

UNITED NATIONS DEVELOPMENT PROGRAMME

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PROJECT DOCUMENT
UNDP COLOMBIA

Project Title: Reactiva Colombia**Project Number:** 133855**Implementing Partner:** UNDP Colombia**Start Date:** December 2020 **End Date:** December 2022 **PAC Meeting date:** 18th December 2020

Brief Description

The COVID-19 pandemic has impacted the health and socio-economic aspects of global development. The negative effects of COVID-19 on the economy can already be seen in Colombia. The gross domestic product (GDP) growth rate fell from 1.1 percent in April 2020 to -15.7 percent in June 2020 (DANE, 2020). By August, 2.4 million Colombian workers, 39 percent men and 61 percent women, had lost their jobs. Colombia's decline in GDP growth and increase in unemployment will worsen existing socio-economic gaps and will most severely affect vulnerable people like migrants, women, youth, and indigenous communities. Colombia's economic decline will also increase poverty and inequality rates. This project will enable socioeconomic reactivation by supporting:

- Livelihoods stabilization for individuals and communities affected by the COVID-19 economic crisis by ensuring that relief, recovery, and development are addressed simultaneously.
- Local economic recovery for jobs and employment in the mid- and long-term, with an emphasis on the strengthening of micro, small- and medium-sized enterprises (MSMEs) for income generation opportunities.
- Inclusive economic growth by strengthening regional and national government capabilities to address current and future crises and to build territorial resilience to cope with future economic shocks.



UNSDCF: 3.1 The national government and territorial entities strengthen their capacities to accelerate the 2030 Agenda and the SDGs with the support of the UN Country Team to the efforts of the State.

CPD: 3.1 The national government and territorial entities strengthen their capacities to accelerate the 2030 Agenda and the SDGs

Indicative Output(s) with gender marker: GEN2 Gender equality as a significant objective

Total resources required:	USD \$ 9.800.000	
Total resources allocated:	UNDP TRAC:	
	USAID:	\$ 9.800.000
	Government:	
	In-Kind:	
Unfunded:		

Agreed by (signatures):

UNDP	
	
Print Name:	Jessica Faieta – Representante Residente
Date:	26/01/2021

I. DEVELOPMENT CHALLENGE

The COVID-19 pandemic and other unexpected shocks have impacted the health and socio-economic aspects of global development. To help address and mitigate the impact of COVID-19 in Colombia, the United Nations Development Program (UNDP) has supported the National Health Institute to improve sample processing, complemented vulnerability GIS data with mobility data, and performed a socioeconomic impact analysis. UNDP is keenly aware of the dichotomy between saving lives and livelihoods that has emerged with this pandemic.

The negative effects of COVID-19 on the economy can already be seen in Colombia. Colombia's gross domestic product (GDP) growth rate fell from 1.1 percent in April 2020 to -15.7 percent in June 2020. By August, 2.4 million Colombian workers, 39 percent men and 61 percent women, had lost their jobs. Colombia's unemployment rate also increased from 10.8 percent in August 2019 to 16.8 percent in August 2020, the highest unemployment rate in Colombia since 1999. The latest forecast from Colombia's Ministry of Finance reveals that the country will experience the most significant GDP decline in its history, decreasing by 5.5 percent.

Colombia's decline in GDP growth and increase in unemployment will worsen existing socio-economic gaps and will most severely affect vulnerable populations such as migrants, women, youth, and indigenous communities. At the local level, the regions with pre-existing social problems, such as a history of conflict, will be most affected by COVID-19's impact on the economy. Colombia's economic decline will also increase poverty and inequality rates. For example, if Colombia's employed population's income decreases by 25 percent, the country's monetary poverty will increase from 27 to 37 percent. In this scenario, extreme monetary poverty would also increase from 7.2 to 10.7 percent, and the Gini coefficient could increase between 1.5 and 2.5 percent in 2020.

UNDP identified that over 43 percent of women, 43 percent of youth, and 55 percent of migrants are employed in highly vulnerable economic sectors, such as tourism. The data reveals that Colombia will suffer a setback of 10-15 years in social and economic terms, and this setback will have a more severe impact on women, youth and migrants. Therefore, development donors need to promote strategies to support governmental efforts to "leave no one behind", and to adapt and scale up best policy practices identified throughout the coming year.

This activity will enable socioeconomic reactivation by supporting:

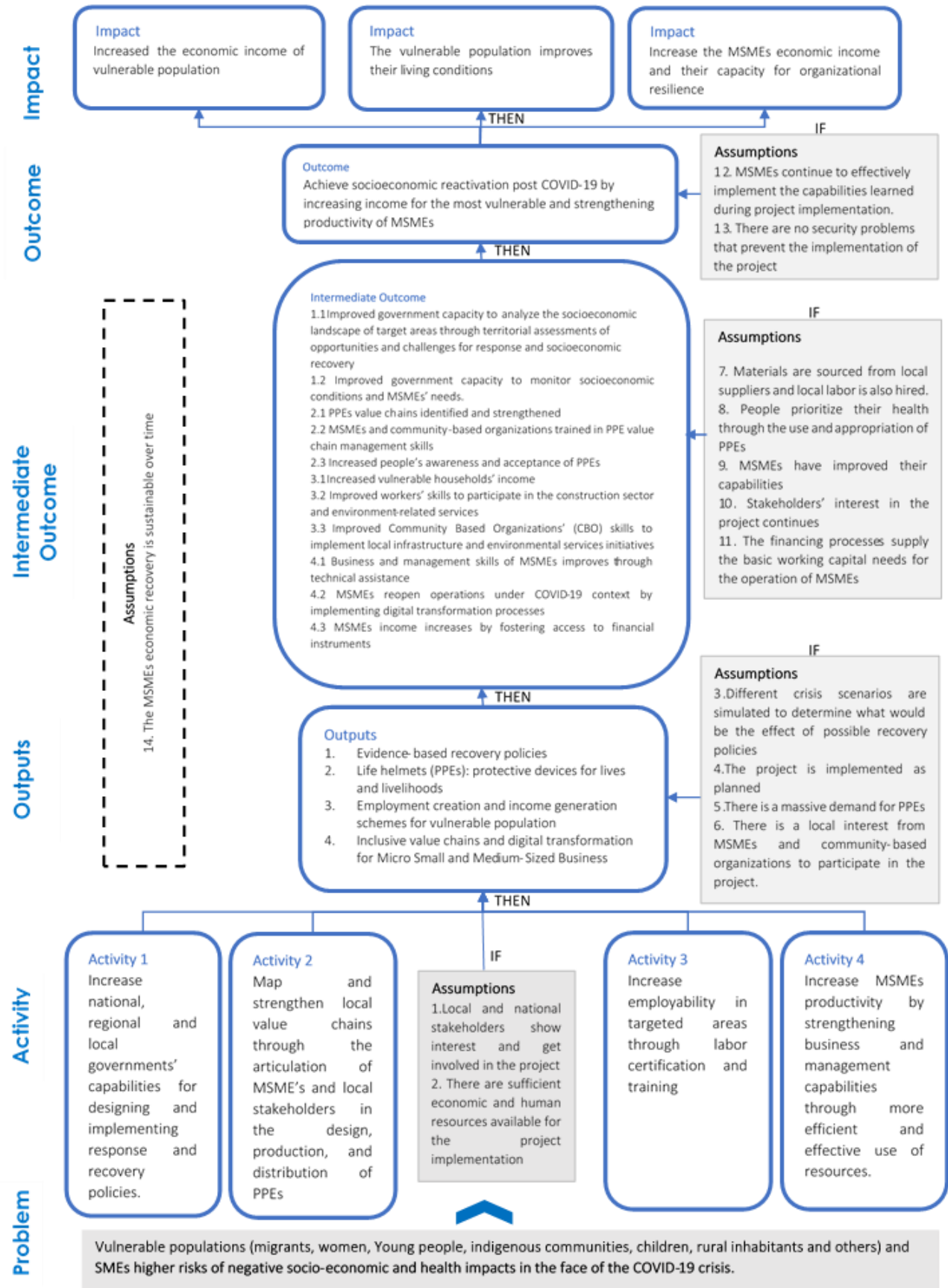
- Livelihoods stabilization for individuals and communities affected by the COVID-19 economic crisis or other unexpected shocks by ensuring that relief, recovery, and development are addressed simultaneously.
- Local economic recovery for jobs and employment in the mid- and long-term, with an emphasis on the strengthening of micro, small- and medium-sized enterprises (MSMEs) for income generation opportunities.
- Inclusive economic growth by strengthening regional and national government capabilities to address current and future crises and to build territorial resilience to cope with future economic shocks.

II. STRATEGY

Purpose: Support socioeconomic reactivation during Colombia's recovery from COVID-19 and other unanticipated shocks by increasing worker incomes and MSME revenues.

Development Hypothesis: IF the government's data capabilities for COVID-19 economic response and recovery policies are strengthened, and worker employability and MSME productivity are improved, notably through PPE production, THEN workers and MSMEs affected by the economic crisis will increase their incomes.

Theory of Change



The Project has four objectives:

1. Increase national, regional and local governments' capabilities for designing and implementing response and recovery policies

UNDP supports national, regional and local authorities in developing evidence-based recovery policies. Leveraging UNDP's recent initiatives, this component seeks to improve public policy making capabilities, specifically related to the collection and analysis of information for the policy making process, in order to inform better recovery responses from unprecedented shocks. To this end, in the last three months, UNDP has supported the National Administrative Department of Statistics (DANE) in the design of a vulnerability viewer, a tool to identify the areas with the greatest risk from COVID-19 in Colombia. Also, UNDP supported the National Planning Department (DNP) to make an analysis of socio-economic impacts of the COVID-19 crisis. At the local level, UNDP supported the development of a hypothetical analysis of public policy priorities for the city of Bogotá to close gaps in SDG in the face of the current crisis.

For this program, UNDP proposes to scale-up its quantitative and qualitative methodologies to identify impacts of the crisis across different vulnerable populations and economic sectors. Using novel machine learning, data mining and data analytics methodologies, we will simulate different crisis scenarios to identify potential impacts of different recovery policies.

UNDP has oriented a large part of its action to territorial work, for which it designed an approach based on institutional and civil society capacity building, social inclusion and coordination with national public policies. In consequence, UNDP has a strong network of seven field offices with coverage in 17 departments with professionals that have established trusting relationships with the local community, and the public and private sector. UNDP will build upon these pre-existing relationships to engage local stakeholders with deep knowledge and expertise in their own territories as well as an understanding of the local economic, social and political dynamics, in order to design evidence-based recovery policies responsive to local realities.

The data generated in component one will be used as input for making evidence-based decisions for the other program components. The first component will periodically and permanently provide information and analysis for the implementation of processes related to supporting MSMEs development and generating employment for vulnerable population

2. Map and strengthen local value chains through the integration of MSME's and local stakeholders in the design, production, and distribution of PPEs.

Maintaining physical distance while enabling economic activation is what UNDP Colombia focused on early in the COVID crisis. Coronavirus infection happens when a contaminated particle comes in contact with the eyes, nose, or mouth of a non-infected person. Contamination occurs when infected droplets expelled by another person reach our face, or when our own hands come in contact with our face after having touched a surface with contaminated particles. The Personal Protective Equipment (PPEs) being used for protection from COVID is the equipment that is commonly worn by healthcare personnel for their daily protection to minimize exposure to contagions. Together with the use of the protective equipment, COVID has required the use of other biosecurity protocols and products such as alcohol and gel. PPEs and biosecurity protocol products are essential for the protection of citizens' health and could allow countries to reactivate their economies if self-protection awareness and hygiene habits are promoted along with the use of proper PPEs.

Production and distribution of proper PPEs is currently taking place in Bogotá. The current challenge is to produce and distribute PPEs in smaller cities, rural areas and left behind territories. Not every PPE is valid or sufficient to protect citizens. In Colombia, UNDP sees the production and distribution

of PPEs as an opportunity to recover economic sectors and activate SMEs through the design, production, and distribution of PPEs locally.

Strengthening existing face shields (PPEs) industrial value chains

UNDP Colombia, together with a network of “unusual” allies - Vice-presidency of Colombia, Colombian Industrial Association, Makers Community, and EAN University - launched the “Life Helmets Challenge.” The challenge activated the collective intelligence of citizens, created awareness of the risk of cross contamination, and searched for a design that blocked the access of hands to eyes, nose, and mouth.

The challenge and the multi-actor platform allowed MSMEs to reactivate their production and value chains through the design, production, certification, and distribution of secured face shields. Every day more MSMEs are contacting UNDP to be part of the platform and produce their own PPEs. Although the extent of impact is not yet certain, we have seen how the four SMEs that started the process are now producing and distributing secured face shields. Based on market research, we have estimated that there is a capacity to sell 120.000 secured face shields in approximately three months, hence, the 460.000 proposed face shields could be sold in about ten months. This calculation is possible if and only if, the capacity for designing, producing and distributing PPEs is already set in place. UNDP is supervising the designs to ensure they fulfill technical requirements, a certification process to endorse proper health protection devices is being developed, and distribution channels are being activated.

The value chains activated by the production of PPEs could be strengthened with the acceleration of the certification process and increased demand of current devices. UNDP aims to finance certification for current PPEs, allowing the current producers to focus its resources on R&D and production. Uncertainty surrounding the current COVID situation makes new companies doubt the PPEs profitability. Still, if massive demand is evidenced and certification becomes a requirement, a new market scenario would accelerate the production and distribution of Life Helmets and PPEs.

Leveraging “Life Helmets” strategy to activate PPEs local value chains

“Life Helmets” strategy, model and network could be replicated to help solve other development challenges. This replica could happen in other countries or territories (e.g., Peru has implemented part of our strategy to build its own Life Helmets model). The model could include looking for ideas, designs, production, value chain creation, and distribution of PPEs locally. An initial scaling of the model is proposed in four cities and surrounding areas (to be defined by component 1).

UNDP’s role would be to replicate the strategy implemented in the “Life Helmets” challenge, identifying local partners to activate or strengthen local ecosystems and value chains for PPE production and distribution. National partners, such as the Vice-Presidency, National Health Institute, Icontec or Invima, must be included in the process to reinforce local ecosystems and ensure the strategy’s scalability.

Through an open call (contest), two or three MSMEs will be identified per region that meet the criteria to design, produce and distribute PPEs. The selected MSMEs will receive technical assistance to properly structure their local value chains and enable an environment for sustainable livelihoods. Additionally, the local value chains will be strengthened through the inclusion of artisans, indigenous groups, and vulnerable communities in the customization and distribution of PPEs. Technical assistance to local MSMEs and community-based organizations will be linked to component 4. Product, value chain and business models will be analyzed, and assessments will be done to strengthen current MSMEs strategies to distribute relevant PPEs to citizens and rural communities.

Distribution channels will be strengthened by working directly with small stores and by building a marketplace and communication strategy. The project will identify small stores, particularly ones

owned by families and female headed households, and deliver an initial stock of accessibly priced Life Helmets/PPE for them to distribute. They will also be provided with a “Do it Yourself” PPE kit developed by the Maker Community which will allow store owners to increase their margin on PPE by cutting the plastic material, assembling and distributing the PPE devices locally.

Concurrently, a digital platform will be designed and implemented to help build the local value chains and identify community aspirations and needs. The project will use peer to peer research to map the MSME ecosystem, the value chain and the benefited communities. The platform will also map where the PPEs are being distributed and will identify communities' needs and uses of protective devices. Furthermore, through research and experiments, the project will measure changes in people's awareness and self-protection behaviors and the results will also be mapped in the platform. With the help of the local and interconnected network, UNDP enables MSMEs and local organizations to adapt to the new market, comply with biosecurity protocols, create new and local business models, and to find new channels for distribution. This component can also contribute to solve other unanticipated shocks, with the provision of PPE or other products/services that may be needed.

3. Increase employability in targeted areas through labor certification and training.

The Cash for Productivity strategy will create temporary job positions to implement “community initiatives” in areas most socially and economically impacted by the COVID-19 pandemic and other unanticipated shocks. The intervention seeks to swiftly increase vulnerable population’s¹ income and provide job opportunities for workers, preventing them from falling into poverty or lifting them out of it.

The strategy has the following guidelines: (I) Inclusive participation: the community collectively identifies its priorities (i.e. neighborhood improvement initiatives) which are later implemented through local organizations. (II) Job Creation: employment with social security coverage (i.e. health and pension schemes) for up to three (3) months. (III) Local Economic Strengthening: materials are procured from local suppliers and the workforce is locally hired. (IV) Gender-based approach: at least 50% of the available job positions must be performed by women; flexible working hour arrangements will be available for individuals engaged in care activities. (V) Strengthening Community Based Organizations - CBOs by including (i.e. hiring) technical personnel to its workforce and providing CBOs with administrative, financial and technical tools for the implementation process. (VI) Certified technical training for the workforce: based on labor market analysis and the identification of labor skills relevant for vulnerable workers in the current environment. The training process can be implemented in alliance with *Servicio Público de Empleo* and *Cajas de Compensación* as its operative branch; the national training institute – *SENA* will be an additional ally. (VII) In order to contribute to climate change mitigation and adaptation, all implemented initiatives will carry out environmental compensation schemes.

The kickstart for the strategy and pilot project will take place in Bogota D.C and will develop within a period of 6 to 9 months. The project will align with the city’s current development plan along the following strategic lines: a) in a health emergency context, seeks to diminish unemployment rates; b) to foster economic and employment opportunities for women, youth and victims of armed conflict; c) to recover or improve community infrastructure assets and public space; and d) to adapt and mitigate climate change by improving the conditions of the urban ecological structure and environmentally relevant areas of the city. The project will be replicated in other municipalities upon the successful completion of the pilot stage. The municipal selection process will take into account the following criteria: alignment of current Development Plans with the strategy; inter-institutional articulation capacity; proven interest in implementing the model; highest levels of socioeconomic needs, highest economic impact as result of the health emergency, among others.

¹ i.e. informal workers, women victims of the conflict or of gender-based violence, unemployed youth, Venezuelan migrant population. In the context of Bogotá: Vulnerable population 33%; Labor informality 41%; Income poverty 1 million; Gini 0.504; Vulnerable population Cali 37%; Labor informality 49%; income poverty 396 thousand; Gini 0.463. (DANE 2018)
Rev.: July 2019

4. Increase MSMEs productivity by strengthening business and management capabilities through more efficient and effective use of resources.

Amid the COVID-19 crisis, small and medium-sized companies have been adversely affected by the economic lockdown triggered to prevent the spread of the pandemic disease, especially in cities with high population density. UNDP Colombia proposes to reactivate the economy and support those MSMEs in the territories and economic sectors most affected by the current emergency, or by other unanticipated shocks. Site selection is currently flexible and depends on the vulnerability analysis from component 1 to identify and target vulnerable hotspots in big cities. For different territories, UNDP can work with and complement USAID's network of financial institutions to provide financial services in the area. In this component UNDP will provide technical assistance, digital transformation, and blended finance, which will provide greater capacity to adapt to new market trends, survive and thrive. The MSMEs will be selected by prioritizing those led by women, young entrepreneurs, migrants, and informal workers, and will also include vulnerable populations most affected by the pandemic. There is currently no specific vulnerable population targeted for this activity; the focus is conditioned on the vulnerability assessment from component 1.

According to the Ministry of Information and Communication Technologies (2016), 75% of MSMEs have access to the internet, however, just 36% have web pages, 26% made online purchases and only 8% have a direct sales platform². For this reason, we propose a technical assistance program for MSMEs that do not have experience in digital service channels and biosecurity practices in their operations.

For micro and small sized enterprises, the program includes practical tips and easy to use interactive webinars to guide entrepreneurs in the use of customizable digital tools; an evaluation of the micro, small or medium-sized enterprises digital capacity to understand specific needs and challenges; one-to-one technical assistance to transform digital practices into 12 business habits that strengthen the business unit; and monitoring and follow-up of the process to meet target goals. Furthermore, UNDP proposes to support the digital transformation of the MSMEs through a digital marketplace to share best practices, connect with customers and potential investors. Mentors will provide coaching services to prepare companies for their e-commerce viability and use of information technologies. Both micro and small enterprises are targeted for the project, but there is flexibility to adapt based upon vulnerability assessment results, taking into account that micro businesses do not create many jobs and therefore a SME focus will provide more opportunities for reactivating local economies. Therefore, the number of jobs created will be a criterion for choosing target enterprises. This proposal will be implemented by UNDP through its technical team, consultants and methodological resources.

The focus of the project is employment which includes both job creation/recovery and maintaining jobs. Priority sectors will be identified through the vulnerability analysis done in Component 1. Recuperating lost jobs is also part of the focus. Recreating jobs will include a process of reskilling people into sectors that have labor shortages or require additional workers due to the current context.

For medium size businesses, UNDP provides two available solutions: (i) a supplier development program and (ii) blended finance schemes. The supplier development program offers businesses the opportunity to improve the competitiveness of their supply chain through the generation of strategic relationships with lead companies that include continuous improvement processes. Even though UNDP is sector agnostic, the context suggests the focus should be on business chains, on trade and from there backwards. Regarding blended finance, UNDP is looking to provide non-reimbursable blended finance through technical assistance and seed capital. Additionally, UNDP is

² Min TIC (2016) "Characterization of the formal and informal Colombian MSMEs and technology. Infométrika Rev.: July 2019

seeking alliances with the private sector to leverage additional resources (micro-credits) with USAID partners and other local actors for small businesses.

To further expand financial access for MSMEs the program will explore different strategies such as crowdfunding, coordinating with financial institutions, investment rounds, and digital marketplaces. The program will utilize UNDP's platform to explore crowdfunding financing for select MSME program participants with the aim of mitigating the investment risk of high impact entrepreneurial projects so that they can strengthen their business model, access finance and become commercially viable over time. The potential invested amount will depend on each enterprise, its assets, maturity, debts, etc. Furthermore, the project will coordinate with financial institutions of different levels to generate access to financial capital for businesses and training in financial education. Non-reimbursable capital investments will also be granted to some businesses. Additionally, Investment rounds will be held where businesses can participate both to offer their products and services and to access other types of financing mechanisms in order to strengthen the businesses and guarantee their sustainability over time.

Micro-franchising systems are based on a contractual collaboration mechanism between a franchising company and a franchised company, where the right to use a brand and a know-how is given. The objective is to replicate successful business models, reducing the learning curve of new business ventures and their probability of failure. The strategy allows the transfer of know how, registered trademarks and knowledge from successful businesses to entrepreneurs at the base of the pyramid (BoP), and thus stimulating formal business ownership, dignified and decent work conditions and the strengthening of productive skills of the BoP. The following steps are part of the implementation process of UNDP's micro-franchising model: 1. Developing the Microfranchise system, 2. Defining financial metrics and viability, 3. Developing of the Microfranchise toolkit, 4. Microfranchisee selection and training process, 5. Operation, and, 6. Scalability.

III. RESULTS AND PARTNERSHIPS (1.5 - 5 PAGES RECOMMENDED)

Expected Results

1. Increase national, regional and local governments' capabilities for designing and implementing response and recovery policies.

Intermediate results (IR) and activities:

1.1 Improved government capacity to analyze the socioeconomic landscape of target areas through territorial assessments of opportunities and challenges for response and socioeconomic recovery or other unanticipated shocks

- Collect primary and secondary data concerning socioeconomic conditions (health, poverty and labor market) and MSMEs' needs
- Process and analyze data collected.
- Transfer capacity to governments to use the information generated for designing response and recovery strategies and policies.

1.2 Improved government capacity to monitor socioeconomic conditions and MSMEs' needs.

- Design a platform with dashboards to monitor the above-mentioned indicators.
- Perform simulations of different socioeconomic scenarios.
- Transfer capacity to governments to implement the monitoring system through the platform designed in the early recovery period.

2. Map and strengthen local value chains through the articulation of MSME's and local stakeholders in the design, production, and distribution of PPES.

Intermediate results (IR) and activities:

2.1. PPEs value chains identified and strengthened

- Activate or strengthen local productive ecosystems and value chains for PPE production and distribution.
- Open call (contest) to identify MSMEs in each targeted area that meet the criteria to design, produce and distribute PPEs.
- Value chains are mapped to identify weak points and design an intervention that results in the strengthening of the value chain.
- Peer-to-peer platform designed and implemented to identify community aspirations and needs and map where the PPEs are distributed.

2.2. MSMEs and community-based organizations trained in PPE value chain management skills.

- Local MSMEs technically assisted to identify or strengthen PPE production value chains and allow a sustainable livelihood environment.
- Product, value chain and business models analyzed to strengthen current MSMEs strategy to distribute relevant PPEs to citizens and rural communities.
- Enable short-term PPEs production and distribution in order to protect local communities and MSMEs employees.
- Contribute to solve other unanticipated shocks, with the provision of PPE or other products/services that may be needed.

2.3. Increased awareness and acceptance of PPEs

- Marketplace and communication strategy built to increase people's acceptance of the benefits of acquiring secure PPEs.
- Research and experiments carried out to test and measure changes in people's awareness and self-protection behaviors.

3. Increased employability through labor certification and training in targeted areas most affected by COVID-19 and other unanticipated shocks.

Intermediate results (IR) and activities:

3.1. Increased income for vulnerable households

- Temporary paid positions made available
- Enrollment in comprehensive social security schemes (i.e. health, pension, vacations and other social benefits)

3.2. Workers' skills improved to participate in the construction sector and environment-related services

- "Learning by doing" scheme carried out on construction and environmental services
- Development of certified job skills training related to construction and environmental services

3.3. Community Based Organizations (CBO) skills for implementing local infrastructure and environmental services initiatives improved

- Hiring of technical and administrative personnel to support CBOs' on ground implementation
- Strengthening in human and financial resources management

4. Increased MSMEs productivity and revenue by strengthening business and management capabilities.

Intermediate results (IR) and activities:

4.1. Improved MSME business and management skills.

- Train MSMEs in business and management skills related to finance, marketing, strategy, operations, and talent management.
- Improve market analysis, strategic planning, and financial forecasting capabilities of MSMEs.

4.2. MSMEs' operations reopened virtually during COVID-19 or other unanticipated shocks.

- Provide MSMEs with access to digital tools and guide them in using these tools for commercial purposes.
- Advise and train entrepreneurs to transform their digital approach to finance, marketing, strategy operations, and talent management.

4.3. MSMEs revenue increased by fostering access to financial instruments.

Planned actions:

- Link MSMEs to financial instruments such as credits, microloans, micro-insurances and others.
- Help MSMEs obtain investment from impact investors to increase private capital leverage.
- Generate new commercial agreements between MSMEs and anchor companies to catalyze new or improved purchase agreements.

Outputs and activities

OUTPUT 1: Increased capabilities for designing and implementing response and recovery policies.		
Activity 1	Response and recovery policies	Start date: Dic. 2020 End date: Dic. 2022
Purpose	Increase national, regional and local governments' capabilities for designing and implementing response and recovery policies.	
Description	<ul style="list-style-type: none"> • Design and implementation of strategies to analyze the socioeconomic landscape of target areas through territorial assessments of opportunities and challenges for response and socioeconomic recovery and other unanticipated shocks • Collect primary and secondary data concerning socioeconomic conditions (health, poverty and labor market) and MSMEs' needs • Process and analyze data collected. • Transfer capacity to governments to use the information generated for designing response and recovery strategies and policies. • Design and implementation of strategies to improve government capacity to monitor socioeconomic conditions and MSMEs' needs. • Design a platform with dashboards to monitor the above-mentioned indicators. • Perform simulations of different socioeconomic scenarios. • Transfer capacity to governments to implement the monitoring system through the platform designed in the early recovery period. 	
Quality criteria	Quality method	Evaluation
<ul style="list-style-type: none"> ·Number of information sets and simulations ·Number of knowledge transfer workshops ·Number of Policy responses jointly built with GOC institutions and with regional and local governments ·Number of platforms with dashboards designed 	Progress reports	Semester

OUTPUT 2: Strengthened value chains for the design, production, and distribution of PPES		
Activity 1	Local value chains for PPEs.	Start date: Dic. 2020 End date: Dic. 2022
Purpose	Map and strengthened local value chains through the articulation of MSME's and local stakeholders in the design, production, and distribution of PPES	

Description	<ul style="list-style-type: none"> • Implementation of strategies to identify and strengthen value chains • Activate or strengthen local productive ecosystems and value chains for PPE production and distribution. • Open call (contest) to identify MSMEs in each targeted area that meet the criteria to design, produce and distribute PPEs. • Value chains are mapped to identify weak points and design an intervention that results in the strengthening of the value chain. • Peer-to-peer platform designed and implemented to identify community aspirations and needs and map where the PPEs are distributed. • Local MSMEs and community-based organizations technically assisted and trained to identify or strengthen PPE production value chains and allow a sustainable livelihood environment. • Product, value chain and business models analyzed to strengthen current MSMEs strategy to distribute relevant PPEs to citizens and rural communities. • Enable short-term PPEs production and distribution in order to protect local communities and MSMEs employees. • Marketplace and communication strategy built to increase people's acceptance of the benefits of acquiring secure PPEs. • Research and experiments carried out to test and measure changes in people's awareness and self-protection behaviors. • Contribute to solve other unanticipated shocks, with the provision of PPE or other products/services that may be needed. 	
Quality criteria	Quality method	Evaluation
<ul style="list-style-type: none"> •460.000 PPEs produced, sold and distributed by MSMEs and community-based organizations to the most vulnerable communities. •4 certified MSMEs producing and distributing PPEs nationally or exporting to Latin America. •1 digital community and value chain mapping tool designed and implemented. •At least 12 local MSMEs design, produce, and distribute PPEs in local markets and are incentivized to scale their market. •At least 12 local MSMEs trained in entrepreneurial and innovations skills. •At least 8 local organizations from vulnerable communities trained and provided technical assistance in producing and providing adequate and secure PPEs to local MSMEs. •At least 300 direct and indirect jobs created or maintained within the MSMEs and/or through PPEs value chains. •1 communication strategy launched. •4 behavioral science experiments designed and tested. 	Progress reports	Semester

OUTPUT 3: Increased employability in targeted areas through labor certification and training

Activity 1	Employability for vulnerable households	Start date: Dic. 2020 End date: Dic. 2022
Purpose	Increased employability through labor certification and training in targeted areas most affected by COVID-19 and other unanticipated shocks.	
Description	<ul style="list-style-type: none"> • Temporary paid positions made available • Enrollment in comprehensive social security schemes (i.e. health, pension, vacations and other social benefits) • Workers' skills improved to participate in the construction sector and environment-related services • "Learning by doing" scheme carried out on construction and environmental services • Development of certified job skills training related to construction and environmental services 	

	<ul style="list-style-type: none"> Community Based Organizations (CBO) skills for implementing local infrastructure and environmental services initiatives improved Hiring of technical and administrative personnel to support CBOs' on ground implementation Strengthening in human and financial resources management 	
Quality criteria	Quality method	Evaluation
<ul style="list-style-type: none"> Up to 1600 temporary jobs created Up to 1600 workers enrolled in social security schemes Up to 1600 vulnerable individuals and workers trained and certified Up to 48 community initiatives implemented by CBOs 24 environmental compensation schemes implemented by CBOs 24 strengthened organizations through Low Value Grants - LVG. 	Progress reports	Semester

OUTPUT 4: Increased MSMEs productivity and revenue by strengthening business and management capabilities.		
Activity 1	MSME productivity and revenue.	Start date: Dic. 2020 End date: Dic. 2022
Purpose	Increase MSMEs productivity by strengthening business and management capabilities through more efficient and effective use of resources	
Description	<ul style="list-style-type: none"> Design and implementation of strategies to Improve MSME business and management skills, affected by the pandemic and other unprecedented shocks Train MSMEs in business and management skills related to finance, marketing, strategy, operations, and talent management. Improve market analysis, strategic planning, and financial forecasting capabilities of MSMEs. Provide MSMEs with access to digital tools and guide them in using these tools for commercial purposes. Advise and train entrepreneurs to transform their digital approach to finance, marketing, strategy operations, and talent management. Design and implementation of programs to Foster access to financial instruments. Link MSMEs to financial instruments such as credits, microloans, micro-insurances and others. Help MSMEs obtain investment from impact investors to increase private capital leverage Generate new commercial agreements between MSMEs and anchor companies to catalyze new or improved purchase agreements. 	
Quality criteria	Quality method	Evaluation
<ul style="list-style-type: none"> Up to 1.500 MSMEs will be prioritized to receive an assessment of business habits and one-on-one technical assistance. Up to 12 leading company's supply chains benefited with the supplier development program. At least 70% of the 1.500 MSMEs will have an increase in sales. At least 100 new/recovered jobs. Up to 500.000 life helmets delivered with QR access to technical assistance platform and content or access to business digitalization guidance, biosecurity protocols and new market trends. Up to 280 MSME's benefited with coaching services on e-commerce and use of information technologies. Up to 60 Microfranchise units implemented. Up to 600 MSMEs will receive financial mechanisms to support improving market access and revenues. 	Progress reports	Semester

Resources Required to Achieve the Expected Results

Human resources

The project requires a core team with previous experience in the design and implementation of development and early recovery projects. Likewise, it requires specialized personnel for the implementation of the activities in the four components and the prioritized thematic areas. In section VIII of this document, the management and governance arrangements are described.

Financial resources

The financial resources of the project will be destined to the hiring of the specialized technical and administrative team of the project and the implementation of the described activities within the prioritized thematic areas.

Partnerships

UNDP will establish partnerships and joint working schemes with national and local partners to strengthen their capabilities, promote the sustainability of the project and address the development challenge. UNDP's development approach focuses on self-reliance and multi-stakeholder partnerships, promotes the mobilization of public and private capital, and works in conjunction with other national and local programs and strategies. The project will foster private sector engagement in its efforts to strengthen MSMEs by increasing MSME productivity and expanding MSME market access. UNDP will also generate interdependencies between impact investors, inclusive businesses and lead companies resulting in greater shared value through the private sector. Lastly, UNDP will coordinate with local and national financial institutions to improve MSME access to financial services, training, and inclusion.

Risks and Assumptions

The following table describes the most relevant risks and assumptions of the project.

Risks	Assumptions
<ul style="list-style-type: none"> - The COVID-19 pandemic worsens, or a new health crisis occurs, which hinders the implementation of the early recovery policies and strategies. - The national and/or local government experiences an institutional crisis which hinders project development as initially planned. - There is another national crisis, like an economic recession, political crisis, or natural disaster, which generates an adverse context to project development. - Unforeseen challenges to scaling-up PPE design, production and distribution in different territories and contexts in Colombia. - Resistance from local MSMEs and community-based organizations to see PPE value chain as an economic opportunity. - Resistance from local communities to use PPE to protect themselves and appropriate biosecurity behaviors. - Outbreak of violence or serious deterioration of the security environment in targeted areas 	<ul style="list-style-type: none"> - Local and national stakeholders show interest and get involved in the project. - There are sufficient economic and human resources available for the project implementation. - Different crisis scenarios are simulated to determine what would be the effect of possible recovery policies. - There is a sustained demand for PPE. - There is local interest from MSMEs and community-based organizations to participate in the project. - Materials are sourced from local suppliers and local labor is hired. - People prioritize their health through the use and appropriation of PPE. - Security in targeted areas will not have an adverse impact on project implementation

Stakeholder Engagement

The project focuses on vulnerable population, with emphasis on migrants, women, Afro-descendants, indigenous and young people. To achieve the permanence and motivation of the target population, the following activities are planned:

- Socializations with the population to guarantee total clarity about the scope and objectives of the project, avoid false expectations and communication problems.
- Spontaneous visits by the national or local team to verify compliance with the activities and commitments acquired with the target population.
- Permanent follow-up meetings with the teams in the field to guarantee that they have all the tools available to guarantee compliance with the agreements with the population.
- Focus groups with beneficiaries to identify successes and failures, adjust and improve the intervention.

Cross-cutting issue integration

Youth, Gender and LBGTI	<ul style="list-style-type: none"> - The response and recovery policies and strategies will include a strong gender and youth focus. - PPE distribution channels' will be strengthened through a marketplace and communication strategy, and in partnership with small stores, specifically family and female-owned stores. - Regarding the Cash for Productivity Strategy, the gender-based approach will focus on: 1) having at least 50 percent of the skilled and unskilled job positions available for women and LBGTI community members; and 2) allowing flexible working hours so individuals with care responsibilities are encouraged to apply. - The selection of MSMEs with the business associations and alliances will prioritize those companies led by women, youth, migrants and LBGTI individuals.
Environment	<ul style="list-style-type: none"> - The response and recovery policies and strategies will promote environmentally sound and sustainable recovery processes. - The material being used to produce PPE will balance device specific needs and plastic recycling opportunities. - The Cash for Productivity Strategy will focus its efforts on implementing community initiatives, particularly environment-related and impactful activities like reforestation, ecological restoration, and unclogging water sources, in order to contribute to the national and local targets on climate change mitigation and adaptation.
Ethnic minorities	<ul style="list-style-type: none"> - The response and recovery policies and strategies will include an ethnic focus. - The community-based organizations will include artisans, indigenous groups and Afro-Colombians, and will be encouraged to foster customization and distribution of PPE.
Digital technologies	<ul style="list-style-type: none"> - In order to help build the local value chains and identify community aspirations and needs, a platform will be designed and implemented, using peer to peer research to map the MSME ecosystem, the value chain, and the benefited communities. This platform will also map where PPE is being distributed and will identify communities' needs and uses of protective devices. - The technical assistance route for SMEs will focus on the adoption of digital technologies to support: 1) business processes in marketing and sales; and 2) the development of skills to adapt the new socioeconomic reality.

	<ul style="list-style-type: none"> - Due to COVID-19, the supervision and monitoring of the strategy's implementation will be partially remote. To enhance these tasks, community-based organizations will be introduced and trained to use appropriate communication platforms and apps.
Private sector/local partner engagement	<ul style="list-style-type: none"> - The response and recovery policies and strategies include a capacity building approach, with significant participation and engagement of local partners. - The project enables private sector engagement and coordinates with local and national financial institutions to improve MSMEs' access to financial services and training. Partnerships with business associations, impact investors, and leading private sector actors, will be a key success factor to: 1) search and select MSME; 2) facilitate financial mechanisms; and 3) catalyze purchase agreements.

South-South and Triangular Cooperation (SSC/TrC)

The project will promote the development of South-South cooperation initiatives, taking as a starting point the knowledge management strategy, the products and systematizations of the actions of the project, facilitating their replicability in other countries. Additionally, the project will participate and promote knowledge sharing experiences with other countries regarding early recovery strategies as a first step towards economic reactivation.

Knowledge Sustainability and Scaling Up

Objective 1 aims to increase national and local governments' data capabilities to inform COVID-19 responses and recovery policies. UNDP works with national and regional government actors to develop evidence-based economic recovery policies through information collection and analysis. UNDP will achieve this objective by improving public actors' capacity to gather and analyse information needed for effective policy development. All of the data that will be generated under this objective will be used as input for the other project objectives and will help ensure that decisions are made based on evidence. In other words, this component will permanently provide information and analysis needed to support MSMEs development and to generate employment for vulnerable populations.

Furthermore, regarding the projects actions to promote sustainability:

- The establishment of national and local multi-stakeholder ecosystems will allow the creation or strengthening of PPEs' value chains. These ecosystems will allow UNDP to leverage local resources and expertise while strengthening local MSMEs and community-based organizations' capacities to design, produce, and distribute PPEs. Additionally, the communication strategy will contribute to sustainability by impacting people's mindset and behaviour regarding the use and acquisition of PPEs, which will also support local ownership of the process and help boost economic reactivation while protecting their health.
- The Cash for Productivity strategy will focus its efforts on implementing community initiatives, and particularly environment-related and impactful activities: reforestation, ecological restoration, unclogging water sources/streams, tree sowing, among others. These activities are relevant for the employment strategy for two main reasons: 1) labor intensiveness and 2) alignment with the Governments national development plan. There is an opportunity for UNDP to establish middle -and possible- long-term alliances with local and national institutions to provide continuity to the Cash for Productivity strategy and employment scheme. Additionally, the capacity building process for both individuals and Community Based Organizations will allow them to acquire additional tools, skills and methodologies thus increasing their chances of participating in further development projects and initiatives, either as individuals or collectively.
- Lastly, the project will transfer tools to micro, small and medium-sized businesses to reactivate their business, increase their productivity and expand access to local or international markets.

Their inclusive value chains will enhance the possibility to link populations in poverty and vulnerability as a key driver to strengthen their business unit. The ecosystem created will generate interdependencies between impact investors, inclusive businesses and lead companies resulting in greater shared value through the private sector. The lessons learned throughout the project will be condensed into handbooks (mainly virtual) that will be distributed to scale the project to other regions of the country and economic sectors. The knowledge management will be used as guidelines to replicate the reactivation models.

IV. PROJECT MANAGEMENT (1/2 PAGES - 2 PAGES RECOMMENDED)

Cost Efficiency and Effectiveness

The project has identified the following elements to guarantee efficiency and effectiveness in costs and in the management of resources:

- UNDP experience and know-how in the implementation of early recovery strategies. The previous experience and the proven methodologies will save time and knowledge, in order to give a more efficient destination to the available resources.
- Knowledge and experience in the use of operational and execution mechanisms. UNDP has significant experience in the execution of resources, which has allowed them to know and use efficiently and effectively the different operational and administrative mechanisms of the organization.
- Articulation and alliances with other projects. The Project articulates with projects and areas within UNDP that have developed the proposed activities in the ToC, in order to improve cost-effectiveness. In this sense, activities will be carried out in coordination and alliance with projects from all program areas.
- Administrative capacity and suitability of UNDP. UNDP has the capacity and expertise to guarantee administrative and contracting processes that guarantee due competence, impartiality and efficiency in the execution of resources.

Project Management

The project staff will be located in the UNDP offices in Bogotá. It is planned to have local staff hired by UNDP for the implementation of local activities. Regarding the geographical focalization, the first step will occur in the very beginning of the program, within the first two months. The focalization will be based on criteria (characteristics of the territories, population and USAID/UNDP's previous presence in Colombian municipalities) that USAID and UNDP determine in order to identify vulnerable hotspots (population and territory). Once the program develops its first results, there will be an opportunity to evaluate the relevance of the targeting process depending on the country context. The identification of vulnerable hotspots can be recalibrated every time UNDP and USAID determine it is necessary.

Financial

The project will start upon the receive of the contribution destined for its funding. The project will be financed by USAID. All the project funds will be administered according to UNDP financial rules and regulations

General Management Support services

In accordance with the decisions, policies and procedures of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the Contribution shall be charged a fee of at least 8%. Furthermore, as long as they are unequivocally linked to the Project, all direct

costs of implementation, including the costs of Implementing Partner, will be identified in the [Programme/Project] budget against a relevant budget line and borne by the [Programme/Project] accordingly.

Equipment

Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

End of Project

This project may be terminated: 1) at the end of the provided length, and any given notice had been given; 2) all of the objectives were achieved; 3) Unexpected reasons or fortuitous event

Auditing

The Contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of UNDP. Should the annual Audit Report of the UN Board of Auditors to its governing body contain observations relevant to the Contribution, such information shall be made available to the Donor by the country office.

V. RESULTS FRAMEWORK

Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework: 3: TECHNICAL ASSISTANCE FOR THE ACCELERATION OF THE SDGS CATALITIC Result 3.1 The national government and territorial entities strengthen their capacities to accelerate the 2030 Agenda and the SDGs with the support of the UN Country Team to the efforts of the State.								
Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: Result 3.1 The national government and territorial entities strengthen their capacities to accelerate the 2030 Agenda and the SDGs								
Applicable Output(s) from the UNDP Strategic Plan: 1. Eradicate poverty in all its forms and dimensions								
Project title and Atlas Project Number: XXXXXX								
EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS			DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	FINAL	
<i>Output 1. Increased capabilities for designing and implementing response and recovery policies.</i>	1.1 ·Number of information sets and simulations	<i>M&E tools of the project</i>	0	2020	1	2	3	<i>M&E tools and strategy – No relevant risks identified</i>
	1.2 Number of platforms with dashboards designed		0	2020	0	1	1	
	1.3 Number of Policy responses jointly built with GOC institutions and with regional and local governments		0	2020	1	1	2	
<i>Output 2. Strengthened value chains for the design, production, and distribution of PPES</i>	2.1 Number of PPEs produced, sold or distributed by MSMEs and community-based organizations to the most vulnerable communities.		0	2020	160.000	300.000	460.000	
	2.2 Number of local MSMEs and community-based organizations trained or technically assisted (entrepreneurial, innovations skills, design/production of PPEs)		0	2020	8	12	20	
	2.3 Number of direct and indirect jobs created or maintained within the MSMEs and/or through PPEs value chains		0	2020	120	180	300	
<i>Output 3. Increased employability in targeted areas through labor certification and training</i>	3.1 Number of vulnerable workers hired		0	2020	544	1056	1600	
	3.2 Number of vulnerable workers trained and certified		0	2020	544	1056	1600	
	3.3 Number of Community Based Organizations technically and administratively strengthened		0	2020	8	16	24	
<i>Output 4. Increased MSMEs productivity and revenue by strengthening business and management capabilities.</i>	4.1 Number of MSME with increase of sales	0	2020	300	400	700		
	4.2 Number MSME strengthened in administrative, commercial and financial areas.	0	2020	750	750	1500		
	4.3 Number of MSME with capital leveraged from financing mechanisms	0	2020	300	300	600		

VI. MONITORING AND EVALUATION

Monitoring Activity	Purpose	Frequency	Expected Action
Annual Work Plan	An Annual Work Plan will be developed in consultation with USAID, counterparts, and implementation partners. Annual Work Plans (in English) will be submitted to USAID/Colombia for review and approval.	Annually	Planning of the activities will be used for achieving expected results
Monitoring, Evaluation and Learning (MEL) Plan	The project will be monitored through a comprehensive Monitoring, Evaluation and Learning (MEL) Plan before major implementation actions begin.	Annually	Planning of the activities will be used for achieving expected results
Programmatic progress report	Progress data will be collected and analyzed to assess the progress of the project in achieving the agreed outputs.	Bi-annual	Slower than expected progress will be addressed by project management.
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Bi-annual	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.
Annual Project Report	Annual progress report will be presented, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)	

Evaluation Plan

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Evaluation	NA	SE no. 1	3 – 3.1	Q2 - 2022	USAID	USD 120.000

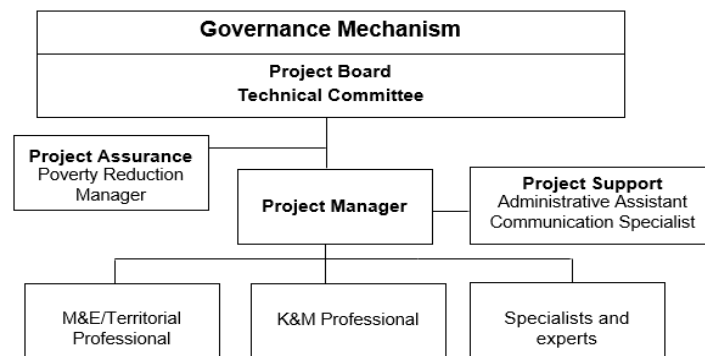
VII. MULTI-YEAR WORK PLAN

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget		RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2		Funding Source	Budget Description	Amount
Output 1. Increased capabilities for designing and implementing response and recovery policies. <i>GEN1 Limited contribution to gender equality</i>	1.1 Response and recovery policies	\$686.864	\$ 294.370	UNDP	USAID	Local consultants Travel Workshops	\$ 981.235
	Sub-Total for Output 1						\$ 981.235
Output 2. Strengthened value chains for the design, production, and distribution of PPES <i>GEN1 Limited contribution to gender equality</i>	2.1 Local value chains for PPEs.	\$ 1.310.901	\$ 561.815	UNDP	USAID	Local consultants Travel Workshops Grants	\$ 1.872.716
	Sub-Total for Output 2						\$ 1.872.716
Output 3: Increased employability in targeted areas through labour certification and training <i>GEN2 Gender equality as a significant objective</i>	3.1 Employability for vulnerable households	\$ 2.019.166	\$ 865.357	UNDP	USAID	Local consultants Travel Workshops Grants	\$ 2.884.523
	Sub-Total for Output 3						\$ 2.884.523
Output 4. Increased MSMEs productivity and revenue by strengthening business and management capabilities. <i>GEN2 Gender equality as a significant objective</i>	4.1 MSME productivity and revenue	\$ 2.334.920	\$1.000.680	UNDP	USAID	Local consultants Travel Workshops Grants	\$ 3.335.601
	Sub-Total for Output 3						\$ 3.335.601
SUBTOTAL							\$ 9.074.074
General Management Support (8%)							\$ 725.926
TOTAL							\$ 9.800.000

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

UNDP Colombia will carry out the activities required to achieve the expected results and will maintain a permanent dialogue with USAID throughout the duration of the project. To achieve this the project will have the following coordination schemes:

- **Project Board:** will be comprised of UNDP and USAID director level representatives in Colombia. This Board will be responsible for making strategic decisions and recommend strategies and actions for achieving expected results. Project Board decisions should be made in accordance with standards that shall ensure management for development results, cost efficiency, fairness, integrity, transparency and effective international competition. This project will approve an Annual Work Plan (AWP) and monitor its progress. The project board will meet at least once during the year.
- **Technical Committee:** will be constituted by UNDP and USAID technical representatives in Colombia. This committee will be responsible for making strategic as well as operational decisions and will assure appropriate project management milestones are managed and completed. The committee will meet on a quarterly basis.



The project core team composition will be as follows:

- **Project Manager.** Responsible for day-to-day management and decision-making for the project in coordination with national, regional and local counterparts.
- **Knowledge Management Professional.** Responsible for knowledge management activities and strategies, and construction of methodologies and toolkits.
- **Monitoring and Evaluation/Territorial Professional.** Monitoring and evaluation of the project at the national and local level, development of instruments and tools, reports and liaison with territories.
- **Support.** Administrative Assistant and Communications specialist.
- **Specialists, experts and component leads.** Specific specialists and experts for the implementation of the project in its 4 components

IX. LEGAL CONTEXT

Option a. Where the country has signed the [Standard Basic Assistance Agreement \(SBAA\)](#)

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date). All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by [name of entity] (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. RISK MANAGEMENT

Option b. UNDP (DIM)

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]³ [UNDP funds received pursuant to the Project Document]⁴ 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/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.

³ To be used where UNDP is the Implementing Partner

⁴ To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
 - a. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
 - i. 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;
 - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
 - b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
 - c. In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.
 - d. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
 - e. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
 - f. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
 - g. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- h. *Option 2:* Each responsible party, subcontractor or sub-recipient agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- i. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- j. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- k. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

XI. ANNEXES

1. **Project Quality Assurance Report**
2. **Social and Environmental Screening Template** [\[English\]](#) [\[French\]](#) [\[Spanish\]](#), including additional Social and Environmental Assessments or Management Plans as relevant.
(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).
3. **Risk Analysis.** Use the standard [Risk Register template](#). Please refer to the [Deliverable Description of the Risk Register](#) for instructions
4. **Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)
5. **Project Board Terms of Reference and TORs of key management positions**