD DAC recommendations, the mechanisms of the international donor community are co-ordinated. All members work towards the coherence, complementarities and coordination of their IDC programs. Hungary can best respond to IDC requirements if it harmonizes its national regulatory framework with the international practice.

This harmonization and coordination work is realized through the active participation of the Hungarian Government representatives in the OECD DAC and the respective organizations of the European Union.

### **Part Ib. Host Country Strategy**

As it evolves, Hungarian IDC, while considering the principles and political practice of the OECD and EU development strategy, will be based on national interests and characteristics will form part of foreign relations and will be aimed at social and economic development of countries eligible for ODA and those countries in transition. Hungary intends to form a development partnership with countries that are important to its foreign and security policy and foreign trade relations (regional stability, geographical proximity, traditional and active foreign relations, extensive social and political contacts, well-founded economic and commercial structures, etc.), that are well known to Hungarian social and economic actors (knowledge of local characteristics and needs, command of languages) and where its IDC efforts are duly received. Hungarian development cooperation shall be focused primarily on sectors and areas where Hungary has comparative advantages, such as:

- the transfer of Hungarian experience related to the change of political systems (establishment and operation of democratic structures; establishment of conditions for the transition to market economy; privatisation; support to small and medium enterprises; application of the „good governance” requirements; development of migration, election and population statistic systems, etc.);
- intellectual capital, know-how based assistance (information technology and communication; community Internet access; management and planning of labour policies, etc.);
- education (university and post-graduate), training of experts and technicians, curriculum development, distance teaching arrangements;
- health, pharmaceutical production (planning, equipment and operation of hospitals and polyclinics; birth control; reduction of epidemics, etc.);
- agriculture (dissemination of the most up-to-date plant cultivating and stock-breeding methods; seed improvement; plant health and plant protection; freshwater pisciculture; forestation programs; forestry consulting; mushroom growing; development plans for farms; biotechnology; agro-meteorology; agriculture-related expert and engineer training), food industry (slaughter house design);
- water management, planning and consultancy (storage basins and barrage dams; water purification plants; dam planning; drainage; exploration and measurement of water resources, etc.);
- infrastructure planning;
- consultancy on environmental protection;
- protection of cultural heritage;
- general and transportation engineering activity; cartography.

## **Legal and institutional framework for Hungarian IDC**

According to the Government Decision in force, the activities of the new type of international development cooperation are being coordinated by the Ministry of Foreign Affairs through its **Department of International Development Cooperation (DIDC)**, which was set up in October 2002, at the time being working with a staff of 10 people. Since November 2003, a new IDC attaché has been working at the permanent mission in Brussels.

The **Inter-departmental Committee (IC)** decides on strategic IDC policy issues, designates target countries and sectoral tasks of development cooperation, and coordinates annual national programs.

The **Inter-departmental Expert Workgroup (ID WG)** is responsible for working-level coordination between ministries. Its members are the heads of departments responsible for international relations. The governing principle of coordination is that the IDC programs managed by MFA do not replace but complement the independent IDC activities of the different ministries. In addition to this, MFA keeps partner ministries informed about its activities, involves them in the management of IDC matters and furthers their participation in international events.

The **Civil Advisory Board (CAB)** is giving opinions and advice on IDC activities, and facilitates greater social awareness of these activities. The CAB members receive written information about the current IDC issues.

The **International Development Work Committee (ID WC)**, a coordination and decision preparation body within MFA, is responsible for managing the operation of IDC allocations. Its chairman is the deputy state secretary responsible for bilateral relations, and its members are leaders of the competent partner departments. ID WC is responsible for ensuring the proper use of appropriations, participating in the calling for and evaluation of project proposals, and facilitating the harmonization of IDC programs with foreign policy, security policy, and external economic objectives. Before the announcement of the Minister of Foreign Affairs' directive on the setting up of the Workgroup, coordination with the partner departments within the ministry was conducted on an ad hoc basis.

In 2003, Hungarian foreign missions interested in this matter were informed about Hungary's IDC activities, and their preparation for participation in this work was started. Many of the Hungarian Embassies have submitted proposals for IDC projects and joined in this work. For the time being, the foreign missions carry out their IDC activities under the close supervision and coordination of the MFA, but in the long run their authority should reasonably be extended in accordance with the EU practice.

In 2003, a Hungarian IDC implementing organization has been selected through public procurement procedure organized by the Hungarian MFA. Throughout the selection process HUN-IDA was awarded a status of the Hungarian IDC implementing agency as it was evaluated as most qualified for and capable to handle the day-to-day management of the national programme. Among others, it will carry out tasks such as tendering, evaluation, contracting and monitoring of activities related to the delivery of the Hungarian international assistance.

## Part II. Project Strategy

The project aims at targeted support to and facilitation of the effective export of Hungarian transition experience and know how by funding the following four major types of activities:

- a) Public awareness campaign and promotion of development education
- b) Selection of development cooperation projects proposed by Hungarian NGOs, companies and institutions based on selection procedure
- c) Formulation of Hungarian development cooperation projects
- d) Recruitment of Hungarian experts, NGOs, companies and institutions to be involved in UNDP programmes and projects, based upon requests from UNDP
- e) Trainings and study tours organised in Hungary for experts from the recipient country

These activities will be encompassed by a set of supporting activities such as establishment and maintenance of an expert database; organisation of consultancy missions and exporting Hungarian services to recipient countries; establishing development cooperation networks and twinning arrangements; provision of administrative, analytical and policy support to the implementation of Hungarian development cooperation activities.

The project will use the outputs of the ongoing capacity building project for the implementation of the ODA activities within the framework of this project.

UNDP will provide policy expertise and make full use of the regional programs and of the network of country offices in support of the project activities. Fact-finding missions to the Hungarian target priority countries will be also facilitated by UNDP. Regarding the implementation of the project and delivery of services, standard UNDP rules and regulations will be applied in order to maintain transparency and efficiency.

### Framework for the Use of Financial Resources

The Cost-Sharing Agreement states the following on the use of the financial resources provided for the project:

“The following indicative framework will determine the use of financial resources. Based on the actual amount of funding received, UNDP will prepare the project budget revision accordingly. Changes to the parameters of this framework can be done only by the decision of the project Steering Committee“.

|   | Description                                                                                                                                                   | Amount in USD (HUF)       |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| 1 | National Capacity Building Activities as per ongoing project including public awareness campaign, national consultants and expansion of the project personnel | 142 900<br>(32 million)   |
| 2 | Pilot projects in priority target countries as defined in the resolution 1/2003 of the International Development Cooperation Interdepartmental Committee      | 585 700<br>(122 million ) |
| 3 | Workshops, trainings and study tours organized in Hungary for the participants from Hungarian target recipient countries                                      | 176 200<br>(37 million)   |
| 4 | Consultancy missions of the Hungarian experts and                                                                                                             | 76 200                    |

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| internships within the framework of UNDP programmes/projects in Hungarian target recipient countries | (15 million )            |
| TOTAL                                                                                                | 981 000<br>(206 million) |

Note: rate of conversion used 1 USD=210 HUF

In addition to the above guidance, using target countries' priorities documented in their UNDP Country Cooperation Frameworks and the documents of the Inter-departmental Committee, the following priority areas may be specified for formulation of projects and/or programmes to be implemented within the framework of this project:

- Governance
- Health
- Education
- Environmental governance
- Energy management
- Capacity building in various priority sectors Specific human security issues

### **Part III. Management Arrangements**

The Project will be executed and implemented by HUN-IDA, a Hungarian non-profit making and non-governmental organization.

In addition, HUN-IDA has been appointed as an executing agent following the appropriate capacity analysis according to UNDP rules and regulations available in writing. Hungarian MFA also endorsed selection of HUN-IDA as HUN-IDA has been selected by the MFA through public procurement procedure as implementing agency of the Hungarian ODA.

Following former reviews and LPAC conclusions, HUN-IDA has demonstrated that it has an exclusive and predominant capability to implement the project, based on experience, as well as specialized facilities and technical competence. In addition, as often reiterated throughout the present document, the project also contributes to the Hungarian ODA capacity building and it will be closely linked and coordinated with the ongoing capacity building project HUN/02/002.

It will be responsible for the overall management of the project in accordance with the UNDP NGO execution guidelines, UNDP programming manual and in line with the assistance provided by the UNDP Regional Center in Bratislava. The cooperation between UNDP, Hungarian Government and HUN-IDA will be regulated by the project cooperation agreement signed between UNDP Regional Center in Bratislava and HUN-IDA.

The executing agency, HUN-IDA, will appoint the Project Manager (Terms of Reference Annex B), who will be responsible for the day to day co-ordination of the project activities, including recruitment of staff according to the budget provisions. He will also prepare the necessary reports as required by UNDP Regional Centre, Bratislava, the Steering Committee or upon MFA's request. The Project Manager will be supported in the implementation of the project activities by the Deputy Project Manager (Terms of Reference Annex B).

### **Steering Committee**

Steering Committee (SC) will be the key strategic management and decision-making body in which the Ministry of Foreign Affairs will have the majority. The Steering Committee will meet at least two times per year. The Project Manager will call the SC meetings on behalf of the Director General of the IDC Department (Chairperson of the Steering Committee) or other members of the SC and will act as its Secretary.

Members of the SC will be representatives of:

- Ministry of Foreign Affairs of Hungary: Members of the International Development Work Committee
- UNDP-RBEC Regional Support Center, Bratislava, and the
- Implementing Agency-National Project Manager.

Members of the Steering Committee will have equal voting right with one vote each. Decisions will be taken on the basis of majority votes; where there is a hung vote, the DG of the Department for International Development Cooperation has the casting vote. The Steering Committee will have, through a simple majority voting, the final say in the selection of partners to be contracted for the implementation of Hungarian development cooperation projects and activities. All SC meetings will be properly prepared by the Executing/Implementing Agency in consultation with its Chairperson (DG of the IDC Dept.) by providing in advance the relevant documentation to its members. At each Steering Committee, at minimum, financial and progress reports compiled for the previous two quarterly periods will be discussed and approved as well as the Workplans for the following two quarterly periods. At the first Steering Committee of the calendar year, an Annual Report for the previous year will be discussed and approved as well as annual Workplan for the following year will be submitted for comments and approval.

The Project will link with projects of the Government, donors and non-governmental organizations working in the subject area to contribute to developing learning networks. The Project will also encourage learning from other experiences by organizing study visit to successful projects.

### **Part IV. Monitoring and Evaluation**

For operative guidance and monitoring purposes a Project Board will be set up. It will be composed MFA representatives, UNDP representatives and representatives of the Implementing Agency. The Project will be subject to quarterly reviews by the Project Board, using the progress reports as the basis for discussions. The PB will also have the mandate to advise in various project and staff management issues and to decide which matters should be brought forward to the Steering Committee. These quarterly reviews will also consider the quarterly Workplans.

The Project will, also, be subject to annual Tripartite Reviews composed of major stakeholders. The Annual Project Report will be used as a key discussion document for these meetings. The Tripartite Review Meetings will be conducted towards the end of each implementation year. A final review will be undertaken at the end of the project.

The Project will be subject to audit at least once in its lifetime. (See Annex B).

## **Part V. Legal Context**

The following types of revisions may be made to this project document with the signature of the Director of UNDP RBEC Regional Centre in Bratislava only, provided he or she is assured that the other signatories of the project document have no objections to the proposed changes:

- a. Revisions in, or addition of, any of the annexes of the project document (with the exception of the Standard Legal text for non-SBAA countries which may not be altered, and the agreement to which is a precondition for UNDP assistance).
- b. Revisions, which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of inputs already agreed to or by cost increases due to inflation.
- c. Mandatory annual revisions, which rephrase the delivery of, agreed project inputs, or reflect increased expert or other costs due to inflation, or take into account agency expenditure flexibility.

## **Part VI. Budget**

See Annex D



## Section II - PROJECT RESULTS AND RESOURCES FRAMEWORK

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| <p><b>Intended Outcome as stated in the Country Results Framework:</b><br/>Enhanced Hungarian cooperation with developing and transition countries in line with the Hungarian Policy for International development Cooperation with a special focus on Serbia and Montenegro and Bosnia and Herzegovina</p>                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                         |
| <p><b>Outcome indicator as stated in the Country Programme Results and Resources Framework, including baseline and target:</b><br/> <b>Outcome indicator</b> – Hungarian development cooperation programmes/projects implemented under MFA coordination and in cooperation with UNDP and other donors<br/> <b>Baseline</b> – Ad hoc, decentralised type of development cooperation projects under implementation<br/> <b>Target</b> – Pilot projects and consultancy services implemented bilaterally and/or trilaterally</p>                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                         |
| <p><b>Applicable MYFF Service Line:</b> 1.4 Globalization benefiting the poor</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                         |
| <p><b>Partnership Strategy:</b><br/>Effective development cooperation requires a complex set of interventions by multiple partners at the global, regional, national and local levels. The Ministry of Foreign Affairs will be the main partner and stakeholder for the implementation of the Hungarian development cooperation policy/programme. Another major partner will be the Implementing Agency of Hungarian IDC, HUN-IDA (Hungarian International Development Assistance), a non-profit NGO. Some traditional donors might find interesting to join the resources for trilateral projects.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                         |
| <p><b>Project title and ID:</b><br/>Strengthening of Hungarian Cooperation with Developing and Transition Countries</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                         |
| <b>Intended Outputs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Indicative Activities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Expected Inputs</b> (to be further specified in the work plan)                                       |
| <p><b>1. Increased national capacity to deliver and promote ODA</b></p> <p><b>1.1 Project management (implementation, monitoring, evaluation)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>1.1.1 Project team made operational</p> <p>1.1.2. Workplan developed and approved by the Steering Committee</p> <p>1.1.3. Steering Committee established</p> <p>1.1.4. System of project selection established and made operational</p> <p>1.1.5. An annual report on project activities, including use of UNDP funds will be submitted</p> <p>1.1.6. The project will be evaluated to assess the extent to which it is successfully and efficiently implemented</p> | <p>1.1.A Staff time</p> <p>1.1.B Office costs</p> <p>1.1.C MFA</p> <p>1.1.D UNDP RC Bratislava/ NLO</p> |

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| <p><b>1.2. Development of public awareness strategy and its implementation to increase development education among targeted stakeholders</b></p> <p><b>1.3 Drafting of development education strategy, its production and promotion</b></p>                                                                                                                           | <p>1.2.1. Workshops, lectures, seminars in support of increased public awareness about development cooperation initiated and implemented</p> <p>1.3.1. Promotional and educational materials about development cooperation prepared and published</p>                                                                                      | <p>1.2.A Staff time<br/>1.2.B Office costs<br/>1.2.C MFA<br/>1.2.D UNDP RC Bratislava/NLO</p> <p>1.3.A Staff time<br/>1.3.B Office costs<br/>1.3.C National Consultants</p> |
| <p><b>2. Pilot projects in priority target countries as defined in the resolution 1/2003 of the International Development Cooperation Interdepartmental Committee</b></p> <p><b>2.1 Implementation of the Hungarian ODA projects and activities in the target recipient countries with a special emphasis on Serbia and Montenegro and Bosnia and Herzegovina</b></p> | <p>2.1.1 Fact-finding and mapping missions</p> <p>2.1.2 Identification of development cooperation activities and projects</p> <p>2.1.3 Formulation of project proposals</p> <p>2.1.4 Calls for project proposals and public tenders for specific themes and activities</p> <p>2.1.5 Contracting</p> <p>2.1.6 Monitoring and Evaluation</p> | <p>2A Staff time<br/>2B Travel<br/>2C MFA<br/>2D UNDP Regional Center and Country Offices</p>                                                                               |
| <p><b>3. Workshops, trainings and study tours organized in Hungary for the participants from Hungarian target recipient countries</b></p> <p><b>3.1 Identification of the training needs and execution of the trainings</b></p>                                                                                                                                       | <p>3.1.1. Identification of the training needs and demands in the recipient countries</p> <p>3.1.2. Recruit participants</p> <p>3.1.3. Identification of the best practices, institutions and trainers in Hungary</p> <p>3.1.4. Develop curriculum</p> <p>3.1.5. Execute training</p> <p>3.1.6. Evaluation of trainings</p>                | <p>3A Staff time<br/>3B Office costs<br/>3C UNDP Regional Center and Country Offices</p>                                                                                    |

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| <p><b>4. Consultancy missions of the Hungarian experts and internships within the framework of UNDP programmes/projects in Hungarian target recipient countries</b></p> <p><b>4.1 Involvement of Hungarian experts and internships within the framework of UNDP programmes/projects in Hungarian target recipient countries</b></p> | <p>4.1.1. Identification of the suitable development activities where the Hungarian experts can be involved</p> <p>4.1.2. Selection and contracting of Hungarian experts for UNDP regional and country programmes</p> <p>4.1.3. Establish a roster of Hungarian experts with UNDP experience including evaluation of their work and lessons learned (debriefing)</p> | <p>4A Staff time<br/>4B Office costs<br/>4C Consultants<br/>4D UNDP Regional Center and Country Offices</p> |
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## Annex A

### Standard Text: Supplemental Provisions to the Project Document: The Legal Context

#### 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 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. (N.A.)
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. (N.A.)
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 Government. 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. (N.A.)

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 executing 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 instance 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. (N.A.)

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. (N.A.)

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, copyrights 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. (N.A.)

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 a/ who, under the direction of the Executing Agency will be responsible 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 training of national counterpart personnel. He shall be responsible for the management and efficient utilization of all UNDP-financed and Government 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 Government's and UNDP 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, with out 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 therefrom. The UNDP may, however, as 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 may be earned therein by such personnel in the execution of the project; and
- (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 purpose of the project or which, after having been brought into the country, may be subsequently withdrawn therefrom;
- (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 therefrom 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 paragraph 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 interfered 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, 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 provision 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 B**

### **AUDIT REQUIREMENTS**

#### **Objective of Audit**

All nationally executed programmes and projects must be audited once in their lifetime, at a minimum. The government co-ordinating authority, in consultation with the UNDP REBC RC, draws up an annual plan by November. The audit plan lists the programmes and projects scheduled to be audited on that given year, considering whether the programme or project has previously been audited, the volume of funds, number of programmes and projects, workload, among other things. The Office of Audit and Performance Review (OAPR) is kept informed about audit plans.

The objective of the audit is to provide the UNDP Administrator with the assurance that UNDP resources are being managed in accordance with:

- (a) The financial regulations, rules, practices and procedures prescribed for the programme or project
- (b) The PSD or the project document and Workplans, including activities, management and implementation arrangements, monitoring, evaluation, and reporting provisions
- (c) The requirements for execution in the areas of management, administration and finance.

#### **Scope of Audit**

The audit of nationally executed programmes or projects must cover, but may not necessarily be limited to, the following:

- (a) Assessment of the rate of delivery
- (b) Financial accounting, monitoring and reporting
- (c) Management systems for recording, documenting and reporting on resources utilisation
- (d) Equipment use and management, and
- (e) Management structure, including the adequacy of appropriate internal control and record-keeping mechanisms.

The audit must confirm and certify that:

- (a) The disbursements are made in accordance with the activities and budgets of the programme support or project document
- (b) The disbursements are supported by adequate documentation
- (c) The financial reports are fairly and accurately presented
- (d) An appropriate management structure, internal controls and record-keeping systems are maintained
- (e) The Executing Agent and the UNDP RBEC RC have undertaken and have prepared reports for monitoring and evaluation of the substantive activities and of the management systems of the programme/project, and
- (f) The procurement, use, control and disposal of non-expendable equipment are in accordance with the Government's or UNDP requirements.

The audit is normally carried out at the level where the original documentation is held. It shall cover the funds channeled through the government by advances of funds.

## **The Audit Process**

The audit must be conducted in conformity with generally accepted common auditing standards and in accordance with the professional judgment of the auditor. The standards applied are normally referred to in the audit report.

The audit may use for information the standards and terms of reference established for the United Nations Board of Auditors. (See the UNDP Financial Regulations and Rules: Article XVII and XII and Information Annex).

The audit is normally conducted by the legally recognised auditor of the Government. However, in instances when such arrangements are not feasible, the audit may be carried out by a commercial auditor engaged by the executing agent. The audit authority must be mentioned in the PSD or project document. It is the Executing Agent's responsibility to identify and appoint the auditing body, to ensure that the audit is performed in accordance with generally accepted common auditing standards and to ensure that the report, duly reviewed and responded to, reach UNDP Headquarters (OAPR) via the UNDP RBEC RC by 30 April of the following year of the audit.

UNDP Senior Regional Co-ordinator may exceptionally approve the use of the programme or project funds for audit costs if the audit is carried out by a commercial auditor. In that case, adequate financial provision for the audit must be included in the programme or project budget.

The UNDP RBEC RC will organise briefings with the auditors before the audit exercise and upon the completion of the audit. The briefings must occur even if the auditors have prior experience of auditing UNDP programmes or projects.

The findings of the draft audit report must be discussed in detail with the Executing Agent, including the Project Management staff, the government co-ordinating authority and the UNDP Senior Regional Co-ordinator. Their comments are included in the final report.

The Executing Agent is the recipient of the final audit report. The Executing Agent forwards it to the UNDP Senior Regional Co-ordinator. The UNDP RBEC RC reviews the audit report from its perspective and forwards the report to UNDP headquarters. The audit report is to reach UNDP headquarters (Office of Audit and Performance Review) no later than 30th April to enable the United Nations Board of Auditors to comment on the report and incorporate their comments in their report to the General Assembly and the Executive Board of UNDP. The executing agent also shares the audit report with the government co-ordinating authority and other concerned parties, as appropriate.

The "UNDP Procedures for National Execution" provides guidance on the audit process, such as the audit plan, standard terms of reference and contract for the auditor, standard outline audit report, as well as issues and documentation to assist the audit.

## Annex C

### Strengthening of Hungarian Cooperation with Developing and Transition Countries

#### 1. TERMS OF REFERENCE OF THE PROJECT MANAGER

##### **Background:**

In December 2003, Government of the Republic of Hungary, represented by the Ministry of Foreign Affairs (MFA), and United Nations Development Programme (UNDP) signed a Cost-sharing Agreement pursuing the mutual cooperation in the area of international development cooperation. As a result, MFA assigned USD 1,037,000 to be programmed by UNDP in such a way that the Hungary's strategic priorities in the area of international development cooperation are pursued and supported. In this view, the UNDP in consultation with the MFA programmed the assigned funds under the project '*Strengthening of Hungarian Cooperation with Developing and Transition Countries*'.

##### **Specific Tasks:**

The Project Manager (PM) will manage the implementation of and activities under the project '*Strengthening of Hungarian Cooperation with Developing and Transition Countries*' in order to effectively deliver funds assigned to this project in support of the project activities as stated in the project document and planned for in the annual workplans specifically, and Hungarian International Development Assistance in general. The Project Manager will:

1. be responsible for achievement of objectives and outputs of the project as stated in the project's results framework that is linked to the preparation of the detailed annual and quarterly work plans; specific attention should be paid to:
  - a) Coordination of this project with similar activities developed in Hungary either by other donors or state/national entities in order to complement these and create synergy effects
  - b) Ensuring that the project activities are in line with the Hungary's efforts to align its ODA policies and activities with the requirements under the OECD and EU membership
  - c) Experience, knowledge sharing and information exchange with other donors, be it traditional or emerging donors
2. implement participatory quarterly and annual review of the results framework to ensure effective delivery of outputs and use of resources; be responsible for development of a monitoring and impact assessment system. The PM will also ensure that annual and independent reviews of Project performance is done and suggestions considered;
3. based on a consultative process, develop the methodological framework for the implementation of Project activities. This task will be done in accordance with the concepts agreed upon in the Project document and will relate to each and every major component of the Project;
4. be responsible for management of the Project office and the effective use of all UNDP/MFA support, including available staff, to achieve the stated outputs and objectives of the Project;
5. act as the chief representative of the Project in regular communications with MFA and UNDP, during review meetings and evaluations, hence, be responsible for preparation of Steering Committee meetings agenda and submission of supporting documentation;

6. exercise overall technical, financial and administrative oversight of the project, including supervision of national and international personnel assigned to the project;
7. prepare Terms of Reference for subcontractors, advertise Calls for Project Proposals, propose contract committee members, and award contracts; in co-operation with UNDP develop project proposals and advertise Calls for Implementing Agency; propose contract committee members, and award contracts
8. identify potential candidates, national and international, for posts under the Project (advertising, appointing a selection board, conducting examinations/interviews, arranging for medical examinations and obtaining approval of the appropriate authority), and recruit these individuals as well as assume responsibility for their administration, including their remuneration;
9. draw up specifications for the equipment required under the Project; purchase such equipment according to UNDP rules and procedures governing such procurement; maintain an inventory and ensure the proper operation, maintenance and appropriate distribution of such equipment;
10. perform all other tasks, as required, to make this Project a success

**Qualifications:**

The candidate should hold a Master's degree in economics, social science, development studies, management or related field. The candidate should have at least 10 years of working experience in local development efforts. The candidate should have positive experiences of working with Government agencies, elected authorities and NGOs. The candidate must be an expert in participatory development. The candidate must be computer literate with proven abilities in Hungarian and English.

**Duration:**

The total time frame for the carrying out of this assignment is 2 years.

## 2. TERMS OF REFERENCE OF THE DEPUTY PROJECT MANAGER

### **Background:**

In December 2003, Government of the Republic of Hungary, represented by the Ministry of Foreign Affairs (MFA), and United Nations Development Programme (UNDP) signed a Cost-sharing Agreement pursuing the mutual cooperation in the area of international development cooperation. As a result, MFA assigned USD 1,037,000 to be programmed by UNDP in such a way that the Hungary's strategic priorities in the area of international development cooperation are pursued and supported. In this view, the UNDP in consultation with the MFA programmed the assigned funds under the project '*Strengthening of Hungarian Cooperation with Developing and Transition Countries*'.

### **Specific Tasks:**

Deputy Project Manager will support the Project Manager in implementation of the activities and reaching of outputs as defined in the project document '*Strengthening of Hungarian Cooperation with Developing and Transition Countries*'.

### **The Deputy Project Manager will:**

- Assist NPM in all matters related to programme, financial and administrative functions of the Project
- Assist the NPM in preparing regular updates and ensure the implementation of a detailed work plan consistent with the provisions of the Project document. This work plan should contain a time-phased listing of Project activities/tasks to be performed and the outputs that should result from any or a combination of these activities.
- Assist the NPM in the preparation and achievements of the Project results framework that is linked to the preparation of the detailed work plan; and implement participatory annual review of the results framework to ensure effective delivery of outputs and use of resources
- Assist in ensuring the participatory, decentralised and results-oriented operations or management of the Project, with special emphasis on implementation of Project activities at the regional and country levels
- Based on a consultative process, assist the NPM in developing the methodological framework for the implementation of Project activities. This task will be done in accordance with the concepts agreed upon in the Project document and will relate to each and every major component of the Project
- Assist in the development of a monitoring and impact assessment system. The Deputy Project Manager will also ensure that annual and independent reviews of Project performance is done and suggestions considered
- Participate and encourage the participation of Project staff in different forums that may be organised by various agencies related to the Project
- Ensure documentation of Project implementation processes and experiences. Information of Project experiences will be developed into communication materials and widely disseminated.
- Perform all other tasks, as required, to make this Project a success
- Ensure the maintenance of a filing system, reports or other documentation on the Project;
- Support other Project-related activities as required by the Project Management;

**Qualifications:**

The candidate should hold a Master's degree in social science, development studies, management or related field. The candidate should have at least 3 years of working experience in development cooperation field. The candidate should have positive experiences of working with Government agencies, elected authorities and NGOs. The candidate must be computer literate with proven abilities in Hungarian and English.

**Duration:**

The total time frame for the carrying out of this assignment is 2 years.

Annex D BUDGET AND WORKPLAN



United Nations Development Programme

Regional Centre Bratislava  
Year: 2004-2006

Project Title: Strengthening of Hungarian Cooperation with Developing and Transition Countries

Project ID: 38553

| Activity/ | Expected Output                                        | Key Activities                                                                                                                                                                                                                                                                                                                                        | Timeframe (2004-2006) |    |    |    |    |    |    |    | Resp. Partner | Planned Budget |       |                                                     |               |                  |
|-----------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|----|----|----|----|----|----|---------------|----------------|-------|-----------------------------------------------------|---------------|------------------|
|           |                                                        |                                                                                                                                                                                                                                                                                                                                                       | Q3                    | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |               | Fund           | Donor | Budget Description                                  | Amount        | HUF              |
|           |                                                        |                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               |                |       |                                                     |               |                  |
| 1.1       | Increased national capacity to deliver and promote ODA | 1.1 Project management (implementation, monitoring, evaluation)<br>- Project team made operational<br>- Steering Committee established<br>- Workplan developed and approved by Steering Committee<br>- System of project selection established and made operational<br>- Annual Report on project activities, including UNDP funds, will be submitted |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71300 | Local Consult.-Short Term-Supp (PM, PDM, Adm. Sup.) | 5,200         | 1,092,000        |
|           |                                                        |                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 72500 | Stationary & other Office Suppl.                    | 1,000         | 210,000          |
|           |                                                        |                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71300 | Local Consult.-Short Term-Tech                      | 2,700         | 567,000          |
|           |                                                        |                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 74500 | Miscellaneous/Bank Charges                          | 1,500         | 315,000          |
|           |                                                        |                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71600 | Local Travel                                        | 2,000         | 420,000          |
|           |                                                        |                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71600 | International Travel                                | 2,000         | 420,000          |
|           |                                                        |                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 74100 | Professional Services/Audit fee                     | 3,000         | 630,000          |
|           |                                                        | <b>Subtotal 1.1</b>                                                                                                                                                                                                                                                                                                                                   |                       |    |    |    |    |    |    |    |               |                |       |                                                     | <b>17,400</b> | <b>3,654,000</b> |
|           |                                                        | 1.2. Development of public awareness strategy and its implementation to increase development education among targeted stakeholders                                                                                                                                                                                                                    |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 74200 | Translations (Interpreting)                         | 3,000         | 630,000          |
|           |                                                        | - Workshops, lectures, seminars in support of increased public awareness about development cooperation initiated and implemented                                                                                                                                                                                                                      |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71300 | Local Consult.-Short Term-Supp                      | 13,000        | 2,730,000        |
|           |                                                        |                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71600 | Travel (Tickets & Other)-International              | 3,000         | 630,000          |

| Expected Output | Key Activities                                                                               | Timeframe (2004-2006) |    |    |    |    |    |    |    | Resp. Partner | Planned Budget |       |                                                                                          |         |            |
|-----------------|----------------------------------------------------------------------------------------------|-----------------------|----|----|----|----|----|----|----|---------------|----------------|-------|------------------------------------------------------------------------------------------|---------|------------|
|                 |                                                                                              | Q3                    | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |               | Fund           | Donor | Budget Description                                                                       | Amount  | HUF        |
|                 |                                                                                              |                       |    |    |    |    |    |    |    |               |                |       |                                                                                          |         |            |
|                 | - Promotional and educational materials about development cooperation prepared and published |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71600 | DSA - Intl (Local Conslts)                                                               | 9,000   | 1,890,000  |
|                 |                                                                                              |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 74200 | Printing and publication Consultants-Shr(Term-Supp (consultants in recipient countries)) | 20,000  | 4,200,000  |
|                 |                                                                                              |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71300 | Promotional Materials & Distribution costs                                               | 5,000   | 1,050,000  |
|                 |                                                                                              |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 74200 | Stationary & other Office Suppl                                                          | 47,100  | 9,891,000  |
|                 |                                                                                              |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 72500 | Hospitality-Special Events                                                               | 2,500   | 525,000    |
|                 |                                                                                              |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 72700 | Local Consult.-Short Term-Supp (PM, PDM, Adm Sup.)                                       | 11,000  | 2,310,000  |
|                 |                                                                                              |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71300 | Local Consult.-Short Term-Supp (PM, PDM, Adm Sup.)                                       | 5,200   | 1,092,000  |
|                 |                                                                                              |                       |    |    |    |    |    |    |    |               |                |       |                                                                                          | 118,800 | 24,948,000 |
|                 | Subtotal 1.2                                                                                 |                       |    |    |    |    |    |    |    |               |                |       |                                                                                          |         |            |
|                 | 1.3 Drafting of development education strategy, its production and promotion                 |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71300 | Consultants-Shr(Term-Supp (consultants in recipient countries))                          | 2,000   | 420,000    |
|                 |                                                                                              |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71300 | Local consultants                                                                        | 4,500   | 945,000    |
|                 |                                                                                              |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 74200 | Translation                                                                              | 1,500   | 315,000    |
|                 |                                                                                              |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 72500 | Stationary & other Office Suppl.                                                         | 1,500   | 315,000    |
|                 |                                                                                              |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 74200 | Other media costs                                                                        | 1,000   | 210,000    |
|                 |                                                                                              |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 74200 | Printing and publication                                                                 | 2,500   | 525,000    |
|                 |                                                                                              |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 74200 | Promotional Materials & Distribution costs                                               | 2,200   | 462,000    |
|                 |                                                                                              |                       |    |    |    |    |    |    |    | HUN-IDA 30001 | MFA-HUN        |       | Equipment                                                                                | 1,000   | 210,000    |
|                 | Subtotal 1.3                                                                                 |                       |    |    |    |    |    |    |    |               |                |       |                                                                                          | 16,200  | 3,402,000  |
|                 | <b>SUBTOTAL 1</b>                                                                            |                       |    |    |    |    |    |    |    |               |                |       |                                                                                          | 157,400 | 32,004,000 |



| Activity2 | Expected Output                                                                                                                                             | Key Activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Timeframe (2004-2006) |    |    |    |    |    |    |    | Resp. Partner | Planned Budget |         |                                                     |                                                                  |           |             |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|----|----|----|----|----|----|---------------|----------------|---------|-----------------------------------------------------|------------------------------------------------------------------|-----------|-------------|
|           |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Q3                    | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |               | Fund           | Donor   | Budget Description                                  | Amount                                                           | HUF       |             |
|           |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               |                |         |                                                     |                                                                  |           |             |
|           | 2. Pilot projects in priority target countries as defined in the resolution 1/2003 of the International Development Cooperation Interdepartmental Committee | <p>2.1 Implementation of the Hungarian ODA projects and activities in the target recipient countries with a special emphasis on Serbia and Montenegro and Bosnia and Herzegovina</p> <ul style="list-style-type: none"> <li>- Fact-finding and mapping missions</li> <li>- Identification of development cooperation activities and projects</li> <li>- Formulation of project proposals</li> <li>- Calls for project proposals and public tenders for specific themes and activities</li> <li>- Monitoring and Evaluation</li> </ul> |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71300   | Local Consult.-Short Term-Supp.(PM, PDM, Adm.Supp.) | 36,400                                                           | 7,644,000 |             |
|           |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               | HUN-IDA 30000  | MFA-HUN | 74200                                               | Printing and publication                                         | 8,500     | 1,785,000   |
|           |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               | HUN-IDA 30000  | MFA-HUN | 72100                                               | Local travel                                                     | 3,500     | 735,000     |
|           |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               | HUN-IDA 30000  | MFA-HUN | 71600                                               | DSA International                                                | 6,000     | 1,260,000   |
|           |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               | HUN-IDA 30000  | MFA-HUN | 71600                                               | International travel                                             | 3,000     | 630,000     |
|           |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               | HUN-IDA 30000  | MFA-HUN | 71300                                               | Consultants-Short Term-Supp (consultants in recipient countries) | 9,000     | 1,890,000   |
|           |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               | HUN-IDA 30000  | MFA-HUN | 74200                                               | Translation                                                      | 1,600     | 420,000     |
|           |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               | HUN-IDA 30000  | MFA-HUN | 72600                                               | Grants                                                           | 500,000   | 105,000,000 |
|           |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               | HUN-IDA 30000  | MFA-HUN | 71300                                               | Local Consultants                                                | 8,500     | 1,785,000   |
|           |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               | HUN-IDA 30000  | MFA-HUN | 74500                                               | Sundries                                                         | 1,500     | 315,000     |
|           |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               | HUN-IDA 30000  | MFA-HUN | 72800                                               | Equipment                                                        | 3,000     | 630,000     |
|           |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               |                |         |                                                     |                                                                  | 581,000   | 122,010,000 |
|           |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               |                |         |                                                     |                                                                  | 581,000   | 122,010,000 |

| Activity 3 | Expected Output                                                                                                             | Key Activities                                                                                                                                                                                                                                                                                                                                                                                                | Timeframe (2004-2006) |    |    |    |    |    |    |    | Resp. Partner | Planned Budget |       |                                                                |            |           |
|------------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|----|----|----|----|----|----|---------------|----------------|-------|----------------------------------------------------------------|------------|-----------|
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               | Q3                    | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |               | Fund           | Donor | Budget Description                                             | Amount     | HUF       |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    |               |                |       |                                                                |            |           |
|            | 3. Workshops, trainings and study tours organized in Hungary for the participants from Hungarian target recipient countries | 3.1 Identification of the training needs and execution of the trainings<br><ul style="list-style-type: none"> <li>- Identification of the training needs and demands in the recipient countries</li> <li>- Recruitment of participants</li> <li>- Identification of the best practices, institutions and trainers in Hungary</li> <li>- Development of curriculum</li> <li>- Execution of training</li> </ul> |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71300 | Consultants-ShrtTerm-Supp (consultants in recipient countries) | 4,500      | 945,000   |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71300 | Local consultants-ShrtTerm-Supp                                | 28,500     | 5,985,000 |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71300 | Local Consult.-Short Term-Supp (PM, PDM, Adm.Supp.)            | 11,200     | 2,352,000 |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71600 | International travel (PM, PDM, MFA)                            | 2,000      | 420,000   |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71600 | International travel (trainees)                                | 9,000      | 1,890,000 |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71600 | DSA MtgPrt -Accommodation in Hungary (10 groups of 10 pax)     | 24,500     | 5,145,000 |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 72100 | Contractual services-companies (transportation services)       | 18,500     | 3,885,000 |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 74200 | Translation (Curriculum) & interprets (training)               | 19,900     | 4,179,000 |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 72500 | Stationary & other Office Suppl.                               | 1,700      | 357,000   |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 73100 | Rent (training place, audio-visual equipment)                  | 11,250     | 2,362,500 |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 74200 | Printing and publication (curriculum)                          | 2,000      | 420,000   |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 72700 | Hospitality Special Events                                     | 6,000      | 1,260,000 |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 72700 | Hospitality-Vouchered exp.: Launch & dinner for trainees       | 18,600     | 3,906,000 |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71600 | DSA-MtgPrt                                                     | 3,826      | 803,460   |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 74500 | Sundry                                                         | 1,050      | 220,500   |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 72800 | Equipment                                                      | 2,500      | 525,000   |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    |               |                |       | 165,026                                                        | 34,655,460 |           |
|            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                               |                       |    |    |    |    |    |    |    |               |                |       | 165,026                                                        | 34,655,460 |           |

| Activity 4 | Expected Output                                                                                                                                           | Key Activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Timeframe (2004-2006) |    |    |    |    |    |    |    | Resp. Partner | Planned Budget |       |                                                     |               |                   |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|----|----|----|----|----|----|---------------|----------------|-------|-----------------------------------------------------|---------------|-------------------|
|            |                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Q3                    | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |               | Fund           | Donor | Budget Description                                  | Amount        | HUF               |
|            |                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |    |    |    |    |    |    |    |               |                |       |                                                     |               |                   |
|            | 4. Consultancy missions of the Hungarian experts and internships within the framework of UNDP programmes/projects in Hungarian target recipient countries | 4.1 Involvement of Hungarian experts and internships within the framework of UNDP programmes/projects in Hungarian target recipient countries<br>- Identification of the suitable development activities where the Hungarian experts can be involved<br>- Selection and contracting of Hungarian experts for UNDP regional and country programmes<br>- Establish a roster of Hungarian experts with UNDP experience including evaluation of their work and lessons learned (debriefing) |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71300 | Local Consult.-Short Term-Supp.(PM, PDM, Adm, Sup.) | 4,400         | 924,000           |
|            |                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71600 | Travel International                                | 9,400         | 1,974,000         |
|            |                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 71600 | DSA International                                   | 57,000        | 11,970,000        |
|            |                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |    |    |    |    |    |    |    | HUN-IDA 30000 | MFA-HUN        | 72800 | Equipment                                           | 600           | 126,000           |
|            |                                                                                                                                                           | Subtotal 4.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                       |    |    |    |    |    |    |    |               |                |       |                                                     | 71,400        | 14,994,000        |
|            |                                                                                                                                                           | <b>SUBTOTAL 4</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |    |    |    |    |    |    |    |               |                |       |                                                     | <b>71,400</b> | <b>14,994,000</b> |
|            |                                                                                                                                                           | <b>TOTAL ACTIVITIES 1+2+3+4</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |    |    |    |    |    |    |    |               |                |       |                                                     | 969,826       | 203,663,460       |

## SIGNATURE PAGE

Country: HUNGARY

### Expected Outcome:

Enhanced Hungarian cooperation with developing and transition countries in line with the Hungarian Policy for International development Cooperation with a special focus on Serbia and Montenegro and Bosnia and Herzegovina.

### Expected Output(s):

1. National capacity building for development cooperation
2. Implementation of pilot projects in priority target countries
3. Workshops, trainings and study tours organized in Hungary
4. Consultancy missions and services of Hungarian experts

### Implementing partner (in the text referred as Executing Agency):

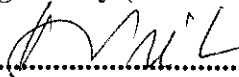
HUN-IDA

### Other Partners (in the text referred as Implementing Agency):

HUN-IDA

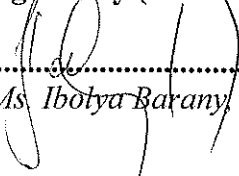
|                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Programme Period:</b> 2004 – 2006</p> <p><b>Project Title:</b> Strengthening of Hungarian Cooperation with Developing and Transition Countries</p> <p><b>Project ID:</b> UNDP will provide it after LPAC meeting</p> <p><b>Project Duration:</b> 2 years</p> <p><b>Management Arrangement:</b> NGO Execution</p> | <p><b>Budget:</b> USD 969 826.58</p> <p><b>Total budget:</b><br/>Allocated resources:</p> <ul style="list-style-type: none"><li>• Government USD 1, 037, 246.58</li><li>• UNDP GMS USD 67, 420</li></ul> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Agreed by (Government):

  
.....  
Mr. Laszlo Vizi, Director General, Ministry of Foreign Affairs

14/07/2004  
.....  
Date

### Agreed by (Executing Agency):

  
.....  
Ms. Ibolya Barany, Director, HUN-IDA

14.07/2004  
.....  
Date

### Agreed by (UNDP):

  
.....  
Mr. Ben Slay, Director, UNDP Regional Centre Bratislava

14/07/2004  
.....  
Date