

United Nations Development Programme
Country: Uzbekistan
Project Document

Project Title	Capacity building for economic forecasting and planning at national and local levels
UNDAF Outcome(s):	UNDAF outcome 1: Strengthened national and local level capacity to develop, implement and monitor strategies for improving living standards
Expected CP Outcome(s):	Sustainable human development policies to improve livelihoods and access to social services by the poor developed
Expected Output(s):	Strengthened capacity of the Government in cross-sectoral policy analysis and formulation.
Implementing Partner:	Institute of forecasting and macroeconomic research
Responsible Parties:	UNDP, Ministry of economy, Ministry of finance, Ministry of Labour and Social Protection of the Population, State Committee on Statistics, Central Bank

Brief Description

Government is currently facing the implications of recent global financial crisis, food and water crisis on country's economy and the wellbeing of the population. In order to respond adequately to the development challenges and apply the right policy options the Government needs solid assessment of the situation and balanced forecasts of future developments in the short and medium terms.

This project is intended to support the development of country-specific methodologies for analysis of economic growth factors and poverty indicators, balancing medium term macroeconomic forecasting parameters and elaboration of regional development strategies. The principal objective of this project is to enhance Government's capacity in medium term policy analysis and formulation at national and regional levels.


Programme Period:	2005-2009/2010-2015
Key Result Area (Strategic Plan):	Promoting inclusive growth, gender equality and MDG achievement
Atlas Award ID:	00057187
Start date:	April 15, 2009
End Date:	December 31, 2011
PAC Meeting Date	April 14, 2009
Management Arrangements	NIM

2009 AWP budget:	USD 130,079.20
Total resources required	USD 513,066.80
Total allocated resources:	
Regular	USD 513,066.80
Other:	
o Government	in-kind
o World Bank	in-kind
o GTZ	in-kind

Agreed by the Institute of Forecasting and Macroeconomic Research:



Agreed by UNDP:



15 APR 2009

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I. SITUATION ANALYSIS

Since 2004, the economy of Uzbekistan has been growing at a stable rate exceeding 7%. In 2008, while in many countries the global financial and economic crisis had considerable negative impact on the economic growth, Uzbekistan's GDP grew by 9%, industrial production grew by 12,7%, agriculture by 4,5%, construction works - 8,3%, services – 21.3%. The state budget was executed with surplus, the inflation rate did not exceed its forecasted parameter. Within the framework of measures taken to speed up the structural changes, favorable investment climate has been created in the country. In 2008 only, the volume of investments from all sources of financing grew compared to 2007 by 28.3%. The share of investments in the GDP made 23,0%. Approximately 50% of all investments were directed at modernization and technological renovation of the production activity.

Economic growth has been mainly driven by strong demand for country's major exports – gold, copper, cotton, natural gas, machinery production, and chemical and light industries. Yet, as various studies have demonstrated, the current level of economic development remains considerably behind the potential capacity, largely due to possible structural disproportions in the economy, which is decreasing the impact of economic growth on the welfare of the population. Despite the fact that the Government has been implementing number of measures on improving the welfare of the population, including through considerable salary increases in public organizations, in 2007, the poverty rate was estimated at 23.6%, with urban and rural poverty rates at 17.6 and 27.1%, respectively.

Worsening economic conditions in Russia and Kazakhstan due to the global financial and economic crisis are likely to reduce remittances and affect the social safety nets of the most vulnerable groups. In the meantime, the Government has acknowledged the inevitability of the negative implications of the global financial and economic crisis on Uzbekistan's economy. In the first place, the decline in the prices for major export items of Uzbekistan are being observed, which is brought about by the decreasing demand from the major trading partners.

The Government of the republic of Uzbekistan has been implementing a complex set of measures to eliminate the negative consequences of the global financial and economic crisis on the national economy. In November 2008, the presidential decree #4058 was adopted "On programme of measures to support the real sector enterprises, ensure their sustainable business activity and promote export potential", which in essence is the anti-crisis programme of the Government.

Moreover, continued deterioration of water shortage problems has had considerable negative impact on agricultural sector of the economy. Taking into account that more than half of the population lives in rural areas and most of their earnings are related with agricultural activity, there is a strong need in thorough analysis of further impact that the shortage of water resources could have on living standards of the population and economic activities in regions of the country. Indeed, the Government, in order to adjust its policies to address properly these challenges, needs to be equipped with long and medium term development scenarios that effectively account for continued existence of such problems.

Taking into account the necessity of conducting thorough analysis and forecasting of macroeconomic tendencies and development scenarios at national level, as well as sectoral and regional levels, The government has decided to establish on the basis of the existing Center for socio-economic research a strong analytical institute. Thus, by the Presidential resolution #ПП-928 dated of July 30, 2008, the center for socio-economic research has been reorganized into the Institute of Forecasting and Macroeconomic Research (IMFR) under the Cabinet of Ministers of the Republic of Uzbekistan

This Institute among others has the mandate to:

- Conduct thorough analysis of macroeconomic indicators and their linkages with the parameters of current fiscal, monetary, foreign trade and currency policies, analysis of global economic tendencies and external factors, which have impact on national economy, develop flexible models and forecasts for balanced and sustainable development of the country;
- Identify sector and regional disparities, their causes and based on this develop proposals on structural reforms as a basis of modernization and diversification of the economy;
- Develop multiple-scenarios of medium and long-term economic forecasts directed at ensuring long-term macroeconomic balance.

In the meantime, the newly formed Institute lacks sufficient human and methodological capacity to effectively undertake its functions and meet responsibilities. While in the Government resolution the number of the Institute's research staff is set to 109 persons, currently less than 70 researchers are working on full and part time basis, majority of which are

young, newly graduated and inexperienced specialists. Moreover, very limited number of researchers has the skills to apply quantitative methods in analysis and forecasting of economic and social development parameters.

This fact has also been acknowledged by the Government, which in its turn, approached UNDP with request to provide technical assistance for the institutional capacity building of the Institute; improving methodological framework for analysis of the emerging risks and developing forecasting tools to mitigate the impact of the compound crisis on the economy and the poverty level, as well as the assembling the growth scenarios under these circumstances.

The Government is committed to cooperate with UNDP and other international organizations in addressing these challenges and achieving the Millennium Development Goals, but insists that respective methodologies should be nationally developed and take into account country-specific peculiarities. UNDP agrees with this approach and, as per UNDAF, considers *strengthened indigenous capacity to develop, implement, and monitor strategies for improving living standards and reducing poverty* as a key outcome of its work in Uzbekistan.

II. STRATEGY

The project will contribute towards achieving UNDP's Country Programme output on *strengthened capacity of the government in cross-sectoral policy analysis and formulation*. The main task will be enhancing human and institutional capacity and developing methodologies suited to the conditions of Uzbekistan that would enable to conduct objective analysis of the national economy, as well as provide well justified economic forecasts and growth scenarios. The ultimate objective of the project is to provide policy makers with effective analysis and forecasting tools, which they can use in assessing the implications of recent crisis on the country, identifying future policy directions and elaborating sectoral and/or regional development programs.

1. Methodological instruments to support the medium term macroeconomic forecasting and regional development planning. Two separate teams of experts will be set up among the selected research personnel of the Institute and external consultants to 1) elaborate methodologies and forecasting models of macroeconomic dynamics in the long term period¹, for balancing medium term macroeconomic forecasting parameters and analysis of major linkages between economic development and reform parameters and the level of poverty; 2) develop methodological instruments and guidelines to better analyse regional disparities and elaborate regional development strategies. In particular, specific activities include, but not limited to, the following:

- Reviewing of previously elaborated midterm forecasting models and methodologies and assessing their advantages and disadvantages, as well as reviewing international experience in forecasting of long-term economic development perspectives taking into account innovation, environmental and other factors of growth, and balancing medium term macroeconomic forecasting parameters;
- Developing methodological instruments (set of concrete issue-oriented econometric and applied general equilibrium models) for balancing economic policy parameters, assessing the impact of crisis implications on the economic wellbeing of the population, and justifying different growth scenarios under long term development strategies and priorities;
- Developing methodological guidelines for improving the analysis of regional disparities, identifying tax capacity of regions and elaboration of regional development strategies aimed at optimal mobilization of regional potential and optimization of resource distribution among the regions to improve the wellbeing of the population;
- Developing training modules designed on the basis of case studies of applying econometric models in Uzbekistan to disseminate the knowledge generated in the course of developing economic analysis and forecasting methodologies;
- Organizing intensive training workshops on methodological issues and techniques of developing models and mid-term macroeconomic forecasting (for the research staff of the Institute), and their application in balancing the macroeconomic forecasting parameters (for the representatives of central level ministries and agencies), as well as on methodologies for regional development planning and optimization of resource distribution among the regions.

2. Extensive policy research on the linkages among different economic development parameters and on the factors affecting regional development such as shortage of water resources, unemployment and rural urban migration. Expert teams and independent consultants in cooperation with line ministries will be mobilized to analyze

¹ Settling the issues of poverty reduction, the shortage of water resources and transition to innovation led growth has a long term implications

and prepare policy recommendations on the most pressing issues of current economic development at regional and country levels. The research topics will mainly focus on the following:

- The impact of external shocks on the macroeconomic sustainability and population income in Uzbekistan;
- Sensitivity analysis of growth indicators to the changes in the factors of economic growth and macroeconomic regulation;
- The linkages between economic growth, the level of institutional development, the effectiveness of reforms and poverty level indicators;
- The factor analysis of inflation in Uzbekistan (emphasizing on the base and imported inflation);
- Urbanization as a policy for mitigating the negative impacts of rural urban migration;
- The impact of water shortage to agricultural development and employment creation in the regions of Uzbekistan.

Besides that, the methodological guidelines on regional development planning developed by the expert team will be applied on pilot basis to elaboration of regional development strategies for two selected regions. To undertake this activity, the representatives of regional administrations and independent consultants from regions will be equally involved.

3. Wide public discussions on main development challenges and promotion of the Institute as a lead think-tank in the sphere of economic analysis and forecasting. It is important to involve the civil society to discussions on the main challenges borne by the implications of the recent crisis to promote participatory approach in policy adjustment and formulation. Moreover, the role of think tanks, particularly the Institute of forecasting and macroeconomic research, should be further reinforced to ensure that the best policy option is developed and applied. This will be reflected in the following activities:

- Organizing annual forum of economists at national level to bring together the prominent economists of the country to the discussion of the most pressing development challenges, which the country is facing, to support the Government in right policy formulation and implementation aimed at improving the living standards of the population and achieving MDGs;
- Assessing the institutional relations of the Institute with line ministries to identify the potential needs in the research and analytical products of the Institute and developing PR, outreach and marketing strategy of the Institute aimed at promoting demand for its products;
- Facilitating integration of the Institute into thematic networks of similar research institutions worldwide.

The outcome of these measures should be the international recognition of the Institute as a leading think-tank in the Central Asia in the sphere of macroeconomic analysis and forecasting.

4. Partnership strategy. Considering the high expertise that the World Bank, Asian Development Bank and GTZ have in the development of economic analysis and impact assessment methodologies, as well as taking into account their interest in supporting the Institute of forecasting and macroeconomic research, it has been agreed with the World Bank, Asian Development Bank and GTZ to join efforts in bringing international expertise under the project activities.

Moreover, the project will benefit from the participation of the World Bank's and International Monetary Fund's Training Institutes in the extensive training activities to be organized by the project to enhance the Government capacities in applying quantitative methods and methodologies in medium term forecasting. In order to prevent duplication and overlapping, the project activities will be discussed with the respective partners at early stages of project implementation. Overall, improving the Institute's partnership with other parties will be achieved through the accomplishment of the following objectives:

- Strengthening of the Institute's relations with national research institutions and think-tanks;
- Enhancing the Institute's capacity in improving its public relations (including with private sector) through conducting regular round table discussions, creating and improving of on-line and off-line resources, strengthening of ties with national and international mass-media to ensure the participation of all interested parties in formulation of the Institute's development strategy and elaboration of development programmes.

III. RESULTS AND RESOURCES FRAMEWORK

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

Outcome 1. Strengthened national and local level capacities to develop, implement and monitor strategies for improving living standards and reducing poverty

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

Indicators: National strategy for improving living standards launched with clear national and regional targets for poverty reduction and achievement of MDGs

Baseline: Government has created an inter-agency committee to coordinate the elaboration of a mid-term strategy for improving of living standards

Target: MDGs integrated into national strategy for improvement of living standards

Applicable Key Result Area (from 2008-11 Strategic Plan): Promoting inclusive growth, gender equality and MDG achievement

Partnership Strategy, Implementing Partner – Institute of forecasting and macroeconomic research (further - Institute) Responsible parties: UNDP, Ministry of Economy, Ministry of finance, Ministry of Labour and Social Protection of the Population, State Committee on Statistics, Central Bank, World Bank and ADB

INTENDED OUTPUT(S)	OUTPUT BASELINE(S)	OUTPUT INDICATOR(S)	OUTPUT TARGETS	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
Output 1: Strengthened capacity of the Government to apply quantitative methods in economic analysis and policy formulation at national and regional levels	Baseline 1: To better analyze and forecast the impact of various factors on economic growth the Government has recently established Institute of forecasting and macroeconomic research, which however lacks sufficient human and methodological capacity.	Indicators: 1.1. Number of Government officials and research personnel trained in application of quantitative analysis and forecasting methodologies in medium and long term economic policy formulation, and the results of their examination; 1.2. Availability of effective methodologies for balancing medium term macroeconomic forecasting parameters; 1.3. Number of analytical notes and recommendations developed on impacts of different factors on economic growth.	Targets 2009 1.1.1. Training needs assessment is conducted among the staff of the Institute and the Ministry of economy on using econometric and general equilibrium models in forecasting (results post-training examination); 1.1.2. Twinning with advanced international modeling centre is facilitated under a joint "modeling lab" agreement to learn and prepare case studies on mid and long term economic forecasting for at least 2 researchers of the Institute; 1.1.3. At least one training module is developed on practical application of quantitative methods in economic forecasting; 1.1.4. Two customized hands-on trainings are conducted for at least 40 researchers from the Institute on basics of econometrics and applied general equilibrium models forecasting (results post-training examination); 1.2.1. Team of experts is formed and team leader appointed for the development of midterm economic	Activity Result 1: Government capacity enhanced and methodologies developed to improve economic analysis and balancing of medium term forecasting parameters. 2009 1. Recruit an independent consultant to develop tests and examination methodology to assess the training needs of the staff of the Institute and the Ministry of economy on using econometric and general equilibrium models in forecasting; 2. Identify the list of required literature, procure and deliver to the library of the Institute; 3. Procure 3 PCs, 3 UPS, 1 notebook, 2 scanners, 2 modems, 2 printers and 1 LCD projector for project team; 4. Set up institutional framework of the component through establishing team of experts headed by team leader; 5. Organize consultative meetings of the team, elaborate an action plan, define milestones, distribute tasks among team members and ensure their timely fulfillment; 6. Select on a competitive basis an advanced international modeling centre (develop the	UNDP Institute of forecasting and macroeconomic research Ministry of Economy State Committee on Statistics Other partner government and donor organizations	- workshop and training seminar logistics; - resource persons / consultants - printing; - communications; - staff time Total for Activity 1 – \$ 188,000 2009: \$ 48,500.00 2010: \$ 70,500.00 2011: \$ 69,000.00

			<p>forecasting methodologies;</p> <p>1.2.2. Assessment of previously elaborated (by different institutions) methodologies (models) for medium term forecasting and planning is conducted;</p> <p>1.3.1. An analytical paper related to "Modeling of the current and perspective factor distribution of economic growth in Uzbekistan" prepared and discussed;</p> <p>Targets 2010</p> <p>1.1.1. One intensive training for at least 30 researchers of the Institute is conducted on application of econometric and general equilibrium models to mid and long term economic forecasting (results post-training examination);</p> <p>1.1.2. One training workshop for at least 40 Government officials is conducted on practical application of modeling results in medium term economic forecasting;</p> <p>1.1.3. One seminar for Government officials is conducted on methods of linking fiscal policy parameters with economic growth forecasts;</p> <p>1.2.1. Exchange of at least 2 researchers under twinning partnership is facilitated with advanced international modeling center to promote partnership and knowledge sharing and assist in the development of national medium and long term economic forecasting methodologies ;</p> <p>1.2.2. Methodology for balanced midterm economic forecasting is elaborated and widely discussed on a step by step basis, 1-step: <i>forecasting of main macroeconomic indicators is covered by quantitative modeling</i> ;</p> <p>1.3.1. An analytical note on "The impact of external shocks on macroeconomic stability and population income in Uzbekistan" prepared and discussed;</p> <p>1.3.2. Analytical note on "Sensitivity</p>	<p>TOR and liaise with a well-known think tank to arrange the organizational issues of the twinning partnership) to conduct the twinning exercise;</p> <p>7. Develop training module, which is based on the results of applying econometric models in analysis of macroeconomic issues in Uzbekistan;</p> <p>8. Collect and analyze information on the previously elaborated midterm forecasting models and methodologies and assess their advantages and disadvantages;</p> <p>9. Develop and publish one analytical paper on modeling of current and perspective factor distribution of economic growth;</p> <p>10. Organize two training workshops on econometrics and applied general equilibrium models.</p> <p>2010</p> <p>1. Organize two training workshops i) for the research staff of the Institute and ii) officials from the Ministry of economy on applying econometric and general equilibrium models in medium and long term macroeconomic forecasting;</p> <p>2. Organize one seminar for the representatives of the MoE and MoF on methods of linking fiscal policy parameters with economic growth forecasts;</p> <p>3. Continue the implementation of researcher exchange program under twinning partnership (complement and adjust the TOR and promote long term partnership with advanced European modeling centre to develop national forecasting models and methodologies);</p> <p>4. Ensure timely fulfillment of tasks by the team of experts in accordance with agreed plan of actions;</p> <p>5. Develop and publish two analytical papers to analyze the impact of various factors on economic growth in Uzbekistan;</p> <p>6. Organize two round tables to discuss the analytical papers;</p>	

			<p>analysis of growth indicators to the changes in the factors of economic growth and macroeconomic regulation";</p> <p>Targets 2011</p> <p>1.1.1. One training for at least 30 researchers of the Institute is conducted on applying advanced econometric and general equilibrium models in economic analysis and forecasting (results of post training examination);</p> <p>1.1.2. One training workshop for at least 40 Government officials is conducted on practical application of modeling results in medium term economic forecasting (results of post training examination);</p> <p>1.2.1. Methodology for balanced midterm economic forecasting is elaborated and widely discussed on a step by step basis,</p> <p>2-step: <i>linking the economic policy parameters with forecasting parameters of economic growth</i>;</p> <p>1.2.2. Seminar workshop on methods of linking monetary policy with economic growth parameters is conducted with participation of representatives of line ministries and research institutions;</p> <p>1.3.1. An analytical note on "The linkages between economic growth and poverty level indicators" prepared and widely discussed;</p> <p>1.3.2. An analytical note on "The factor analysis of inflation in Uzbekistan (emphasizing on the base and imported inflation)" is prepared and submitted to the Government.</p>	<p>2011</p> <p>1. Organize two training workshops for the research staff of the Institute and officials from the Ministry of economy on medium term macroeconomic forecasting applying econometric and general equilibrium models (emphasizing on obtained results and advanced methodology);</p> <p>2. Organize the mission of international consultant (develop TOR, provide logistical support) to finalize the methodology of balancing midterm forecasting parameters;</p> <p>3. Finalize the methodology for balanced midterm economic forecasting by adjusting it to link monetary, fiscal and foreign trade policies with forecasting parameters of economic growth</p> <p>4. Organize one round table on methods of linking monetary policy with economic growth parameters for the representatives of MoE and the CBU;</p> <p>5. Develop and publish two analytical papers to analyze the link between economic growth and poverty level, and the factors of inflationary pressure;</p> <p>6. Organize two round tables to discuss the analytical papers.</p>	<p>UNDP Institute of forecasting and macroeconomic research Ministry of Economy</p>	
	<p>Baseline 2: Government has acknowledged strong need in addressing regional disparities in economic policy formulation and</p>	<p>Indicators:</p> <p>2.1. Number of analytical notes and recommendations developed on better addressing regional economic disparities;</p>	<p>Targets 2009</p> <p>2.1.1. An analytical note on "Assessment of the territorial balance of Uzbekistan's economy" is conducted and widely discussed;</p> <p>2.2.1. Team of experts is formed and team leader appointed for conducting</p>	<p>Activity Result 2: Improved Government capacity and methodologies for assessing and better addressing regional disparities in policy formulation</p> <p>2009</p> <p>1. Form a team of experts and appoint team leader to conduct analysis of regional</p>		<p>- workshop and training seminar logistics; - resource persons / consultants - printing; - communications;</p>

<p>improved regional development planning, however lacks sufficient capacity and methodologies.</p>	<p>2.2. Availability of methodologies for strategic planning at regional levels; 2.3. Number of regions where regional development plan prepared through piloting of newly developed methodology</p>	<p>analysis of regional disparities in Uzbekistan and developing methodologies for elaboration of regional development strategies. 2.2.2. Critical assessment of the existing practice and methodologies of regional development planning in Uzbekistan is conducted. 2.2.3. Round table on "The current practice and methodology of regional development planning in Uzbekistan and existing shortcomings" is conducted 2.2.4. Methodological guidelines are elaborated to identify the tax capacity of regions. Targets 2010 2.1.1. An analytical note on "Urbanization as a policy for mitigating the negative impacts of rural urban migration" is developed and widely discussed; 2.2.1. Exchange of at least 2 researchers under twinning partnership is facilitated to promote partnership and knowledge sharing on regional development issues with advanced international modeling center; 2.2.2. Methodology for elaboration of regional development strategies is developed on a step by step basis, 1-step: <i>quantitative methods are developed and applied for optimization of budgetary resources, including capital expenditures among regions</i>; 2.2.3. Pilot regions are selected to apply the elaborated methodology of regional development planning and required statistical data is collected. Targets 2011 2.1.1. An analytical note on "Linking professional education with the priorities of industrial development in pilot regions" is developed and widely discussed; 2.2.1. Methodology for regional</p>	<p>disparities in Uzbekistan and develop methodologies for elaboration of regional development strategies; 2. Organize consultative meetings of the team, elaborate an action plan, define milestones, distribute tasks among team members and ensure their timely fulfillment; 3. Develop and publish analytical note on the assessment of regional balance of the national economy; 4. Organize one round table to discuss the analytical note and one round table to discuss the current practice and methodology of regional development planning; 5. Organize the work of the team of experts to conduct the assessment of the existing practice in regional development planning, to elaborate methodological guidelines to identify tax capacity of regions and facilitate discussion. 2010 1. Develop and publish an analytical note on the role of urbanization policy; 2. Organize a round-table to discuss the analytical note; 3. Prepare and facilitate the implementation of researcher exchange program on regional economics under twinning partnership (develop the TOR and liaise with advanced European modeling centre to arrange the organizational issues) to develop national forecasting models and methodologies; 4. Organize consultative meetings of the team, elaborate an action plan, define milestones, distribute tasks among team members and ensure their timely fulfillment; 5. Conduct preliminary analysis and select two regions where the developed methodology will be applied on a pilot basis. 2011 1. Develop and publish an analytical note on linking professional education with industrial policy priorities;</p>	<p>State Committee on Statistics Other partner government and donor organizations</p>	<p>- staff time Total for Activity 2 – \$ 145,700.00 2009: \$ 24,300.00 2010: \$ 51,700.00 2011: \$ 69,700.00</p>
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<p>Baseline 3. The Institute is not actively involved in policy discussion and formulation process due to its poor institutional linkages with Government line ministries and other think-tanks</p>	<p>Indicators:</p> <p>3.1. The level of outreach and public awareness of the research conducted by the Institute of forecasting and macroeconomic research</p> <p>3.2. Number of annual forums conducted on the pressing issues of economic development in Uzbekistan</p> <p>3.3. Availability of the quality control mechanism of the Institute's analytical products</p>	<p>Targets 2009</p> <p>3.1.1. Round table on "Applying quantitative tools in economic analysis and forecasting practice in Uzbekistan" conducted with participation of representatives of line ministries and research institutions;</p> <p>3.1.2. Institute's web-site is improved and blogs on various economic issues introduced.</p> <p>3.1.3. A representative of the Institute took part in international conference on the issues of regional economics;</p> <p>3.2.1. First national Forum of economists devoted to "The impact of global financial and economic crisis on Uzbekistan's economy" is conducted and the forum materials are published;</p> <p>3.3.1. A quality control mechanism of the analytical products is introduced in the Institute.</p>	<p>Activity Result 3: Institutional relations of the Institute improved and its role in participatory policy formulation strengthened</p> <p>2009</p> <p>1. Organize round table on the role of quantitative analysis tools in economic analysis and forecasting;</p> <p>2. Subcontract with an internet provider company to improve the web-site of the Institute and introduce advanced features;</p> <p>3. Recruit one national consultant to develop the concept of the First national forum of economists;</p> <p>4. Organize the First national Forum of economists devoted to "The impact of global financial and economic crisis on Uzbekistan's economy" (identify the list of participants, send invitations, rent a space and organize catering).</p> <p>5. Introduce the system, which enables to conduct objective assessment of the Institute's products (analytical reports, and developed</p>	<p>- annual forum and round table logistics;</p> <p>- resource persons / consultants</p> <p>- printing;</p> <p>- communications;</p> <p>staff time</p> <p>Total for Activity 3 – \$ 63,100.00 2009: \$ 23,500.00 2010: \$ 20,300.00 2011: \$ 19,300.00</p>

<p>Targets 2010</p> <p>3.1.1. Assessment of institutional relations of the Institute with line ministries and regional administrations is conducted with regard to sectoral/regional development analysis and forecasting;</p> <p>3.1.2. PR, outreach and marketing strategy of the Institute is developed based on the assessment of institutional relations.</p> <p>3.2.1. Second national <i>Forum of economists</i> devoted to "The issues of sustainable development in regions of Uzbekistan" is conducted and the forum materials are published</p> <p>Targets 2011</p> <p>3.1.1. All analytical notes are placed on the internet portal of the Institute;</p> <p>3.1.2. Institute is registered as a member to Economic policy institutions network (EPIN);</p> <p>3.1.3. Post training assessment of research personnel of the Institute of forecasting and macroeconomic research is conducted and respective report prepared;</p> <p>3.2.1. Third national <i>Forum of economists</i> devoted to "Urbanization and rural development" is conducted and the forum materials are published</p>	<p>methodologies) from the point of used modern economic knowledge, applied models and methods of forecasting, relevance, practical value and justification of findings.</p> <p>6. Organize the participation of a representative of the Institute in international conference on the issues of regional economics.</p> <p>2010</p> <p>1. Recruit an independent consultant to assess (develop questionnaire and conduct express survey) the institutional relations of the Institute of forecasting and macroeconomic research;</p> <p>2. Develop PR, outreach and marketing strategy of the Institute.</p> <p>3. Develop the concept of the Second national forum of economists;</p> <p>4. Organize the Second national <i>Forum of economists</i> devoted to The issues of sustainable development in regions of Uzbekistan" (identify the list of participants, send invitations, rent a space and organize catering).</p> <p>2011</p> <p>1. Upload the public version of the analytical notes on the Institute's web space;</p> <p>2. Liaise with the EPIN facilitators and register the Institute of forecasting and macroeconomic research in the EPI Network;</p> <p>3. Recruit an independent consultant to assess the post training capacity of the research personnel in macroeconomic analysis and forecasting;</p> <p>4. Develop the concept of the Third national forum of economists;</p> <p>5. Organize the Third national <i>Forum of economists</i> devoted to "Urbanization and rural development" (identify the list of participants, send invitations, rent a space and organize catering).</p>	<p>Project Administration – \$94,166.80</p> <p>2009: \$ 28,029.20</p> <p>2010: \$ 33,068.80</p> <p>2011: \$ 33,068.80</p> <p>SUB-TOTAL – \$ 490,966.80</p> <p>2009: \$ 124,329.20</p> <p>2010: \$ 175,568.80</p> <p>2011: \$ 191,068.80</p> <p>ISS charges - \$12,300</p> <p>2009: \$ 3,200.00</p> <p>2010: \$ 4,350.00</p> <p>2011: \$ 4,750.00</p> <p>Contingency costs (at 2% of subtotal) - \$9,800</p> <p>2009: \$ 2,550.00</p> <p>2010: \$ 3,450.00</p> <p>2011: \$ 3,800.00</p> <p>TOTAL: \$513,066.80</p> <p>2009: \$ 130,079.20</p> <p>2010: \$ 183,368.80</p> <p>2011: \$ 199,618.80</p>
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IV. MANAGEMENT ARRANGEMENTS

The project activities will be implemented according to the UNDP procedures for national implementation (NIM). The project will be nationally implemented by the Institute of Forecasting and Macroeconomic research as the implementing partner. The Director of the Institute of Forecasting and Macroeconomic research will simultaneously hold the role of the **National Project Coordinator (NPC)** who will be responsible for providing strategic recommendations as well as coordinating the Project activities. She/he will approve the annual work plans which will provide the basis for the implementation of the activities of the Project.

The Project Board is the group responsible for making by consensus management decisions for a project when guidance is required by the Project Manager (PM), including recommendation for UNDP/ Institute of Forecasting and Macroeconomic research approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance to standards that shall ensure best value for money, fairness, integrity transparency and effective international competition. Project reviews by this group are made at designated decision points during the running of a project, or as necessary when raised by the PM. This group is consulted by the PM for decisions when PM tolerances (normally in terms of time and budget) have been exceeded.

Based on the approved annual work plan (AWP), the Project Board may review and approve project quarterly plans when required and authorizes any major deviation from these agreed quarterly plans. It is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next quarterly plan. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies. The Project Board, if necessary, will also decide on the reallocation of project budget among its activities based on the respective request made by the Project manager. In addition, it approves the appointment and responsibilities of the PM and any delegation of its Project Assurance responsibilities. In particular, the Executive role will be held by NPC, the Senior Supplier role is held by UNDP RR/DRR, and the Senior Beneficiary role is held by a group of representatives from partner government agencies and civil society (see Annex B1 for details).

Project Manager has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board. The PM is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost (see Annex B2 for details). Furthermore an Administrative Finance Assistant and a PR-specialist will be recruited to provide support in the implementation of project activities.

Project Assurance is the responsibility of each Project Board member; however the role can be delegated. The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. Project Assurance has to be independent of the Project Manager; therefore the Project Board cannot delegate any of its assurance responsibilities to the Project Manager. A UNDP Programme Officer typically holds the Project Assurance role (see Annex B3 for details).

Expert Teams, cornerstone research groups of the project to 1) elaborate methodologies for balancing medium term macroeconomic forecasting parameters and analysis of major linkages between economic development parameters and the level of poverty; 2) develop methodological instruments and guidelines to better analyse regional disparities and elaborate regional development strategies.

Direct UNDP Country office Support Services to the Programme Implementation

The UNDP and the Institute of Forecasting and Macroeconomic research have agreed that the UNDP Country Office will provide the following support services for the project activities at the request of the Institute of Forecasting and Macroeconomic research:

- Identification and/or recruitment and solution of administrative issues related to the project personnel;
- Procurement of commodities, labour and services;
- Identification and facilitation of training activities, seminars and workshops;
- Financial monitoring and reporting;
- Processing of direct payments;
- Supervision of project implementation, monitoring and assistance in project assessment.

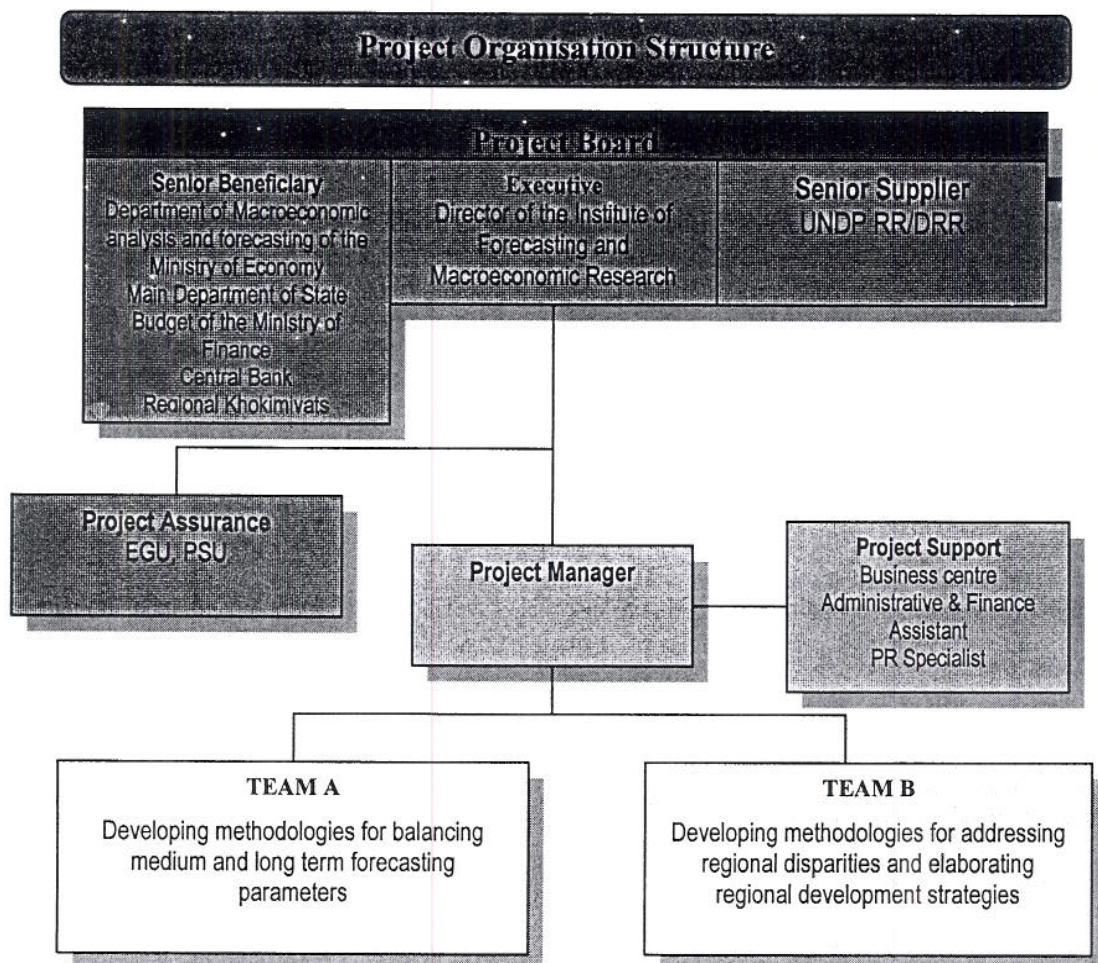
When providing the above support services, the UNDP Country Office will recover the costs for providing Implementation Support Services on the basis of actual costs and transaction fee based on the Universal Price List. According to the corporate guidelines, these costs are an integral part of project delivery and, hence, will be charged to the same budget line (account in AWP) as the project input itself.

The procurement of goods and services and the recruitment of project personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. If the requirements for support services by the country office change during the life of a project, the list of UNDP country office support services is revised with the mutual agreement of the UNDP Resident Representative and the Institute of Forecasting and Macroeconomic research.

Any equipment (including IT equipment and components) procured in the process of project realization, after its completion will be transferred to the Institute of forecasting and Macroeconomic Research.

The relevant provisions of the Standard Basic Assistance Agreement (SBAA) between the Government of Uzbekistan and the UNDP, signed by Parties on 10th June 1993, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services.

Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this document shall be handled pursuant to the relevant provisions of the SBAA.



V. MONITORING FRAMEWORK AND EVALUATION

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

Within the annual cycle

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

Annually

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

Quality Management for Project Activity Results

OUTPUT 1: Strengthened capacity of the Government to apply quantitative methods in economic analysis and policy formulation at national and regional levels		
Activity Result 1 (Atlas Activity ID)	Government capacity enhanced and methodologies developed to improve economic analysis and balancing of medium term forecasting parameters.	Start Date: April 2009 End Date: December 2011
Purpose	Enhancing Government's capacity in medium term policy analysis and formulation through the development of country specific medium term forecasting methodologies and conducting intensive training of involved Government officials	
Description	A team of experts will be formed among the researchers of the Institute of forecasting and macroeconomic research, representatives of line ministries and independent consultants to analyse previous attempts in applying quantitative tools and methodologies for midterm economic forecasting, adapt and elaborate country specific methodologies for balancing midterm macroeconomic forecasting parameters benefiting from international expertise. Analytical reports will be prepared throughout the activity period on important aspects of Government's economic policy. More importantly, intensive trainings will be organized to train the staff of the Institute and representatives of involved ministries in applying developed methodological instruments for more effective policy formulation.	

Quality Criteria	Quality Method	Date of Assessment
<ul style="list-style-type: none"> • At least 100 Government officials and research personnel trained in application of quantitative analysis and forecasting methodologies in medium term economic policy formulation; • Availability of effective methodologies for balancing medium term macroeconomic forecasting parameters; • The level of application of modern economic theory, models and quantitative analysis methods, justification and practical value of produced analytical materials; • At least 4 analytical notes and recommendations developed on impacts of different factors on economic growth 	<ul style="list-style-type: none"> • The results of post training examinations • Round table minutes, reports and list of participants • Produced and published reports, analytical papers, articles and policy notes • Mission reports and comments provided by international consultants • Feedback reports from line ministries on application of developed methodologies • List of participants in training workshops • Twinning partnership reports 	<ul style="list-style-type: none"> • On quarterly and annual basis • Within 30 days after the completion of training workshops

OUTPUT 1: Strengthened capacity of the Government to apply quantitative methods in economic analysis and policy formulation at national and regional levels

Activity Result 2 (Atlas Activity ID)	Improved Government capacity and methodologies for assessing and better addressing regional disparities in policy formulation	Start Date: April 2009 End Date: December 2011
Purpose	Enhancing Government's capacity to better analyze regional disparities and address them in a systematic way under the framework of regional development strategies	
Description	A team of experts will be formed among the researchers of the Institute of forecasting and macroeconomic research, representatives of line ministries, regional khokimiyats and independent consultants to conduct in-depth analysis of regional disparities with regard to economic potential of regions, estimate the tax capacity of regions and develop methodologies and methodical guidelines for effective regional development planning, benefiting from international expertise. Analytical reports will be prepared throughout the activity period on important aspects of regional development in the country. More importantly, intensive trainings will be organized to train the staff of the Institute and representatives of involved ministries and selected khokimiyats in applying developed methodological instruments for more effective policy formulation.	
Quality Criteria	Quality Method	Date of Assessment
<ul style="list-style-type: none"> • At least 4 analytical notes and recommendations developed on better addressing regional economic disparities; • Availability of methodologies for strategic planning at regional levels; • The level of application of modern economic theory, models and quantitative analysis methods, justification and practical value of produced analytical materials; • Regional development strategies prepared for two regions through piloting of newly developed methodology 	<ul style="list-style-type: none"> • The results of post training examinations • Round table minutes, reports and list of participants • Produced and published reports, analytical papers and policy notes • Mission reports and comments provided by international consultants • Feedback reports from the Ministry of economy and khokimiyats on application of developed methodologies • Twinning partnership reports 	<ul style="list-style-type: none"> • On quarterly and annual basis • Within 30 days after the completion of training workshops

OUTPUT 1: Strengthened capacity of the Government to apply quantitative methods in economic analysis and policy formulation at national and regional levels		
Activity Result 3 (Atlas Activity ID)	Institutional relations of the Institute improved and its role in participatory policy formulation strengthened	Start Date: April 2009 End Date: December 2011
Purpose	Enhancing the Institute's institutional relations with Government line ministries, national and international think-tanks to improve its profile and promote participatory policy formulation on economic issues.	
Description	The institutional linkages of the Institute and its product delivery system will be thoroughly assessed to provide recommendations on their improvement, its PR and outreach strategy will be developed and the web-site further improved to introduce advanced features. Post training examinations of the Institute's research personnel is designed to assess the results of the trainings under activities one and two. Annual forum of economists is aimed to serve as a platform to discuss most pressing economic challenges and promote participatory policy formulation.	
Quality Criteria	Quality Method	Date of Assessment
<ul style="list-style-type: none"> • The level of outreach and public awareness of the research conducted by the Institute of forecasting and macroeconomic research is significantly improved • Three annual forums conducted on the pressing issues of regional economic in Uzbekistan; • The effectiveness of training activities is assessed and respective recommendations developed 	<ul style="list-style-type: none"> • Programme, list of participants, speeches and recommendations of national forum of economists • Results of post-training assessment among trainees • Mass-media monitoring reports • Number and feedbacks of guests of the Institute's web-site 	<ul style="list-style-type: none"> • On quarterly and annual basis • Within 30 days after the completion of training workshops

VI. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of Uzbekistan and UNDP, signed on June 10, 1993.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall:

- put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

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

VII. ANNEXES

Annex A: OFFLINE RISK LOG



Project Title: Capacity building for economic forecasting and planning at national and local levels **Date:** 15.04.2009

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Underestimation of the role of quantitative methods in effective policy analysis and formulation among high level Government officials	15.04.2009	Political	May undermine the impact of the project's outputs P=3; I=3	Wide advocacy campaign should be conducted and methodologies should be piloted on selected issues				
2	Insufficiency and/or difficulty in access to required statistical data	15.04.2009	Strategic	May reduce the relevance and undermine the value of analytical work conducted under the project P =4 I = 4	Involve representatives of Statte Committee on statistics into the expert teams and seek support from the Cabinet of Ministers through institutional relations of the Institute				
3	High staff turnover in the institute and the Ministry of economy	15.04.08	Strategic	May have negative impact on the sustainability of the project's outputs P =4 I = 4	Develop standard training modules with case studies and involve the research staff of the Institute and representatives of line ministries in the trainings to the most possible extent Use the examination				

Annex B1: TERMS OF REFERENCE

PROJECT BOARD

Composition and organization: The Project Board contains three roles, including (1) **an executive**: individual representing the project ownership to chair the group; (2) **senior supplier**: individual or group representing the interests of the parties concerned which provide funding and/or technical expertise to the project; and (3) **senior beneficiary**: individual or group of individuals representing the interests of those who will ultimately benefit from the project.

I. Specific responsibilities

1. Initiating a project:

- Agree on PM's responsibilities, as well as the responsibilities of the other members of the Project Management team;
- Delegate any Project Assurance function as appropriate;
- Review and appraise detailed Project Plan and AWP, including Atlas reports covering activity definition, quality criteria, issue log, updated risk log and the monitoring and communication plan.

2. Running a project:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the Project Manager;
- Provide guidance and agree on possible countermeasures/management actions to address specific risks;
- Agree on Project Manager's tolerances in the Annual Work Plan and quarterly plans when required;
- Conduct regular meetings to review the Project Quarterly Progress Report and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Review Combined Delivery Reports (CDR) prior to certification by the Implementing Partner;
- Appraise the Project Annual Review Report, make recommendations for the next AWP, and inform the Outcome Board about the results of the review.
- Review and approve end project report, make recommendations for follow-on actions;
- Provide ad-hoc direction and advice for exception situations when project manager's tolerances are exceeded;
- Assess and decide on project changes through revisions;

3. Closing a project:

- Assure that all Project deliverables have been produced satisfactorily;
- Review and approve the Final Project Review Report, including Lessons-learned;
- Make recommendations for follow-on actions to be submitted to the Outcome Board;
- Commission project evaluation (only when required by partnership agreement)
- Notify operational completion of the project to the Outcome Board.

II. Executive

The Executive is ultimately responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Executive has to ensure that the project gives value for money, ensuring a cost-conscious approach to the project, balancing the demands of beneficiary and supplier. Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Ensure that there is a coherent project organisation structure and logical set of plans
- Set tolerances in the AWP and other plans as required for the Project Manager
- Monitor and control the progress of the project at a strategic level
- Ensure that risks are being tracked and mitigated as effectively as possible
- Brief Outcome Board and relevant stakeholders about project progress
- Organise and chair Project Board meetings

III. Senior Beneficiary

The Senior Beneficiary is responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. This role represents the interests of all those who will benefit from the project, or those for whom the deliverables resulting from activities will achieve specific output targets. The Senior Beneficiary role monitors progress against targets and quality criteria. Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Ensure the expected output(s) and related activities of the project are well defined
- Make sure that progress towards the outputs required by the beneficiaries remains consistent from the beneficiary perspective
- Promote and maintain focus on the expected project output(s)
- Prioritise and contribute beneficiaries' opinions on Project Board decisions on whether to implement recommendations on proposed changes
- Resolve priority conflicts

The assurance responsibilities of the Senior Beneficiary are to check that:

- Specification of the Beneficiary's needs is accurate, complete and unambiguous
- Implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are progressing towards that target
- Impact of potential changes is evaluated from the beneficiary point of view
- Risks to the beneficiaries are frequently monitored

IV. Senior Supplier

The Senior Supplier represents the interests of the parties which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing). The Senior Supplier's primary function within the Board is to provide guidance regarding the technical feasibility of the project. The Senior Supplier role must have the authority to commit or acquire supplier resources required. Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Make sure that progress towards the outputs remains consistent from the supplier perspective
- Promote and maintain focus on the expected project output(s) from the point of view of supplier management
- Ensure that the supplier resources required for the project are made available
- Contribute supplier opinions on Project Board decisions on whether to implement recommendations on proposed changes
- Arbitrate on, and ensure resolution of, any supplier priority or resource conflicts

The supplier assurance role responsibilities are to:

- Advise on the selection of strategy, design and methods to carry out project activities
- Ensure that any standards defined for the project are met and used to good effect
- Monitor potential changes and their impact on the quality of deliverables from a supplier perspective
- Monitor any risks in the implementation aspects of the project

Annex B2: TERMS OF REFERENCE

PROJECT MANAGER

The PM has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board. The PM is responsible for day-to-day management and decision-making for the project. The PM's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

The Implementing Partner appoints the PM, who should be different from the Implementing Partner's representative in the Outcome Board. Prior to the approval of the project, the Project Developer role is the UNDP staff member responsible for project management functions during formulation until the PM from the Implementing Partner is in place.

Specific responsibilities would include:

1. Overall project management:

- Manage the realization of project outputs through activities;
- Provide direction and guidance to project team(s)/ responsible party (ies);
- Liaise with the Project Board or its appointed Project Assurance roles to assure the overall direction and integrity of the project;
- Identify and obtain any support and advice required for the management, planning and control of the project;
- Responsible for project administration;
- Liaise with any suppliers;
- May also perform Team Manager and Project Support roles.

2. Running a project

- Plan the activities of the project and monitor progress against the initial quality criteria.
- Mobilize goods and services to initiative activities, including drafting TORs and work specifications;
- Monitor events as determined in the Monitoring & Communication Plan, and update the plan as required;
- Manage requests for the provision of financial resources by UNDP, using advance of funds, direct payments, or reimbursement using the FACE (Fund Authorization and Certificate of Expenditures);
- Monitor financial resources and accounting to ensure accuracy and reliability of financial reports;
- Manage and monitor the project risks as initially identified in the Project Brief appraised by the LPAC, submit new risks to the Project Board for consideration and decision on possible actions if required; update the status of these risks by maintaining the Project Risks Log;
- Be responsible for managing issues and requests for change by maintaining an Issues Log.
- Prepare the Project Quarterly Progress Report (progress against planned activities, update on Risks and Issues, expenditures) and submit the report to the Project Board and Project Assurance;
- Prepare the Annual review Report, and submit the report to the Project Board and the Outcome Board;
- Based on the review, prepare the AWP for the following year, as well as Quarterly Plans if required.

3. Closing a Project

- Prepare Final Project Review Reports to be submitted to the Project Board and the Outcome Board;
- Identify follow-on actions and submit them for consideration to the Project Board;
- Manage the transfer of project deliverables, documents, files, equipment and materials to national beneficiaries;
- Prepare final CDR/FACE for signature by UNDP and the Implementing Partner.

Annex B3: TERMS OF REFERENCE

PROJECT ASSURANCE

Overall responsibility: Project Assurance is the responsibility of each Project Board member; however the role can be delegated. The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed.

Project Assurance has to be independent of the PM; therefore the Project Board cannot delegate any of its assurance responsibilities to the PM. A UNDP Programme Officer typically holds the Project Assurance role.

The implementation of the assurance responsibilities needs to answer the question "What is to be assured?". The following list includes the key suggested aspects that need to be checked by the Project Assurance throughout the project as part of ensuring that it remains relevant, follows the approved plans and continues to meet the planned targets with quality:

- Maintenance of thorough liaison throughout the project between the members of the Project Board.
- Beneficiary needs and expectations are being met or managed
- Risks are being controlled
- Adherence to the Project Justification (Business Case)
- Projects fit with the overall Country Programme
- The right people are being involved
- An acceptable solution is being developed
- The project remains viable
- The scope of the project is not "creeping upwards" unnoticed
- Internal and external communications are working
- Applicable UNDP rules and regulations are being observed
- Any legislative constraints are being observed
- Adherence to RMG monitoring and reporting requirements and standards
- Quality management procedures are properly followed
- Project Board's decisions are followed and revisions are managed in line with the required procedures

Specific responsibilities would include:

1. Initiating a project

- Ensure that project outputs definitions and activity definition including description and quality criteria have been properly recorded in the Atlas Project Management module to facilitate monitoring and reporting;
- Ensure that people concerned are fully informed about the project
- Ensure that all preparatory activities, including training for project staff, logistic supports are timely carried out

2. Running a project

- Ensure that funds are made available to the project;
- Ensure that risks and issues are properly managed, and that the logs in Atlas are regularly updated;
- Ensure that critical project information is monitored and updated in Atlas, using the Activity Quality log in particular;
- Ensure that Project Quarterly Progress Reports are prepared and submitted on time, and according to standards in terms of format and content quality;
- Ensure that CDRs and FACE are prepared and submitted to the Project Board and Outcome Board;
- Perform oversight activities, such as periodic monitoring visits and "spot checks".
- Ensure that the Project Data Quality Dashboard remains "green"

3. Closing a project

- Ensure that the project is operationally closed in Atlas;
- Ensure that all financial transactions are in Atlas based on final accounting of expenditures;
- Ensure that project accounts are closed and status set in Atlas accordingly.